

Gonzales County Underground Water Conservation District
Minutes of the Board of Directors
July 8, 2014
Board Meeting

The regular meeting of the Board of Directors of the Gonzales County Underground Water Conservation District (the District) was called to order. Present for the meeting were directors: Bruce Tieken, Steve Ehrig, Barry Miller, Bruce Patteson and Kermit Thiele. Also present for the meeting were GCUWCD General Manager Greg Sengelmann, GCUWCD Well Mitigation Manager Link Benson, and administrative assistant Laura Mills. Other Attendees included: (See Attached List)

Public Comment: None.

The minutes from the June 10, 2014 Board Meeting were reviewed. Mr. Bruce Patteson made a motion to approve the minutes and Mr. Kermit Thiele seconded the motion. The motion passed unanimously.

Ms. Laura Mills gave the financial report. The Board discussed CD 11, which matures August 4, 2014. Mr. Patteson made a motion to approve the financial report and renew/roll over CD 11 and convert it into a 6-month CD; then at the next maturity date, change it to a 12-month CD. Mr. Barry Miller seconded the motion. The motion passed unanimously.

The Board reviewed the District's outstanding bills. The bills were as follows: \$97.60 to AT&T Mobility for basic mobile bill, \$200.72 to GVTC for phone and internet service, \$49.00 to the US Post Office for postage, \$578.50 to the US Post Office for office rent, \$35.00 to Rockin'S Marketing & Design for website maintenance, \$180.00 to Workspace Infrastructure & Mobility LLC for computer services, \$172.34 to Ricoh for copier rental, \$444.50 to Gonzales County Appraisal District for quarterly payment, \$11.65 to Reese's Print Shop for office supplies, and \$44.17 to Lone Star Groundwater Conservation District for HNRC staff dinner. Mr. Miller made a motion to pay the District's bills. Mr. Steve Ehrig seconded the motion. The motion passed unanimously.

The Board reviewed the Western and Eastern Mitigation Funds' outstanding bills. The bills for the Western Fund were as follows: \$200.00 to GVEC for water well mitigation, \$4,802.78 and \$6,829.23 to B&S Water Well Service for water well mitigation. The bills for the Eastern Fund were as follows: \$226.60 to the US Post Office for office rent and \$36.99 to Reese's Print Shop for office supplies. Mr. Patteson made a motion to pay the Western and Eastern Mitigation Fund bills and Mr. Bruce Tieken seconded the motion. The motion passed unanimously.

The Board then discussed the agenda item concerning the appointment of Crystal Cedillo, Tax Assessor-Collector, as the individual to calculate and prepare the 2014 Effective and Rollback Tax Rates for GCUWCD. After a brief discussion, Mr. Miller made a motion to appoint Crystal Cedillo to calculate and prepare the 2014 Effective and Rollback Tax Rates for GCUWCD. Mr. Thiele seconded the motion. The motion passed unanimously.

The Board discussed and took action on the proposed Master Disposal SWDW Permit before the Texas Railroad Commission. Mr. Greg Sengelmann stated that the proposed Master Disposal injection well is located approximately 1 mile east of Smiley and the injection interval is listed as 9,650 to 13,000 feet. Master Disposal and the District have worked together on additional safety enhancements to their proposed disposal well facilities, including running a cement bond log on the long-string casing and installing an impermeable secondary containment structure around the storage tanks and piping. In lieu of this cooperative agreement, the General Manager recommends the District drop its protest of the Master Disposal SWDW application to the Texas Railroad Commission. Mr. Miller made a motion to reach an agreement with Master Disposal and drop the District's protest. Mr. Tieken seconded the motion. The motion passed with Mr. Ehrig, Mr. Miller, Mr. Thiele, and Mr. Tieken voting in favor of the motion and Mr. Patteson voting against the motion.

The Board then discussed and took action on the complaint of groundwater waste filed with the District. After a

brief discussion, Mr. Miller made a motion to send a certified letter to the violator to “cease and desist” within a reasonable amount of time because he is in violation of state law and groundwater district rules. Mr. Patteson seconded the motion. The motion passed unanimously.

The Board then discussed and took action on the request by Schertz-Seguin Local Government Corporation to renew its public supply well number 7 drilling and production permit. The well is located on CR 127 approximately 6.5 miles northwest of Nixon. The well is permitted to produce 1,616 ac-ft of water per year at an average rate of 1,000 gpm from the Carrizo Aquifer. The well was originally permitted under the 2 ac-ft per acre Rule which was amended to 1 ac-ft per acre in a subsequent Rule change. Rule 18.C states that “Wells previously permitted to produce at a higher rate per surface acre shall be reduced to the rate stated per surface acre in this rule beginning with permits scheduled to be reissued in 2012 and all permits therein after shall be reissued at this rate.” SSLGC has acquired additional acreage to make up for this production rate reduction to maintain the current rate of 1,616 ac-ft of water per year. The permittee has substantially complied with all the rules of the District. Mr. Patteson made a motion to renew the SSLGC’s public supply well number 7 and Mr. Thiele seconded the motion. The motion passed unanimously.

The Board then discussed and took action on the proposed R Bar M Ranch application to re-equip an existing well for industrial supply use. The permit application was declared administratively complete on May 15, 2014. Notices were mailed out to adjacent landowners and published in the Gonzales Inquirer and Lockhart Post-Register. The R Bar M Ranch requested a permit to use its full 426 contiguous acres for industrial supply use. The well was completed at a depth of 390 feet in the Yegua-Jackson Aquifer and had been used by Weber Energy as a frac well. The adjacent landowners reported no effects on their wells during this time period. The District currently does not have production or spacing rules for the Yegua-Jackson Aquifer. The District’s attorney has advised moving forward on the permit application in accordance with our notice and hearing procedures and, if we deem appropriate, grant the permit with a special provision requiring renewal once rules are adopted for the Yegua-Jackson Aquifer. The District has received calls from several adjacent landowners to request additional information about the permit application and one protest letter objecting to the proposed permit application. Many of the adjacent landowner wells have been registered and examined to determine whether the wells are located in the same sands as the proposed industrial well. The District has a good network of wells surrounding the proposed industrial well to assess any drawdown from future pumping. After a brief discussion, Mr. Miller made a motion to approve the R Bar M Ranch industrial well permit with the stipulation that the maximum amount allowed per year would be 403 ac-ft or 250 gpm, and R Bar M Ranch must request renewal once the District has adopted Rules for the Yegua-Jackson Aquifer. Mr. Ehrig seconded the motion. The motion passed with Mr. Ehrig, Mr. Miller, Mr. Thiele, and Mr. Ticken voting in favor of the motion and Mr. Patteson voting against the motion.

Manager's Report:

Mr. Sengelmann gave his monthly manager’s report. On June 3rd, 5th, 6th, 17th, and 18th he measured water levels in the District’s Wilcox, Carrizo, Queen City, and Sparta Aquifer observation wells. June 4th he traveled to Lockhart to post the Regular Board Meeting agenda. On June 4th, 6th, and 18th Mr Sengelmann met with landowners Doug Kersh, Mark Cornelius, and Debbie Neimeier who were concerned about the R Bar M Ranch industrial supply permit application. He registered their water wells and explained the rules for permit applications received by the District. The wells are all completed in the Yegua-Jackson Aquifer based on location, water level elevation, water quality data, and/or reported well construction depth. On June 11th Mr. Sengelmann assisted a representative of the Texas Railroad Commission with gaining access to the Queen City Aquifer water wells containing oil that Mr. Sengelmann had identified in his investigation in the area stretching from the former Cactus Corral property to CR 442. The TRC sampled for total petroleum hydrocarbons and benzene, toluene, ethylbenzene, and xylenes. The results will be provided to the landowners and the District. On June 16th he investigated a complaint about water flowing across CR 481 from a stock tank. According to the complainant, the stock tank has to be filled frequently from a water well because of the leakage. Mr. Sengelmann observed and photographed the leakage from the stock tank and noted the location of the water well located near the stock tank as described by the complainant. June 16th he responded to a complaint by a landowner located in Gonzales County but just outside the District boundaries. The landowner was concerned that nearby fracking wells had caused his well to go dry. The landowner was not sure of the total depth of the well or the pump setting. Mr. Sengelmann attempted to measure the depth to water in

the well but hit an obstruction at about 150 feet. He suggested that the landowner contact a water well driller to pull the pump and measure the water level and total depth of the well. On June 23rd GCUWCD Board Members, Bruce Tieken, Steve Ehrig, Bruce Patteson, Barry Miller, and General Manager, Greg Sengelmann attended the 2014 Agricultural Water Summit in San Marcos. Topics of discussion included assessing available tools and technical support to assist with agricultural water planning, developing strategies to address agricultural water needs, and financing and implementing agricultural water strategies in the State water plan. On June 25th Mr. Sengelmann provided testimony at the House Natural Resources Interim Charge Hearing on Groundwater Resources in Austin. The Interim Charge was to evaluate the availability, management, and development of groundwater in the state; consider the economic, environmental, and social impacts of groundwater usage and production in the agricultural, municipal, and energy sectors. In particular, examine methods to facilitate further development of brackish groundwater resources and to improve the consistency and certainty of permitting by groundwater districts without undercutting reasonable regional and local regulation of groundwater. The Committee was very interested in hearing how GCDs handle management of fresh versus brackish groundwater and management of aquifer storage and recovery projects. June 26th Mr. Sengelmann attended a GBRA sponsored Teacher Institute Conference in Victoria on Energy, Economics and the Environment. GCUWCD, Pecan Valley GCD and the Victoria County GCD were invited to provide a short presentation about their respective GCDs and answer questions from the audience. Mr. Sengelmann gave the water production reports for Schertz-Seguin Local Government Corporation, Aqua Water Supply Corporation, San Antonio Water Systems and Canyon Regional Water Authority. The Palmer Drought Index, as of July 1st, 2014 indicates that we are in abnormally dry conditions.

The Board discussed and took action on the agenda item for paying the General Manager's, Administrative Staff, and Board Members' expenses for the month. Mr. Patteson made a motion to approve the expenses and Mr. Thiele seconded the motion. The motion passed unanimously.

Mitigation Fund Manager's Report:

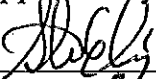
Mr. Link Benson gave his monthly manager's report. On June 3rd he went to check on the Whiddon well in Smiley. It had rained in the area and had been too wet to work. On June 5th he met with B&S Water Well Service (B&S) to set the pump in the Whiddon well. June 11th he went to Smiley to meet with B&S to set the pump in the Jeff Novak (Sample) well. He went to Smiley on June 13th to meet with B&S to observe the ditching for the electrical at the Whiddon well. On June 16th he traveled to Smiley to set the pump in the Pickett well for a water sample. June 30th he went to Nixon to draw a water quality sample from the Sullivan well.

The Board discussed and took action on paying the Mitigation Manager's expenses for the month. Mr. Miller made a motion to pay the Mitigation Manager's expenses and Mr. Ehrig seconded the motion. The motion passed unanimously.

Adjourn:

A motion was made by Mr. Thiele to adjourn the meeting and Mr. Patteson seconded the motion. The motion passed unanimously.

Approved By:


August 12, 2014

GS:lm

Gonzales County Underground Water Conservation District

Board Meeting Sign in Sheet

July 8, 2014

<u>Name</u>	<u>Organization</u>	<u>Landowner (yes or no)</u>
Ken Holt	SAWS	
Art Rosario	Self	Yes
Graham Moore	HCPWA	No
Craig Hines	CRWA	Yes
Bill Klemm	SSLOC	No
Emmet Baker		Yes
Alan Cokerell	SSLOC	Yes