

Gonzales County Underground Water Conservation District
Minutes of the Board of Directors
September 9, 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 Ticken, Steve Ehrig, and Barry Miller. Also present for the meeting were GCUWCD General Manager Greg Sengelmann and GCUWCD Well Mitigation Manager Link Benson, administrative assistant, Laura Martin, and office assistant, Sally Birkner. Other Attendees included: (See Attached List)

Public Comment: Public comments were made by landowner Ms. Nancy Foster, who read a personal letter. Public comment was made by landowner Mr. Pat Rosato. Public comment was made by, landowner, Mr. Mark Ploeger, landowner. Public comment was made by Mr. Troy Kisner, landowner. A recording of the board meeting and comments received are filed at the District office.

The minutes from the August 12, 2014 Board Meeting were reviewed. Mr. Barry Miller made a motion to approve the minutes and Mr. Steve Ehrig seconded the motion. The motion passed unanimously.

Ms. Laura Martin gave the financial report. CD rates in financial report were reviewed from local banks. Mr. Steve Ehrig made a motion to approve financial statement and move CD #19 from Sage Capital Bank to Loan Star Bank at 0.75% interest rate for 13 months, Mr. Patteson seconded the motion. The motion passed unanimously.

The Board reviewed the District's outstanding bills. The bills were as follows: \$90.56 to AT&T Mobility for basic mobile bill, \$222.78 to GVTC for phone and internet service, \$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, \$168.96 to Ricoh for copier rental, \$21.46 and \$60.48 to Reese's Print Shop for office supplies, \$211.83 to Gonzales Inquirer for Web Advertising and Notice of Public Hearing, \$34.28 for Caldwell County Appraisal District 4th Qtr payment, \$338.63 for Lockhart Post-Register for Notice of Public Hearing, \$100.00 for Dubose Insurance Agency for CNA Surety Insurance, \$200.00 for Filloyd & Gindler, PC for Consultation, \$444.50 for Gonzales County Appraisal District 4th Qtr payment, \$204.00 for Post Office box fee for 12 months, \$3224.00 to Texas Agrilife Extension Service for well database updates, \$457.50 to LJD Consulting & Bookkeeping for services, \$4070.91 to Greg Ellis Attorney At Law for May 2014-August 2014 Professional Consulting Services. Mr. Miller made a motion to pay the District's bills. Mr. Patteson 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 electricity to a well, \$5579.78 (I173), \$4879.98 (A088 #1), \$1046.60 (A089 #2), and \$921.62 (E088) to B&S Water Well Service for mitigation services. The bill for the Eastern Fund was as follows: \$226.60 to the U.S. Post Office for office rent, \$4564.98 (H33) to B&S Water Well Service for mitigation, \$147.46 to Reese Print Shop for office supplies. Mr. Patteson made a motion to pay the Western and Eastern Mitigation Fund bills and Mr. Ehrig seconded the motion. The motion passed unanimously.

Next, the Board discussed 2013-2014 Fiscal Year the budget amendments for the District, Western Mitigation Fund and Eastern Mitigation Fund. The directors and Mr. Sengelmann discussed each line item of the 2013-2014 budgets to date, adjustments to be made, and the budget amendments. Mr. Miller made a motion to approve 2013-2014 budget amendments and Mr. Ticken seconded the motion. The motion passed unanimously.

The Board then discussed and took action on setting the proposed tax rate for the District. Mr. Ehrig made a motion to adopt a 2014-2015 Fiscal Year proposed tax rate of \$0.0045 of each \$100.00 value for the District. Mr. Patteson seconded the motion. The motion passed unanimously with five directors present at the meeting; Mr. Ticken, Mr. Miller, Mr. Thiele, Mr. Patteson and Mr. Ehrig voting for the motion.

The Board went into Executive Session for personnel matters, per Section 551.074 of the Texas Government Code; at 6:08 pm. Mr. Ticken called the meeting back to order at 6:45 pm.

The next item on the agenda was to discuss and take action on the 2014-2015 Fiscal Year Operating Budget for the District. The directors and Mr. Sengelmann discussed each line item of the District Operating Budget. Mr. Miller made a motion to approve the 2014-2015 District Operating Budget as amended. Mr. Thiele seconded the motion. The motion passed unanimously.

Next, the Board discussed and took action on the 2014-2015 GCUWCD Western Mitigation Fund (WMF) Budget. Mr. Miller made a motion to approve the 2014-2015 WMF Budget. Mr. Thiele seconded the motion. The motion passed unanimously.

The next item on the agenda was to discuss and take action on the 2014-2015 GCUWCD Eastern Mitigation Fund (EMF) Budget. Mr. Thiele made a motion to approve the EMF Budget and Mr. Miller seconded the motion. The motion passed unanimously.

Next the Director's discussed and took action on approving Floyd & Gindler, PC to conduct the District's 2013-2014 fiscal year audit. Mr. Patterson made the motion. Mr. Thiele seconded the motion. The motion was approved unanimously.

The board discussed and took action on a bank resolution granting authority for the Administrative Assistant, Ms. Martin to access bank information, removing access from previous Administrative Assistant, Ms. Mills. Mr. Miller made a motion for access to be granted to banking information. Mr. Ehrig seconded the motion. The motion was approved unanimously.

The Directors discussed a request for an industrial well Drilling and Production Permit filed by David Lindeman on July 19, 2014. Mr. Sengelmann read the particulars pertaining to the well and stated that Mr. Lindeman submitted an application to re-work a plugged well for industrial supply use. The well would be completed in the Carrizo Aquifer at a depth of about 3,000 feet. Calls and letters from several adjacent landowners protesting the well had been received. Mr. Miller asked Mr. Kisner his professional opinion on the casing of the well to be plugged. Mr. Pattenon made a motion to table the permit application until more information from the Railroad Commission and research is completed. Mr. Thiele seconded the motion to table the permit. The motion passed, with Mr. Thiele, Mr. Pattenon, Mr. Ehrig, and Mr Tieken voting to approve the motion. Mr. Miller voted against tabling the matter.

Next the Director's discussed to take action on the proposed Sable Environmental, LLC SWDW permit application with the Texas Railroad Commission for a salt-water disposal well. Mr. Sengelmann reviewed the history of the situation and recommended the Director's drop protest to the Railroad Commission. Mr. Miller made a motion to drop protest to the Railroad Commission for proposed salt-water disposal well for Sable Environmental, LLC. Discussion about location of the well commenced. Mr. Thiele seconded the motion. The motion passed with Mr. Tieken, Mr. Miller, and Mr. Thiele to approve the motion and Mr. Ehrig and Mr. Pattenon voted naye.

Manager's Report:

Mr. Sengelmann gave his monthly manager's report. On August 1st he traveled to the Tomas property on FM 2091 to check three water wells that had ceased to flow. On August 5th he traveled to the R Bar M Ranch on CR 219 near Nopal to measure water levels adjacent to a permitted industrial well. Same day, he traveled to Dubose Ranch on HWY 183 S. to check on a well with reported water quality issues. Based on two water sample analyses from the well owner the water appeared safe for cattle. On August 6th he traveled to Lockhart to post the Regular Board Meeting agenda. On August 7th he attended the Region L meeting in San Antonio. On August 15th he traveled to the Seger property on CR 415 near Waelder for a field check for an industrial well permit. On August 21st he traveled to College Station to meet with AgriLife, the consultant, updating the District's Access registered well database. On August 22nd he traveled to Fortress Environmental disposal well site on FM 2814 for field check on an industrial well permit application. Same day, he traveled to the Rothbauer property on FM 5352 near Nichols to register water well. On August 26th, 27th, and 28th he attended the Texas alliance of Groundwater Districts (TAGD) Groundwater Summit in San Marcos. On August 29th he traveled to the Fojtik property on FM 1680 near Old Moulton for a field check on an industrial well permit application.

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 September 2nd, 2014 indicates that we are in moderate drought 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. Ehrig seconded the motion. The motion passed unanimously.

Mitigation Fund Manager's Report:

Mr. Link Benson gave his monthly manager's report. On August 1st he went to Nixon to check the Mercier well for mitigation. On August 2nd he and B&S Water Well Service looked at the Mercier well. On August 8th he went to Smiley to observe the Pickett well. Same day, he went to Ottine to meet with Mr. Tomas and look at three wells and discussed mitigation. On August 9th he met with B&S at Tomas wells to discuss mitigation. On August 12th he traveled to Harwood twice to meet with B&S and discuss wells for mitigation. On August 13th he met with B&S in Nixon to discuss mitigation. On August 25th he traveled to Tomas well#1 in Ottine for observation. On August 26th he traveled to Ottine to Tomas well#2 for observation of casing. On August 27th he traveled to Harwood and observed the pump installation in the Fairchild well. On August 28th he traveled to Smiley to observe electric service being installed for the Novac well. On August 29th he traveled to the Mercier well in Nixon to observe the well being mitigated. On August 31st he met with B&S in Nixon to discuss upcoming mitigation work.

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. Tieken seconded the motion. The motion passed unanimously.

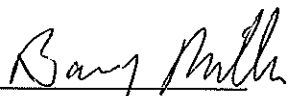
The Board discussed and took action on paying additional expenses of a new computer for the Mitigation Fund office. Mr. Patterson made a motion to pay the expense for the computer and Mr. Miller seconded the motion. The motion passed unanimously.

In the discussion of other items of interest the Board discussed supplying the District Manager with a credit card for office expenditures. Mr. Miller motioned to supply the District Manager, Mr. Sengleemann with a credit card limit of \$2000. Mr. Sengleemann will investigate credit card options further.

Adjourn:

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

Approved By:


October 14, 2014

GS:lm

