

Gonzales County Underground Water Conservation District
Minutes of the Board of Directors
November 11, 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, and Kermit Thiele. Also present for the meeting were GCUWCD General Manager Greg Sengelmann, administrative assistant, Laura Martin, and mitigation office assistant, Brittany Kalisek. Other Attendees included: (See Attached List)

Public Comment:

Public comments were made by landowner, Mr. Pat Rosato. Public comments were made by landowner, Mr. Wayne LePori. Public comments were made by Mr. Ted Boriack. Public comments were made by Ms. Sally Ploeger. Public comments were made by landowner, Mr. Lynn Cochran. A recording of the board meeting and comments received has been filed at the District office.

The minutes from the October 14, 2014 Board Meeting were reviewed. Mr. Steve Ehrig made a motion to approve the minutes, and Mr. Barry Miller 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. Miller made a motion to approve the financial statement and to allow the maturing CD #7402 to roll over at Sage Capital Bank. Mr. Bruce Tieken seconded the motion. The motion passed unanimously.

The Board reviewed the District's outstanding bills. The bills were as follows: \$114.37 to AT&T Mobility for basic mobile telephone, \$205.76 to GVTC for telephone 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, \$176.03 to Ricoh for copier rental, \$288.75 to LJD Consulting & Bookkeeping, \$120.00 to TAGD for Quarterly Meeting, \$20.97 to Reese's Print Shop for office supplies, \$400.00 to ESRI for Desktop Primary Maintenance, \$2,500.00 to ESRI for 3D Desktop Single Use License, and \$49.00 to U.S. Postal Service for Postage. Mr. Kermit Thiele made a motion to pay the District's bills. Mr. Miller seconded the motion. The motion passed unanimously.

The Board reviewed the Western Mitigation Fund outstanding bills. The bills for the Western Fund were as follows: \$226.60 to the U.S. Post Office for office rent, \$6,189.53 to B&S Water Well Service for mitigation services, \$6,588.33 to B&S Water Well Service for mitigation services, \$7,299.58 to B&S Water Well Service for mitigation services, \$4,947.64 to B&S Water Well Service for mitigation services, \$912.45 to B&S Water Well Service for mitigation services, \$5,000.00 to B&S Water Well Service for mitigation services, \$4,344.53 to Deharde's Water Well Service for mitigation services, and \$9,814.60 to B&S Water Well Service for mitigation services. Mr. Miller made a motion to pay the Western and Eastern Mitigation Fund bills, and Mr. Thiele seconded the motion. The motion passed unanimously.

The Directors discussed amendments of the 2014-2015 Fiscal Year for the District. The Directors and Mr. Sengelmann discussed the reductions in the Tax Rate for 2014-2015 as compared to the original budgeted amount. Mr. Miller made a motion to approve the transfer of funds from savings to balance the 2014-2015 budget. Mr. Ehrig seconded the motion. The motion passed unanimously.

Next, the Board discussed and considered a resolution for approval of the 2014 tax roll for Caldwell County. Mr. Sengelmann gave a brief explanation of the tax appraisal rolls for Caldwell County. Mr. Ehrig made a motion to approve Resolution 2014-11-12a. Mr. Miller seconded the motion. The motion passed unanimously.

The Board discussed and considered a resolution for approval of the 2014 tax roll for Gonzales County. The directors discussed the information given previously by Mr. Sengelmann for the tax appraisal rolls for Gonzales County. Mr. Miller made a motion to approve Resolution 2014-11-12b. Mr. Ehrig seconded the motion. The motion passed unanimously.

The Board discussed and took action on the proposed AgriLife GIS Program Update. We received a proposal from Texas A&M AgriLife to assist us with our well database system and GIS system. Mr. Sengelmann explained the contract and the

possibility of web hosting the information from the database and answered questions from the board. Mr. Miller made a motion to approve the Texas A&M AgriLife GIS Program Update. Mr. Tieken seconded the motion. The motion passed unanimously.

The Directors discussed a request for extension of renewal of CRWA wells #1, #9, #11, and #12. Mr. Greg Sengelmann read the particulars pertaining to the wells. CRWA requested in the renewal letter to extend the permits on wells until rules have been updated. Mr. Miller made a motion to table renewal of permit applications until rules for the district have been reviewed and possibly altered. Mr. Ehrig seconded the motion. The motion to table the item passed unanimously.

The Directors discussed and took action on a request for renewal of an irrigation well Drilling & Production Permit filed by Mr. Darryl Becker. Mr. Sengelmann reviewed the particulars of the well renewal request of the irrigation well. The well was completed in the Queen City Aquifer and meets the fence line and spacing regulations. Mr. Ehrig made a motion to approve the permitting of the well. Mr. Tieken seconded the motion. The motion passed unanimously.

The Board then discussed the agenda item concerning the proposed JTC Energy Group Salt Water Disposal Well (SWDW) permit application with the Texas Railroad Commission. Mr. Greg Sengelmann stated that the proposed JTC Energy Group injection wells would be located approximately 4 miles north of Cheapside. The proposed injection intervals were in the Wilcox Formation listed at 5,420 to 7,450 feet. The second proposed injection interval was in the Edwards Formation listed at 11,640 to 11,950 feet. JTC Energy will install a cement bond log, concrete structures for spill containment around the tanks and piping, and they'll record this in the deed records and grant us a specific performance to ensure they adhere to the rules. JTC Energy agreed to our standard terms of agreement for disposal wells and would like us to drop our injection well protest. After a brief discussion, Mr. Thiele made a motion to drop the protest with JTC Energy disposal well permit. Mr. Tieken seconded the motion to drop the protest. The motion passed with Mr. Thiele, Mr. Tieken and Mr. Ehrig in agreement. Mr. Miller abstained from voting.

A discussion regarding the district's Plugging, Abandonment, & Cost Sharing Program occurred, resulting in the creation of the Plugging, Abandonment, & Cost Sharing Program Committee. The committee for the Plugging, Abandonment, & Cost Sharing Program was created with Mr. Miller, Mr. Patteson, Mr. Sengelmann, and Mr. Link Benson.

Manager's Report:

Mr. Sengelmann gave his monthly manager's report. On September 30th, he registered two new wells in the Wilcox Aquifer. On October 8th he traveled to Austin to attend the Texas Alliance of Groundwater Districts (TAGD) executive committee meeting. The executive committee voted to support the Texas Water Conservation Association (TWCA) permitting the renewal bill and voted to abstain from voting on the TWCA ASR bill. On October 10th Mr. Sengelmann traveled to Seguin to meet with representatives of the Guadalupe Blanco River Authority to be briefed on their plans to study aquifer & stream interactions in the mid-basin area. On October 16th he traveled to Pleasanton to attend the Groundwater Management Area (GMA) 13 meeting. They elected new officers for GMA13 as follows: Greg Sengelmann-Chairman, Lonnie Stewart-Vice Chairman, Russel Labus-Secretary/Treasurer. GMA13 has received requests to run additional modeling with pumpage inputs from SAWS and CRWA for their proposed Water Management Strategies in the Regional Plan. After the discussion, it was decided to have our consultant perform one additional model run that includes all Water Management Strategies within GMA13 in the Regional Plan. GMA13 has received commitments from SAWS, CRWA, HCPUA, TWA, and SSLGC to contribute to the costs of running the model. On October 24th, he registered a new artesian well in the Carrizo Aquifer with diminished flow. This well is being assessed by Mr. Benson for mitigation. On October 29th and 30th, Mr. Sengelmann attended the Texas Alliance of Groundwater Districts meeting in Kingsville. The main topics of discussion included action on brackish water, ASR legislative proposals, and updating the TAGD legislative policy. The current TWCA ASR and brackish water bills are being worked on by TAGD. On October 31st, he met with representatives of the Guadalupe Blanco River Authority to discuss the Texas Water Alliance permit applications and rules of the District. SSLGC's October production was about 1,261 ac-ft which is about 78% of the monthly allowable production. CRWA's October production was about 110 ac-ft which is about 33% of the monthly allowable production. SAWS October production was about 484 ac-ft which is about 50% of the monthly allowable production. AQUA's September production was about 38 ac-ft which is about 9% of the monthly allowable production. The Palmer Drought Index, as of November 4th, 2014, indicates that we are in severe to moderate drought conditions.

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

Mitigation Fund Manager's Report:

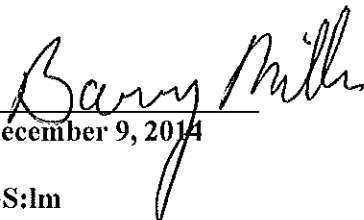
Ms. Brittany Kalisek gave the monthly mitigation manager's report for Mr. Benson. On October 1st he traveled to Austin to purchase filing cabinets. On October 2nd and 3rd, he traveled to Smiley to meet GVEC at the Knandel well for electricity installation and the Patteson Carrizo well to see that the electricity had been installed. On October 5th, Mr. Benson traveled to Cost to meet with Ms. Liz Kizer to pick up the electric bill on the Knandel well. On October 6th & 7th, he traveled to Smiley to the Sample well to meet the landowner with a well that quit flowing. Mr. Benson also met with B&S Water Well to discuss well mitigation. On October 8th, he traveled to Smiley two times and met with Morris the land owner to look at several wells where the water had almost stopped flowing, and also met B&S to discuss work to be done on the house well. On October 9th, he traveled to Smiley to the Sample well and met the land owner to discuss decreasing well flow, and with B&S to discuss mitigation work. On October 10th, Mr. Benson traveled to Waelder to meet B&S at the Dudman well to discuss mitigation work. On October 11th, he traveled to Seguin to meet with DeHarde's to discuss mitigation work. On October 13th, he traveled to Smiley to review the Morris well site. On October 14th, Mr. Benson traveled to Kenedy and met with Mr. Roywell to discuss test pumping on the Stahl well. On October 15th- October 17th, he traveled to Smiley to review the Stahl well site, meet Mr. Roywell to setup the test pump, check the water levels, and check on the well two consecutive days at a time, and to meet Mr. Roywell to pull the test pump. On October 18th, he traveled to Smiley to meet B&S on the electricity line for the Morris well. On October 20th, he traveled to Waelder to meet B&S to set the pump on Dudman's well. On October 26th, Mr. Benson traveled to Nixon and met B&S to work on the Billings well. On October 27th, he traveled to Gonzales three times to the Needham well and met the land owner, because the water flow had almost stopped on his well. Also, he revisited the well to check the well site later that day, and to meet B&S to discuss work to be done to the well. On October 27th, he traveled to Harwood to meet B&S on the Marek well and then to the Needham well. On October 28th, he traveled to Smiley to meet B&S to observe the pump being set into the Knandel well. On October 28th, he traveled to Smiley to the Morris well to meet with B&S, because they had called and said that the electric had been root plowed up, so Mr. Benson went to inspect. Landowner was contacted to be informed of the event. On October 29th, he traveled to Smiley to meet with B&S at the Sample well to observe the pump being set. The pump would not go past 120 feet. On October 30th, he traveled to Kenedy to Roywell to discuss mitigation work to be done. On October 30th, he traveled to Smiley to meet B&S at the Morris well to observe the pump being set. On October 31st, he traveled to Nixon to meet with B&S to discuss mitigation work to be done.

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

Adjourn:

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

Approved By:


December 9, 2014

GS:lm

Gonzales County Underground Water Conservation District

Board Meeting Sign in Sheet

November 11, 2014

<u>Name</u>	<u>Organization/Email List</u>	<u>Landowner (yes or no)</u>
PAT ROSATO	Self	Yes
Ben Holt	SPWS	
Sally Proctor		
Maureen LaBranche	self	YES
Bike K. Smith	Self	NO
Craig Hines	CRWA	Yes
Brittany Kalisek	CCUWCD Mitigation	no
GRANT MURPHY	HCPWA	no
Alan Cocherell	SSLGC	Yes
Emmet Baker		YES
Lynn Cochran	Self	yes
TED BORIACK	SELF	YES
RAYMOND ALEXANDER	SELF	YES
Mindy Walsh	WPA	yes

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