

Gonzales County Underground Water Conservation District

Minutes of the Board of Directors September 12, 2017 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, Barry Miller, Kermit Thiele, Mr. Steve Ehrig, and Mr. Bruce Patteson. Also present for the meeting were GCUWCD Manager, Greg Sengelmann, administrative assistant, Laura Martin, Mitigation Manager Link Benson, and district counsel Greg Ellis. Other Attendees included: (See Attached List)

Call to Order.

Public Comments: Mr. D.C. Rhodes Jr. made a public comment. Mr. Larry Deharde, Deharde Water Well Drilling, made public comment. Mr. Jeff Scheuhele, Guadalupe County Groundwater Conservation District, made public comment. A recording of the board meeting and comments received in writing are filed at the District office.

Consent Agenda (Note: These items may be considered and approved by one motion of the Board. Directors may request to have any consent item removed from the consent agenda for consideration and possible action as a separate agenda item):

Approval of minutes of August 08, 2017 Regular Board Meeting.

Approval of the Financial Report.

Approval of the District's bills to be paid.

Approval of the Mitigation Fund bills to be paid.

Approval of District Manager, Administrative Staff, Board Member, Field Technician, and Mitigation Manager Expenses.

Approval of Manager's Report (monthly report, transporter usage, drought index).

Approval of Well Mitigation Manager's Report (well mitigation progress).

Approval of Field Technician's Report (well registrations, water levels, water quality).

The consent agenda was reviewed by the Board of Directors and Mr. Kermit Thiele made a motion to approve the consent agenda. Mr. Steve Ehrig seconded the motion. The motion passed unanimously.

Discuss and possibly take action on any item removed from Consent Agenda.

None.

Discuss and possibly take action on approving a financial auditor to conduct the District's financial audits.

The board then reviewed the applicants on the Request for Proposal for Financial Auditor. Mr. Barry Miller made a motion to approve Montemayor Britton and Bender, PC for Financial Auditor of accounts for FY 2017-2018. Mr. Thiele seconded the motion. The motion passed unanimously.

Discuss and possibly take action on approving the United States Postal Service rental lease.

The GCUWCD lease for the office location at the U.S.P.S. is up for renewal in January 2018. Review of the new 5 year contract was completed. Mr. Miller made a motion to table renewal of the lease until other options could be presented. Mr. Bruce Patteson seconded the motion to table. The motion passed unanimously.

Discuss and possibly take action on approving the Rockin' S website host contract renewal.

The board discussed and took action on contract renewal for Rockin'S Marketing & Design, the district's website maintenance company. Mr. Bruce Tieken made a motion to approve the contracts and Mr. Ehrig seconded the motion. The motion was approved unanimously.

Discuss and possibly take action on amendments to the District's 2016 – 2017 fiscal year budget.

Next, the Board and Mr. Greg Sengelmann, General Manager discussed 2016-2017 Fiscal Year budget amendments for the District. The directors and Mr. Greg Sengelmann discussed various line items of the 2016-2017 budget estimates to date, and the proposed budget amendments. Mr. Patteson made a motion to approve 2016-2017 budget amendments for the District. Mr. Miller seconded the motion. The motion passed unanimously.

Discuss and possibly take action on setting the tax rate for the 2017 -2018 fiscal year.

The Board then discussed and took action on setting the proposed tax rate for the District. Mr. Miller made a motion to adopt a 2017-2018 Fiscal Year proposed tax rate of \$0.0068 of each \$100.00 value for the District. Mr. Thiele seconded the motion. The motion passed unanimously.

The Board went into Executive session pursuant to § 551.074, § 551.072, and § 551.071 Government Code for discussion of personnel matters, real property, and attorney-client matters.

Discuss and possibly take action on the District's fiscal year 2017 – 2018 Budget.

The next item on the agenda was to discuss and take action on the 2017-2018 Fiscal Year Operating Budget for the District. The directors and Mr. Sengelmann discussed line items of the Budget. Mr. Miller made a motion to approve the 2017-2018 District Operating Budget as presented. Mr. Patteson seconded the motion. The motion passed unanimously.

Discuss and possibly take action on the District's Western Mitigation Fund fiscal year 2017 – 2018 budget.

The next item on the agenda was to discuss and take action on the 2017-2018 Fiscal Year Operating Budget for the Western Mitigation Fund. The directors and Mr. Sengelmann discussed line items of the Budget. Mr. Thiele made a motion to approve the 2017-2018 Western Mitigation Budget as presented. Mr. Ehrig seconded the motion. The motion passed unanimously.

Discuss and possibly take action on the District's Eastern Mitigation Fund fiscal year 2017 – 2018 budget.

The next item on the agenda was to discuss and take action on the 2017-2018 Fiscal Year Operating Budget for the Eastern Mitigation Fund. The directors and Mr. Sengelmann discussed line items of the Budget. Mr. Ehrig made a motion to approve the 2017-2017 Eastern Mitigation Operating Budget as presented. Mr. Miller seconded the motion. The motion passed unanimously.

Discuss and possibly take action on an irrigation well permit renewal request for two wells for Mr. Roy Cantrelle.

Next, the Board discussed and took action on the request for renewal from Mr. Roy Cantrelle on two Wilcox Aquifer irrigation well permits. Mr. Sengelmann indicated that the applicant was in substantial compliance with the rules of the district. Mr. Miller made a motion to approve the request for renewal of both permits for irrigation wells. Mr. Ehrig seconded the motion and the motion passed unanimously.

Discuss and possibly take action on the District's enforcement actions against Drillink, Inc.

The board then discussed and took action on evidence and documentation presented by Mr. Link Benson, Drillink, Inc. for enforcement alleged actions. Mr. Miller made a motion to dismiss enforcement proceedings against Drillink, Inc. Mr. Patteson seconded the motion. The motion passed unanimously.

Discuss and possibly take action on the District's enforcement actions against Royall Windmill & Pump.

The board then discussed and took action on evidence and documentation previously presented by Royall Windmill & Pump, for alleged enforcement actions. Mr. Miller made a motion to dismiss enforcement proceedings against Royall Windmill & Pump. Mr. Patteson seconded the motion. The motion passed unanimously.

Discuss and possibly take action on the District's enforcement actions against Brown's Water Well Drilling.

The board and Mr. Sengleman discussed the additional time given to Brown's Water Well Drilling for paying enforcement fine. Mr. Miller stated no additional time would be given, if the fine was not paid by the extension on Friday, September 15, 2017 and that the enforcement action should be turned over to the District attorney.

Discuss and possibly take action on the District's enforcement actions against Alsay, Incorporated.

The board and General Manager discussed enforcement actions against Alsay Inc., and additional wells found at the drilling location. A timeline of work has been presented to the District and work has commenced to alleviate the compliance violation proceedings. Mr. Miller made a motion to table any action against Alsay Inc., pending further investigation. Mr. Thiele seconded the motion. The motion passed unanimously.

Discuss and possibly take action on the District's enforcement actions against Leon Davis Water Well Service Company.

The board discussed the on-going enforcement against Mr. Leon Davis and the lack of response the enforcement actions requested by the District. Mr. Patteson made a motion to turn over enforcement action proceedings to the District's attorney authorizing the attorney to take appropriate. Mr. Ehrig seconded the motion. The motion passed unanimously.

Discuss and possibly take action on the District's water well drillers audit and enforcement actions.

Then, Mr. Senglemann and the board addressed Maresh Drilling Co., Inc. and Herbold Drilling to inform them they would be on next months agenda for the District's Water Well Drilling Audit.

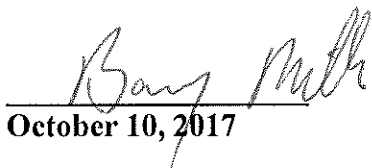
Discussion of other items of interest by the Board and direction to management based on the items set forth above.

Ms. Sally Ploeger made a public comment about the Western Mitigation Fund balance. A recording is available on file in the District office.

Adjourn:

A motion was made by Mr. Patteson to adjourn the meeting and Mr. Thiele seconded the motion. The motion passed unanimously. The meeting adjourned at 8:05 p.m.

Approved By:


October 10, 2017

GS:imm

