

Gonzales County Underground Water Conservation District

Minutes of the Board of Directors December 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: Steve Ehrig, Barry Miller, Bruce Patteson, and Kermit Thiele. Bruce Tieken was not in attendance. Also present for the meeting were GCUWCD General Manager, Greg Sengelmann, Mitigation Manager Link Benson, legal council, Greg Ellis, and administrative assistant, Laura Martin. Other Attendees included: (See Attached List)

Call to Order.

Public Comments. Limit to 3 minutes per person.

Ms. Sally Ploeger made a public comment. A recording of the board meeting and comments received has been 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 November 14, 2017 Regular Board Meeting.

Approval of the Financial Report.

Approval of the District's, Mitigation Funds, and Monitoring Well Project 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. Barry Miller made a motion to approve the consent agenda. Mr. Kermit Thiele seconded the motion. The motion passed unanimously.

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

None.

Discuss and take action on renewal of CD # 0745.

The board then discussed and reviewed available bank rates for the possible renewal of CD #0745. Mr. Bruce Patteson made a motion to move CD #0745 from South Star Bank to Sage Capital Bank for a term maturity of 12 months at 1.50%. Mr. Thiele seconded the motion. The motion passed unanimously.

Discuss and possibly take action on the United States Postal Service rental lease or other potential office facility options.

A discussion to possibly take action on the United States Postal Service rental lease or other potential office facility options occurred. Mr. Miller made a motion to table the renewal of the office lease or other action on other potential office facility options. Mr. Patteson seconded the motion. The motion passed unanimously.

Discuss and take action on a resolution to hold an election for the Directors of the District in Precincts 1 and 3 on May 5, 2018.

In accordance with a district resolution, the election cycle is due for the 2018 calendar year. Mr. Miller made a motion to call for an election of Precincts 1 and 3 to be held on May 05, 2017. Mr. Patteson seconded the motion. The motion passed unanimously.

Executive Session for consultation concerning attorney-client matters (§ 551.071).

The Board and Mr. Greg Ellis went into Executive Session for attorney-client matters at 5:43 p.m., per Section 551.074 of the Texas Government Code. Mr. Steve Ehrig called the meeting back to order at 6:30 p.m., no action was taken during session.

Discuss and possibly take action on selection of a well driller for the District's Monitoring Well Project.

Review of Bid tabulation and submitted information was completed by the board of directors. Mr. Miller made a motion to award Bid 10302017 to Andrews & Foster for the Monitoring Well Installation Services. Mr. Patteson seconded the motion. The motion passed unanimously.

Discuss and possibly take action on an aggregate industrial well re-equip and production permit for Penn Virginia Oil & Gas, L.P. –Hand Property.

Penn Virginia Oil & Gas, L.P. applied to a re-equip an aggregate industrial well field for an industrial use on State Highway 183 in the southern area of Gonzales County. The wells would be able to produce a maximum of 611 ac-ft a year at a maximum rate of 1,227 gpm per well from the Yegua-Jackson Aquifer. The board and general manager discussed that the wells have been used for this purpose in the past as exempt wells and that district rules currently require permitting. Mr. Patteson made a motion to approve the permit application for Penn Virginia Oil & Gas, L.P.-Hand property. Mr. Thiele seconded the motion. The motion passed unanimously.

Discuss and possibly take action on an aggregate industrial well re-equip and production permit for Penn Virginia Oil & Gas, L.P. – Johnson Property.

Penn Virginia Oil & Gas, L.P. applied to a re-equip an aggregate industrial well field for an industrial use on County Road 493 west of the Moulton area of Gonzales County. The wells would be able to produce a maximum of 295 ac-ft a year at a maximum rate of 1,963 gpm per well from the Yegua-Jackson Aquifer. The board and general manager discussed that the wells have been used for this purpose in the past as exempt wells and that district rules currently require permitting. Mr. Patteson made a motion to approve the permit application for Penn Virginia Oil & Gas, L.P.-Johnson property. Mr. Thiele seconded the motion. The motion passed unanimously.

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

Due to the late submittal and continuance of receipt of documentation from Maresh Drilling Co., Mr. Miller make a motion to table the enforcement action against Maresh Drilling. 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 & Pump Service.

The general manager informed the board that Mr. Davis and legal representative have requested some additional time to submit a plan of action to the board. Mr. Thiele made a motion to table the enforcement action against Leon Davis Water Well Drilling. Mr. Patteson seconded the motion. The motion passed with Mr. Miller voting nay on the action.

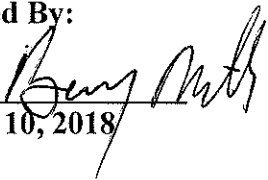
Discussion of other items of interest by the Board and direction to management based on the items set forth above.

No other items of interest were addressed.

Adjourn:

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

Approved By:



January 10, 2018

GS:lm