

**Gonzales County Underground Water Conservation District**  
**Minutes of the Board of Directors**  
**January 09, 2018**  
**Board Meeting**

**Call to Order.**

The regular meeting of the Board of Directors of the Gonzales County Underground Water Conservation District (the District) was called to order at 5:33 p.m. Present for the meeting were directors: Bruce Ticken, Steve Ehrig, Barry Miller, Bruce Patteson, and Kermit Thiele. Also present for the meeting were GCUWCD General Manager Greg Sengelmann, GCUWCD, Administrative Assistant Laura Martin, GCUWCD Mitigation Manager Link Benson, and legal counsel Greg Ellis. Other Attendees included: (See Attached List)

**Public Comments. Limit to 3 minutes per person.**

Public comments were made by Mr. Larry Deharde, Mr. Charles Nunes, Mr. Craig Hines, and Mr. Gary Gaither. A recording of the board meeting and comments received 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 December 12, 2017 Regular Board Meeting.**

**Approval of minutes of December 18, 2017 Special Called Board Meeting.**

**Approval of the Financial Report.**

**Approval of the District's bills to be paid.**

**Approval of the Mitigation Funds bills to be paid.**

**Approval of the Monitoring Well Project 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 Board of Directors discussed and took action on the Consent Agenda including, the minutes from the December 12, 2017 Board Meeting, minutes from the December 18, 2017 Special Called Meeting, the Financial Report, District Bills to be Paid, Mitigation Funds Bills to be Paid, District Manager, Administrative Staff, Board Member, Field Technician and Mitigation Manager Expenses, Manager's Report, Well Mitigation, and Field Technician Manager's Reports. Mr. Barry Miller made a motion to approve the Consent Agenda as presented. Mr. Steve Ehrig seconded the motion. The motion passed unanimously. Copies of District Documents are available at the District office. No listed items were removed from the Consent Agenda for further discussion.

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

None.

**Discuss and possibly take action on the renewal of CD #8011 at Sage Capital Bank.**

The Directors and Ms. Laura Martin then discussed renewal of CD #8011. The CD is up for renewal on February 04, 2018. Mr. Miller made a motion to roll-over CD #8011 at Sage Capital Bank for 12 months at the rate of 1.65%. Mr. Patteson seconded the motion. The motion passed unanimously.

**Discuss and possibly take action on the District's office space lease from the United States Postal Service.**

Discussion of the expiring United States Postal Service lease occurred. Mr. Miller made a motion to not renew the United States Postal Service lease due on January 31, 2018. Mr. Ehrig seconded the motion. The motion

passed unanimously.

**Discuss and possibly take action on purchase of a building for a District office.**

The Board of Directors then discussed the negotiations between the District and the Gonzales County Commissioners. An offer of \$40,000.00 was made to purchase a building for use of the District office at 505 Saint Matthew Street, Gonzales, Texas 78629. The offer was accepted and a contract for purchase will be drafted. Current tenants have until February 21<sup>st</sup> to vacate the premises. Mr. Bruce Patteson made a motion to purchase the property and building from Gonzales County at the negotiated purchase price. Mr. Kermit Thiele seconded the motion. The motion passed unanimously.

**Agenda line items 6 and 9 were combined for discussion: Discuss and possibly take action on budget amendments to add line items for purchase of a District office and office operating and maintenance costs to the 2017-2018 Budget and Discuss and possibly take action on creating a new CD of excess funds in Money Market Account.**

Then the Board opened the 2017-2018 District Budget for amendments. Line items added to the District 2017-2018 budget included; Office Purchase in the amount of \$40,000.00, Office Repair & Remodel in the amount of \$60,000.00, Office Insurance in the amount of \$1,884.75, Office Utilities in the amount of \$8,400.00, Office Depreciation in the amount of \$1,000.00. Line item Office Rent was reduced to the amount of \$3,519.00 for October 2017 thru January 2018. Transfer total was increased to \$133,285.00. Cash on Hand was reduced to \$435,571.82 allowing the creation of two new CD's in the amount of \$250,000.00 each. An updated version of the District Budget can be found on the District website. Mr. Thiele made a motion to approve the 2017-2018 Budget Amendments with the creation of two new CD's in the amount of \$250,000.00 each at staggered time frames. Mr. Miller seconded the motion. The motion passed unanimously.

**Discuss and possibly take action on amending the percentages on the GBRA, ARWA, and CRWA Export Fee Agreements.**

The Board and General Manager discussed the GBRA, ARWA, and CRWA Negotiated Export Fee estimate percentages associated with their permits. The Negotiated Export Fee schedule was corrected to reflect accurate percentage amounts for each entity as following; CRWA 22.6%, HCPUA (ARWA) 31.5%, TWA (GBRA) 45.9%. Mr. Miller made a motion to make the corrections and to send a certified letter to all parties. Mr. Patteson seconded the motion. The motion passed unanimously.

**Discuss and possibly take action on a major amendment to an existing operating well permit requested by Seger Family Limited Partnership.**

Seger Family Limited Partnership applied for a major amendment to an existing well permit for an industrial use on County Road 415 near Farm to Market 1680 in Gonzales County. Mr. Seger purchased additional adjacent property with an additional 180 acres and requested to amend his existing permit to increase the amount of water available to 380 ac-ft a year at a maximum rate of 440 gpm from the Carrizo Aquifer. Mr. Miller made a motion to approve the major permit amendment for Seger Family Limited Partnership in the amount requested. Mr. Patteson seconded the motion. The motion passed unanimously.

**Discuss and possibly take action on the District's enforcement action against Alsay, Inc.**

The Board, General Manager, Mitigation Manager, and Mr. Hines Canyon Regional Water Authority discussed the enforcement actions and corrective measures for multiple wells in the Leesville area of Gonzales County completed by Alsay, Inc. The board discussed the current enforcement action and progress made to date by Alsay Inc. to correct the issues.

**Discuss and possibly take action on the District's enforcement action against Lonestar Drilling & Pump Service.**

The Board and General Manager discussed water quality reports received from Mr. Gary Gaither of Lonestar

Drilling and a comparison of water quality to adjacent wells in the same aquifer. Mr. Gaither addressed the board, providing samples of Bentonite, bentonite slurry, water and water quality reports from all questionable enforcement wells. Mr. Gaither discussed the previous versions of the rules for the time the water wells were drilled. The board discussed the current enforcement action and progress made to date by Lonestar Drilling & Pump Service to correct the issues.

**Discuss and possibly take action on the District's enforcement action against Maresh Drilling Co., Inc.**  
Mr. Dwayne Simper of Maresh Drilling, and legal representative Ms. Jessica Mann were not available for the meeting and requested to be on the next month's agenda. The board discussed the current enforcement action and progress made to date by Maresh Drilling to correct the issues.

**Discuss and possibly take action on the District's enforcement action against Leon Davis Water Well & Pump Service.**

A letter of request was submitted by legal representative Mr. Richard Crozier on behalf of Leon Davis Water Well & Pump Service. The request was for additional time to collect and analyze water quality samples from the water wells under enforcement. The board discussed the current enforcement action and progress made to date by Leon Davis Water Well & Pump to correct the issues.

**Executive Session.**

The Board went into Executive Session, at 6:46 p.m., concerning attorney-client matters of water well drilling compliance, per Section 551.071 of the Texas Government Code. Mr. Tieken called the meeting back to order at 7:18 p.m.

Mr. Ehrig made a motion to offer a final settlement on enforcement actions to Alsay, Inc. in the amount of \$20,000.00. Mr. Patteson seconded the motion. The motion passed unanimously.

Mr. Thiele made a motion to table the Lonestar Drilling & Pump Service enforcement action pending additional water quality testing. Mr. Ehrig seconded the motion. The motion passed unanimously with Mr. Miller abstaining from the motion.

Mr. Miller made a motion to offer a final settlement on enforcement actions to Maresh Drilling, Inc. in the amount of \$1,000.00 for each outcrop water well, and \$2,000.00 for all other listed wells in addition to plugging of all the water wells.

Mr. Miller made a motion to offer a final settlement on enforcement actions to Leon Davis Water Well & pump in the amount of a \$20,000.00 fee in addition to plugging of all listed water wells in enforcement.

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

Mr. Miller made a request to add items to the agenda when a fee was assessed and received to acknowledge receipt.

Mr. Bruce Tieken mentioned the possibility of electronic bill pay and payroll direct deposit for the District. Information needs to be gathered and discussed further in the future.

Then, Mr. Greg Ellis, legal representative, presented a legislative update to the board.

**Adjourn:**

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

**Approved By:**

February 13, 2018

*Barry Mill*

GS:lm



# Gonzales County Underground Water Conservation District

## Board Meeting

January 09, 2018

(10)

<u>Name</u>	<u>Organization/Email List</u>	<u>Landowner (yes or no)</u>
Steven Siebert	SAWNT	No
Craig Hines	CRWA	Yes
Emmet Baker, Jr		Yes
LARRY DEHARDE		
CHARLES NUNES	LAA	YES
Alvin Cokeley	SSLGC	Yes
GRAHAM MOORE	ARWA	no
JERT SCHUMMER	S/CPT	Yes
Paul Royal	Royal's Windmill Pump	
Way L. Hanks	Lone Star DrLg + Pump	

(10)