

Gonzales County Underground Water Conservation District
Minutes of the Board of Directors
March 13, 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. Present for the meeting were directors: Bruce Tieken, Barry Miller, Kermit Thiele, and Bruce Patteson. Steve Ehrig was not in attendance. Also present for the meeting was GCUWCD General Manager Greg Sengelmann, Mitigation Manager Link Benson, and Legal Counsel Greg Ellis. Other Attendees included: (See Attached List)

Public Comments. Limit to 3 minutes per person.

Mr. Jeff Schuehle with Guadalupe County GCD made a public comment. Ms. Sally Ploeger made a public comment.

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 February 13, 2018 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 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).

Mr. Barry Miller made a motion to approve the consent agenda with the removal of item e-Monitoring Well Project Bills to be paid. Mr. Kermit Thiele seconded the motion. The motion passed unanimously.

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

Removed item E-Monitoring Well Project Bills was discussed later in the board meeting.

Presentation of annual audit report by Montemayor Britton Bender PC and possible action on accepting the report.

Mr. Sean Bender with Moneymayor Britton Bender PC presented the 2016-2017 annual audit to the Board of Directors. No recommendations on Policy and Procedures were made. Mr. Thiele made a motion to accept the annual audit for fiscal year 2016-2017. Mr. Bruce Patteson seconded the motion. The motion passed unanimously.

Discuss and possibly take action on amendments to District Rules 2 and 23.B.2 for change of office address.

Judge David Byrd addressed the Board of Directors regarding the contract for the purchase of the building at 522 Saint Matthew Street, Gonzales, Texas. The President of the Board tabled this item until a set move date was established.

Discuss and possibly take action on the Certification of Unopposed Candidates for the May 5, 2018 Board of Directors Election for Districts 1 and 3.

General Manager, Mr. Greg Sengelmann certified Districts 1 and 3 were unopposed and presented to the Board of Directors a Certification of Unopposed Candidates. Mr. Miller made a motion to accept the Certification of

Unopposed Candidates for the May 5, 2019 Board of Directors Election for Districts 1 and 3. Mr. Patteson seconded the motion. The motion passed unanimously.

Discuss and possibly take action on the Order of Cancellation of the May 5, 2018 Board of Directors Election for Districts 1 and 3.

Mr. Miller made a motion to cancel the May 5, 2018 Election. Mr. Patteson seconded the motion. The motion passed unanimously.

Discuss and possibly take action on electronic payments for employee salaries.

General Manager informed the Board the cost of electronic payments for the district. Mr. Miller made a motion to not make electronic payments for payroll. Mr. Thiele seconded the motion. The motion passed unanimously.

Discuss and possibly take action on the City of Gonzales Grandfathered Permit Applications for two Carrizo Aquifer wells.

General Manager discussed with the Board the two City of Gonzales Grandfathered well permit applications. In accordance with Rule 28 wells that were previously Grandfathered by the District now need to be permitted. Mr. Miller made a motion to approve the City of Gonzales permits for two Carrizo Aquifer wells. Mr. Thiele seconded the motion. The motion passed unanimously.

Discuss and possibly take action on the District's contracted water well drillers for the District's Monitoring Well Program.

Mr. Sengelmann informed the board about some issues in drilling the Monitoring Wells in Guadalupe County for the Monitoring Well Program. The status of the Flying J monitor well was still in question until the driller collected samples for Total Coliform analysis. The board instructed the General Manager to collect a duplicate sample. The board tabled the item pending further information.

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

General Manager, Mr. Sengelmann, discussed with the board the landowner's; Mr. Noel Anderwauld's presented information from the last meeting. Mr. Royall addressed the Board of Directors. Mr. Miller made a motion to require the well be plugged and an administrative settlement of \$2,000.00 be assessed to the driller. Mr. Patteson seconded the motion. The motion passed unanimously.

Discuss and possibly take action on the District's enforcement action against Geffert Trust.

General Manager, Mr. Sengelmann, discussed with the board the enforcement action against the Geffert Trust property owners for not permitting their water well which was being used for fracking and not properly capping an abandoned well. Mr. Thiele made a motion to accept the corrections and settlement offer by the Geffert Trust. Mr. Miller seconded the motion. The motion passed unanimously.

Discuss and possibly take action on the District's enforcement action against Friedel Drilling.

General Manager, Mr. Sengelmann, discussed with the board the actions taken by Friedel Drilling in response to our enforcement letter. Mr. Miller made a motion that no further action is necessary and to send a no further action letter to the driller informing. Mr. Patteson seconded the motion. The motion passed unanimously.

Discuss and possibly take action on the District's enforcement action against Thomas Moy & Sons Water Well Drilling.

General Manager, Mr. Sengelmann, discussed with the board the actions taken by Thomas Moy & Sons Water Well Drilling. Mr. Thiele made a motion that no further action is necessary and to send a no further action letter to the driller informing. Mr. Patteson seconded the motion. The motion passed unanimously.

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

General Manager, Mr. Sengelmann, discussed with the board the enforcement actions taken by Alsay, Incorporated. In response to our enforcement letters and their counteroffer of \$5,000.00 for fines imposed by

the District. Mr. Miller made a motion to accept the counteroffer presented by Alsay, Incorporated. Mr. Patteson seconded the motion. The motion passed unanimously.

Discuss and possibly take action on the District's enforcement action against Maresh Drilling Co., Inc.
General Manager, Mr. Sengelmann, discussed with the board the actions taken by Maresh Drilling Co., Inc. in response to our enforcement letters and their counteroffer to the District's settlement agreement. Representative, Ms. Jessica Mann, addressed the board of directors with the counteroffer. No action was taken.

Discuss and possibly take action on the District's enforcement action against Leon Davis Water Well & Pump Service.
General Manager, Mr. Sengelmann, discussed with the board the enforcement actions against Leon Davis Water Well & Pump Service and their response to date. The board directed the General Manager to collect data on each well. No action was taken.

Discussion on enforcement action payments to the District.
General Manager reviewed enforcement action payments to the District to date.

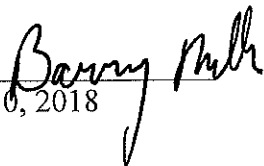
Discussion on the District's 2018 Annual Report and 2018 Annual Mitigation Report.
Both reports are available on the District website.

Presentation of legislative update from legal counsel.
Legal counsel, Mr. Greg Ellis, discussed with the Board of Directors ongoing neighboring and state legislative and legal cases.

Discussion of other items of interest by the Board and direction to management based on the items set forth above.
The Board of Directors discussed with Mr. Sengelmann to proceed with the process of going out for bids for the new building for roofing, interior, electrical, and plumbing services. Bids for work needing to be completed should be gathered. No action was taken.

Adjourn.
Mr. Patteson made a motion to adjourn. Mr. Thiele seconded the motion. The motion passed unanimously. The meeting adjourned at 7:30 p.m.

Approved By:



April 10, 2018

GS:lm