

Clearwater Underground Water Conservation District Meeting
700 Kennedy Court
Belton, Texas
Tuesday, August 6, 2013
Minutes

The Clearwater Underground Water Conservation District (CUWCD) held a board meeting on Tuesday, August 6, 2013 at the Clearwater UWCD Building, located at 700 Kennedy Court, Belton, Texas.

Board Members Present:

Leland Gersbach, President
Wallace Biskup, Vice President
Judy Parker, Secretary
David Cole, Director
Bill Bartlett, Director

Public Advisory Committee:

Henry Bunke
Bill Schumann

Staff:

Dirk Aaron
Shelly Chapman

Guests:

Ashley Bland (Bell County Expo) – Central Texas Leadership Program
Angela Smith (CTCOG) – Central Texas Leadership Program
Tim Fleischer – Salado Village Voice
Jos Portman

Workshop convened with Board President, Leland Gersbach, at 1:31 p.m.

Workshop Item 1. Discuss budget items and issues as needed for FY14.

Dirk Aaron discussed items of interest related to the proposed FY14 budget. Dirk explained the income items to the Board and proposed changes to application fees. Dirk would like to amend the Administrative Fee Schedule at the September meeting. The Fee's at this time are not set high enough to cover the Geoscience/Legal/Technical reviews. Dirk laid out the expenses for these line items to the Board from 2010, 2011, & 2012.

Dirk was asked to prioritize the scientific studies for the next 2 years. Dirk recommended several scientific activities for the District to be involved in:

Year 1 (FY14)

1. The study of the Northern Segment of the Edward Aquifer recharge pathways and mechanisms as presented by Dr. Yelderman and Stephanie Wong of Baylor University. (\$34,772.17)
2. Review of the Trinity Aquifer Pumping Distribution. (\$3,000)
3. Develop Specification for N. Trinity GAM Run by TWDB. (\$5,000)
4. Retro-fit 3 Lower Trinity Wells as monitor wells. (City of Temple). (\$2,000)

Year 2 (FY15)

1. Synoptic Water-level Measurements for Edwards and Trinity Aquifers. (\$6,000)
2. Trinity Aquifer Pumping Test. (\$7,500)
3. USGS-Continue with the Phase 3 of the multi-phased proposal to conduct a Hydrologic and Geochemical investigation of the Northern Segment of the Edwards Aquifer.

Dirk discussed insurance line items from TML. Dirk explained the break-down of the line items.

President, Leland Gersbach made comments and recommendations. He commented that most the expenses will remain the same as before. He suggested and commented on the following:

- Bell CAD delinquent tax (40015-Income) should be set up to show income amount of \$5,000.
- Directors Fees/Expenses should remain the same.
- Dues and memberships will remain the same.

(Director, David Cole, inquired about benefits the District receives for being a part of the organizations. Dirk Aaron explained the organizations and the benefits of being a member,)

- Leland stated there would be no election expenses for FY14.
- Leland questioned GMA 8 expenses. Judy Parker informed the Board that she will be attending a GMA8 meeting in December. The District is still obligated to share the expenses for GMA8.
- Leland discussed Salary changes and items tied to payroll expenses. He stated that the General Manager will receive and increase from \$62,000 to \$67,000; the Admin Assistant will increase from \$38,000 to \$40,000; and the Education Coordinator position will remain at \$35,000.
- Health Insurance line item will remain the same.
(Dirk explained that he is working on a benefit plan for Todd. Dirk checked into providing a Flexible Spending acct for Todd. That is not feasible due to admin costs. Leland suggested a Health Savings Account. Dirk will look into that.)
- Building Maintenance and Repairs need to be increased. Dirk mentioned that warranties are beginning to expire. The District will need to have an A/C maintenance agreement as well as bi-monthly pest control. The District needs to be prepared for any unknown repairs that may be needed as well.

Workshop Item 2. Discuss benefits for staff.

(covered this topic under Workshop Item #1)

Board Meeting called to order with President, Leland Gersbach, at 2:37 p.m.

1. Invocation and Pledge of Allegiance:

Vice President, Wallace Biskup, gave the invocation.
Director, Bill Bartlett, lead the Pledge of Allegiance.

2. Public Comment.²

None.

3. Approve minutes of the July 16, 2013 Board Meeting and Workshop.

Secretary, Judy Parker, moved to accept the minutes as they stand. Director, David Cole, seconded the motion. **Motion carried 5-0.**

4. Discuss, consider and take appropriate action if necessary to accept the monthly financial report as presented.

General Manager, Dirk Aaron, presented the monthly Financial Report to the Board.

Director, Bill Bartlett, moved to accept the monthly Financial Report as presented. Vice President, Wallace Biskup, seconded the motion. **Motion carried 5-0.**

5. Discuss, consider and take appropriate action if necessary to accept the monthly Investment Fund account report as presented.

General Manager, Dirk Aaron, presented the monthly Investment Fund Account Report to the Board.

Director, David Cole, moved to accept the monthly Investment Fund Account Report as presented. Secretary, Judy Parker, seconded the motion. **Motion carried 5-0.**

6. Discuss, consider and take appropriate action if necessary on the request for a tax abatement agreement with Don-Nan Pump and Supply Company.

Vice President, Wallace Biskup commented that CUWCD has never granted tax abatement and moved to deny the request for a tax abatement. Secretary, Judy Parker, seconded the motion. **Motion carried 5-0.**

Secretary, Judy Parker, explained to guest attending the meeting that it has been a policy of the District not to participate in tax abatements.

7. *Discuss, consider and take appropriate action if necessary to amend Code of Ethics, Professional Services and Management Policies and Resolution.*

Dirk reviewed the current policy (handout Exhibit A) and the proposed amended policy (handout Exhibit B) to the Board. Dirk explained the recommended changes to the board. The first recommendation was to remove the “Investment Policy” portion. Dirk suggested removing that portion since the District has a separate policy specifically for investments. The other change Dirk recommended was the addition of **Section 3.03** (relating to Article III - Professional Services) and corresponding resolution as presented provides clarity to the allowance of in-direct costs associated with consulting engineers, legal staff, universities (both private and public) and limits those in-direct costs associated with doing business to not exceed 15% of the agreed upon direct costs of the contractual agreement as described in task order based authorization agreements outlining the scope of work, and operational needs of the District per Chapter 36 “State Water Code”.

Secretary, Judy Parker, moved to accept the policy and resolution as presented. Director, David Cole seconded the motion. **Motion carried 5-0.**

8. *Discuss, consider and take appropriate action if necessary to amend the FY13 Budget.*

Dirk Aaron reviewed the requested amendments to the FY13 Budget. Dirk explained that there are several line items that show over expenditures and several items that the District anticipates receiving additional invoices that may cause additional over-expenditures. Dirk detailed the items requiring amendments and the line items with available funds that can be transferred.

- 53700 – Legal Fees: General over \$3070.28; Legislative Research/Analysis/Services: Dirk explained the number of Legislative Bills and the importance of the Bills in the Legislature. This invoice came in large than anticipated at \$28,340. Dirk spoke to the legal team at great lengths to verify fees on the invoice. Leland Gersbach commented that everyone was caught off guard by the Invoice. He stated that Dirk has learned a lot about the process of the Legislature and Legislative Bills. In the future Dirk should be able to monitor these items himself.
- 50500 – Dues/Memberships: over budget \$29.59
- 50400 – Director Fees: Pct 4 anticipate overage \$1200
- 52055 – Payroll Expenses: anticipate overage \$3.21
- 53100 – Clearwater Studies: Gen Consulting over \$254.00 and anticipate an additional \$5000 from BarW; Spring Flow Gauge (old) over \$1566.25.
- 53300 – Computer Consulting: Halff (ESA-NOAA) over \$3523.74
- 53730 – Permit Review: Geoscience over \$9272.64; Legal over 220.50

Estimate of line item transfer/amendments requested \$47,480.21

Available Line Item Funds for Transfer:

• 50400 – Pct 1	\$1200
• 52040 – Health Ins	\$6000
• 53115 – Drought Cont.	\$3000.00
• 53615 – Ed. Promo Items	\$1500.00
• 53620 – Ed. Supplies	\$1000.00
• 53625 – Ed. Curriculum	\$1500.00
• 54400 – Janitorial Supplies	\$1000.00
• 50250 – Contingency Fund	<u>\$32,280.21</u>
Total	\$47,480.21

Leland Gersbach commended Dirk on trying to keep the expenses down. He expressed his feelings about the legal fees but sometimes the District has to have them. Dirk informed the Board that Brian Sledge removed half of his time/fees for the legislative issues. David Cole inquired as to how long this has been going on and stated that he was mildly upset. Leland commented that the invoice for the legislative legal fees was for 5 months. David Cole stated that he believed the District’s responsibility

on the fiduciary side is the Board's. The only authority Staff and Management have is what the Board gives them. David stated that we need to find better efforts to control this cost so we don't have this issue again. Judy Parker commented that the Legislative session caused this issue. The District has had this agreement for many sessions. This Legislative session got out of control with Water Bills. This was supposed to be an Education Session and turned into a Water Session. David stated that his concern was the \$47,000 we were over budget and that anything over budget has to come back to the Board. Dirk tried to clarify the issue at hand. Dirk reviewed the line item amendment requests. He stated that Staff is asking to reclassify or transfer moneys within the current budget. Staff is not asking for any moneys outside the current budget or any additional money from the reserve funds.

Director, David Cole, moved to accept budget amendments as presented. Director, Bill Bartlett seconded the motion. **Motion carried 5-0.**

9. Discuss, consider and take appropriate action if necessary to set the preliminary tax rate for tax year 2013 on proposed budget FY14.

Dirk presented a draft budget and supporting documents to the Board. The proposed budget is based on 2013 certified property values provided by the Tax Appraisal District. The resulting budget is \$594,939.00 with a proposed tax rate of \$.0040/\$100 value. This is the same as the current tax rate. The rollback tax rate is \$.0042.

Maintaining the current tax rate will generate approximately \$594,939.00 in tax revenue. An additional \$10,000 in revenue is anticipated from interest, application fees and transport fees. This revenue will support the proposed FY14 budget of \$604,939.00.

Secretary, Judy Parker, moved to set the preliminary tax rate for year 2013 at \$.0040/\$100. Director, David Cole, seconded the motion. **Motion carried 5-0.**

10. Discuss, consider and take appropriate action if necessary to set date for adoption of the FY14 budget.

President, Leland Gersbach, informed the Board that the date of August 23, 2013 was suggested as the date to adopt the FY14 Budget.

Director, David Cole, moved to set the date of August 23, 2013 to adopt the FY14 Budget. Vice-President, Wallace Biskup, seconded the motion. **Motion carried 5-0.**

11. Discuss, consider and take action if necessary to set the date for the public hearing and adoption of the tax rate for tax year 2013.

President, Leland Gersbach, suggested the date for the public hearing and adoption of the tax rate for tax year 2013 be set for August 23, 2013.

Director, David Cole, moved to set the date for August 23, 2013. Vice President, Wallace Biskup, seconded the motion. **Motion carried 5-0.**

12. General Manager's Report concerning office management and staffing related to District Management Plan.

Dirk discussed a "check list" that the staff has developed and will use to process all applications received by the District. This check list will include getting approval from the Bell County Engineer's Office to insure property of less than 10 acres has been legally subdivided and also approval of on-site septic from Bell County Public Health.

13. Receive monthly report and possible consideration and Board action on the following:

a. Salado Creek stream flow gauges

Dirk Aaron presented information on stream flow gauges and drought status reports.

b. Education Outreach Update

Todd Strait submitted his report on Education Outreach. Dirk Aaron touched on some of the highlights.

c. Monitoring wells

Dirk Aaron presented the measurements of the monitor wells.

d. Rainfall

Dirk Aaron discussed the rainfall totals in conjunction with the drought status report.

e. Well registration

Shelly Chapman informed the Board that 12 new exempt wells and 2 grandfathered well were registered in the month of June.

f. Non-exempt Monthly well production

Dirk Aaron presented the monthly well production information to the Board.

(Copies of the Monthly Staff Reports were given to the Board Members to review. No action required. Informational items only.)

14. Public Advisory Committee comments.³

None

15. Director comments.³

Judy Parker gave a run down on Chisholm Trail "SUD" issues.

Wallace Biskup spoke to Marvin Green (PAC). He was going to come to this meeting but didn't show.

16. Discuss agenda items for next meeting.

FY14 Budget

Public Hearing

Admin. Fees


USGS Formal Proposal

17. Set time and place of next meeting.

August 23, 2013 @ 1:30

18. Adjourn.

Meeting adjourned by President, Leland Gersbach at 4:12 pm.



Leland Gersbach, President

ATTEST:



JUDY PARKER, Secretary

(A compact disc of this meeting is available upon request.)