

Clearwater Underground Water Conservation District Meeting
700 Kennedy Court
Belton, Texas
Wednesday, November 4, 2015
Minutes

The Clearwater Underground Water Conservation District (CUWCD) held a board meeting on Wednesday, November 4, 2015 at 1:30 p.m. 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
Gary Young, Director

Public Advisory Committee:

Henry Bunke
Bradley Ware

Staff:

Dirk Aaron
Shelly Chapman

Guests:

Mike Parker – River Ridge Ranch HOA
Lou Fleischhauer – Collier Consulting

Mike Keester – LBG-Guyton
David Yohe – Jarrel-Schwertner WSC

Board meeting convened with President, Leland Gersbach, at 1:33 p.m.

1. Invocation and Pledge of Allegiance:

Vice President, Wallace Biskup gave the invocation.
Secretary, Judy Parker led the Pledge of Allegiance.

2. Public Comments:

Bradley Ware commended General Manager, Dirk Aaron for his article in the CUWCD newsletter that he received this month. He appreciated the way Dirk presented the information.

3. Approve minutes of the September 9, 2015 Board Meeting and Workshop.

Secretary, Judy Parker, moved to approve the minutes of the October 14, 2015 Board Meeting and Workshop. Vice President, Wallace Biskup, seconded the motion. **Motion carried 5-0.**

4. Discuss, consider and take action if necessary to accept the monthly financial report for October 2015 as presented.

Vice President, Wallace Biskup, moved to accept the monthly financial report for October 2015 as presented. Director, Gary Young, seconded the motion. **Motion carried 5-0.**

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

Director, David Cole, moved to accept the monthly investment fund account as presented. Director, Gary Young, seconded the motion. **Motion carried 5-0.**

6. Discuss, consider and take appropriate action if necessary to accept the Quarterly Deferred Compensation Employee Retirement Program account report as presented.

Director, Gary Young, moved to accept the Quarterly Deferred Compensation Employee Retirement Program account report as presented. Director, David Cole, seconded the motion. **Motion carried 5-0.**

7. Discuss, consider and take appropriate action if necessary to approve the line item amendments to the FY15 Budget as requested.

Dirk Aaron presented the final budget line item amendments for FY15. He recommended moving the available funds as necessary between e appropriate line items as described. He stated that this will be the final amendment for the FY15 budget. He reminded the Board that these amendments were simple transfers between line items and will not cause the District to exceed the total budget for FY15.

Secretary, Judy Parker, moved to approve the final line item amendments to the FY15 Budget as requested. Vice President, Wallace Biskup, seconded the motion. **Motion carried 5-0.**

8. Discuss, consider and take appropriate action if necessary to close out FY15 Budget year as presented.

Dirk Aaron presented the proposed budget close out for FY15. He stated that this proposal was subject to the Board's approval of Agenda Item #7 (FY15 final budget amendments).

Original Budget set for FY15 was \$649,956.00.

Actual Income:	\$627,645.69
Total Expenses:	<u>\$551,695.05</u>

Return to Fund Balance: \$ 75,950.64

Dirk Aaron recommended the Board approve the budget close out as presented closing the year with \$75,950.64 returned to reserve fund balance.

Director, David Cole, moved to approve the final FY15 close out as presented. Vice President, Wallace Biskup, seconded the motion. **Motion carried 5-0.**

David Cole asked if the staff was now ready for the year end independent audit? Shelly Chapman commented that she and Tristin Smith had already compiled the items generally requested by the auditor and all she needed to do was make a copy of QuickBooks and then deliver the material to the auditor's office.

9. Discuss, consider and take appropriate action if necessary to approve the FY16 line item budget amendments as requested.

Dirk Aaron stated that there were no line item amendment requests at this time.

10. Hold public hearing on the following permit application:

a) Discuss, consider and take appropriate action if necessary on Jarrell-Schwertner Water Supply Corporation (JSWSC) application to CUWCD for an amendment to their current transport permit of 50.49 acre feet per year for an additional amount of 95.7 acre feet per year, for a total of 146.2 acre feet per year in transport.

President, Leland Gersbach opened the Public Hearing at 1:44 pm.

President, Leland Gersbach called to order the hearing on the application described under Agenda Item #10. This application was filed by Jarrell-Schwertner Water Supply Corporation. Leland officially opened the hearing at 1:39 p.m. and reminded everyone that the hearing is recorded by audiotape as required by statute and district rules. As the President of the District's Board of Directors, Leland served as the Presiding Officer of the hearing. The quorum of the Board of Directors also officiates and participates in ruling on the application.

Jarrell-Schwertner Water Supply Corporation (JSWSC) has made application to the Clearwater Underground Water Conservation District (CUWCD) on October 1, 2015, for an amendment to their current transport permit of 50.49 acre feet per year for an additional amount of 95.7 acre feet per year, for a total of 146.2 acre feet per year in transport. JSWSC is not asking for an increase in production of groundwater above their current permit in their three well aggregate systems of 454.20 acre feet per year from wells operated in the District.

Leland reviewed the procedures for the hearing and informed those present that the hearing had been properly noticed, pursuant to statute and the District Rules. Notice of the hearing was posted at the District Office and at the County Courthouse Annex on Thursday October 23, 2015 at 9:15 am, giving us at least 10 days' notice.

Leland opened the hearing up for public comments and administered the oath to all participating parties (Dirk Aaron –General Manager CUWCD and David Yohe- General Manager JSWSC). Dirk commented that legal counsel is available by phone if needed.

David Yohe spoke on behalf of JSWSC. He presented their need and explanation for a request of increase in transport. He laid out their plan for the Board to consider.

CUWCD General Manager, Dirk Aaron, gave testimony stating that this is the first request the District has encountered for a transport only amendment. Dirk explained that all administrative requirements and criteria have been met. JSWSC has paid the \$5,000 fee. This application does not require a hydrogeologic report because nothing has changed in terms of his production capabilities. Dirk stated that he did get a legal

review of the application on behalf of the District and the applicant to make sure the rules of Chapter 36 were followed.

Staff recommends that the Board grant JSWSC their request for an increase in transport.

Leland concluded the evidentiary portion of the hearing and opened it up for discussion by the Board.

Director, David Cole asked if the projections were based on future need or current need. David Yohe replied that it was a little of both. He explained the breakdown of their current need and estimated growth.

David also asked about JSWSC history of water loss? David Yohe explained the complications and problems related to JSWSC's water loss issues and trying to resolve those issues. They fix leaks as soon as they find them. They are finding leaks faster but have not been able to budge the baseline of loss. He explained some new procedures they are working to implement to help cut this loss.

David Cole commended David Yohe on the job he is doing to try to save as much water as possible.

Dirk recommended that the Board approve the applicants request along with direction of the General Manager to reimburse JSWSC and residual funds about the District's expense since there was no need for a hydrogeologic report.

No other discussion necessary at this time.

Leland asked for a motion to grant/deny/partially grant Jarrell-Schwertner Water Supply's application for a major amendment to their current transport permit of 50.49 acre feet per year for an additional amount of 95.7 acre feet, for a total of 146.2 acre feet per year of transport and to reimburse JSWSC any residual funds once the Districts expenses are covered.

Director, David Cole, moved to grant Jarrell-Schwertner Water Supply's application for a major amendment to their current transport permit of 50.49 acre feet per year for an additional amount of 95.7 acre feet, for a total of 146.2 acre feet per year of transport and to reimburse JSWSC any residual funds once the Districts expenses are covered. Vice President, Wallace Biskup, seconded the motion. **Motion carried 5-0.**

Public Hearing closed at 2:26 pm.

11. Discuss, consider and take appropriate action if necessary on the draft Management Plan Update.

Dirk notified by TWDB that the District management plan will expire on April 13, 2016. The District is required by statutory law to update the management plan. The District will have to use the old DFC and 2012 State Water Plan in order to update the management plan. Dirk and Mike Keester have reviewed the documents and there will be no substantial changes. Dirk thinks he can have a draft ready to go in 2 weeks. Dirk would like approval to develop a draft with no substantial changes and submit it to TWDB.

Secretary, Judy Parker, moved to authorize the General Manager to send in the required draft as described. Vice President, Wallace Biskup, seconded the motion. **Motion carried 5-0.**

12. Discuss, consider and take appropriate action if necessary on the Holiday Schedule for Calendar Year 2016.

Shelly Chapman presented the proposed Holiday Schedule for calendar year 2016. The propose schedule would include:

New Year's Day	Friday Jan. 1, 2016
Memorial Day	Monday May 30, 2016
Independence Day	Monday July 4, 2016
Labor Day	Monday Sept 5, 2016
Veteran's Day	Friday Nov 11, 2016
Thanksgiving Day	Thursday Nov 24, 2016
Thanksgiving	Friday Nov 25, 2016
Christmas	Friday Dec 23, 2016
Christmas	Monday Dec 26, 2016

Leland commented that he doesn't agree. His thoughts are to allow 6 official holidays and 2 discretionary days.

Director, Gary Young, moved to approve 2016 Holiday Schedule as presented. Director, David Cole, seconded the motion. **Motion carried 4-1 (Leland Gersbach-against).**

13. Discuss, consider and take appropriate action if necessary to participate financially in the TWDB Regional Water Facility Planning Grant.

Judy Parker presented a request from Judge Firth of Coryell County. He is reaching out to Bell, Hamilton, Lampasas and Coryell counties and possibly Milam County. This is an effort to put together a TWDB Grant looking at water availability for this region. Is the District interested in participating in this? The District could participate "in-kind" by sharing the science we have acquired. We could participate monetarily. Or, we could participate monetarily and "in-kind".

Leland was concerned that this was the same thing that was being done in Region G. Judy and Dirk explained that this is a planning and feasibility study.

Secretary, Judy Parker, moved to participate in the TWDB Regional Water Facility Planning Grant monetarily (\$1,000) and "in-Kind". Director, Gary Young, seconded the motion. **Motion carried 4-1 (Wallace Biskup – against).**

14. General Manager's report concerning office management and staffing related to District Management Plan.

Dirk reported the following to the Board:

- The District will host the annual Christmas reception on Dec. 9th prior to the Board Meeting.
- He is in the process of reviewing and updating the District Management Plan.
- The Southside GMA8 group will meet again on Nov. 13th.
- The DFC's Stakeholders will meet following the GMA8 meeting on Nov. 18th.
- Shelly will be sending the data to the auditors next week.
- He is monitoring TCEQ activities and rulemaking related to ASR and HB2767.
- He will have RFQ's for the storage building at the December meeting for the Board to approve.
- The next TAGD Board meeting will be Dec10-11th.
- He and Judy will attend the TAGD quarterly meeting Jan. 27-28th.
- Dirk had inquiries from individuals in the Village of Salado regarding the slow process of James Construction. They were also concerned that the drilling of new piers for bridges and overpasses is damaging their wells. He followed up with an e-mail to TxDot. They informed him that are continuing to do everything possible to protect the springs and are continuing to drill the piers in the fashion requested by the District.

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

- a. Drought Status Report and/or Aquifer Status Report**
- b. Education Outreach Update**
- c. Monitoring wells**
- d. Rainfall Report**
- e. Well registration**
- f. Aquifer Status Report and Non-exempt Monthly well production**

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

16. Public Advisory Committee comments.³

None

17. Director comments³

Judy Parker – Sent in the regional plan to TWDB today for approval.

Wallace Biskup – Appreciate everything that Dirk is doing.

David Cole – Appreciates the good work that Dirk and the rest of the staff is doing.

18. Discuss agenda items for next meeting.

Election of Board Officers
Possible corrections on draft of management plan

19. Set time and place of next meeting.
December 9th; 1:30 pm

20. Adjourn.

Meeting adjourned and Workshop with President, Leland Gersbach at 3:15 p.m.

Workshop convened with President, Leland Gersbach, at 3:23 p.m.

Workshop item #1: Discuss final agenda for the 15th Annual Water Symposium, November 19, 2015.
Dirk gave the Board the final agenda for the Symposium with assigned speaker introductions.

Workshop item #2: Discuss the status and timeline for final determination of DFC an Explanatory Report to occur for the DFC determination, per section 36.108.

Workshop item #3: Discuss GMA8 GAM Runs 5, 6, and 7, and Southside GMA8 GAM Run.
Mike Keester with LBG-Guyton provided an overview and update of the GAM Runs.

Workshop item #4: Receive report from Mike Keester of the 2015 Evaluation of Edwards BFZ Water Quality Study.
Mike Keester provided an overview of the 2015 Evaluation of the Edwards BFZ Water Quality Study.

Workshop item #5: Receive report from Mike Keester of the 2015 District Well Spacing Requirements.
Mike Keester provided an overview of the 2015 District Well Spacing Requirements.

Workshop item #6: Receive an update from Jim Tucker, Baylor University, on the FY15 Hensell Layer of the Trinity Aquifer Water Quality Assessment.
Jim Tucker not available. Will discuss at next meeting.

Workshop item #7: Receive an update from General Manager on the preparation of the District Management Plan Scheduled to expire on April 13, 2016.
This item discussed as an action item in the regular Board Meeting. No further discussion necessary at this time.

Workshop closed by President, Leland Gersbach at 4:50 p.m.


Leland Gersbach, President

ATTEST:


Secretary, Judy Parker

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