

**Clearwater Underground Water Conservation District Meeting**  
**700 Kennedy Court**  
**Belton, TX**  
**Wednesday, February 14, 2018**  
**Minutes**

The Clearwater Underground Water Conservation District (CUWCD) held a board meeting on Wednesday, February 14, 2018 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

**Staff:**

Dirk Aaron, General Mgr.(via video conference)  
Shelly Chapman, Admin. Mgr.  
Tristin Smith, Education Coordinator

**Guest:**

Hector Hernandez – Hilliard Dozer	Stacy Hilliard – Trinity Oasis	Greg Neal – RBM
Bill Schumann – County Commissioner	Bob Harden – Harden Hydrology	Scott Brooks
Mike Gershon – Lloyd Gosselink	Tom Gerik – TAMU AgriLife	James Beach – WSP
Peter DeLillo	Gretchen Mills – TAMU College Stn	Alton Thiele – CPA
June Wolfe – TAMU AgriLife	Tim Brown – County Commissioner	

**Board meeting convened with President, Leland Gersbach, at 1:32 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 Comment.***  
None.
3. ***Approve minutes of the January 10, 2018 Board meeting.***  
Director, Gary Young, moved to approve the minutes of the January 10, 2018 Board meeting. 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 for January 2018 (FY18) as presented.***  
Vice President, Wallace Biskup, moved to accept the monthly financial report for January 2018 as presented. Secretary, Judy Parker, 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.***  
Director, David Cole, moved to accept the monthly Investment Fund account report as presented. Director, Gary Young, seconded the motion. **Motion carried 5-0.**

**(General Manager, Dirk Aaron, informed the Board that presenters for agenda item #6 will not be here until a little later in the meeting and requested the Board come back to this item when they arrive. President, Leland Gersbach, moved to item #7.)**

7. ***Discuss, consider and take appropriate action if necessary to approve participation in the continued efforts of the Bell County Adaptive Management Coalition FY18.***  
Dirk Aaron reminded the Board that this item was presented and tabled at the January meeting. Since that meeting, the Village of Salado and Bell County have approved continued participation in the Coalition. The Board needs to have a vote to approve as it was presented last month.

Secretary, Judy Parker, moved to approve participation in continued efforts of the Bell County Adaptive Management Coalition FY18. Director, Gary Young, seconded the motion. **Motion carried 5-0.**

8. ***Discuss, consider and take appropriate action if necessary to approve participation in the 2018 Texas 4-H2O Youth Ambassador Program.***

Dirk explained to the Board that the District has already committed to sponsor this program at the \$1000 level. Other Districts are participating at higher levels. Dirk asked the Board to consider additional money if Bell County students are selected again and the money is available in the budget. Dirk commented that he is not asking for action on this item today. He would just like the Board to consider it. President, Leland Gersbach noted that no action needs to be taken today. Should Bell County kids get accepted to the program, Dirk will bring it to the Board to amend the budget.

9. ***Discuss, consider and take appropriate action if necessary to approve the FY18 line item budget amendments as requested.***

No budget amendments requested

(Auditor, Alton Thiele, not here yet. President, Leland Gersbach, will return to agenda item #10 when he arrives.)

11. ***Hold public hearing on the following permit applications:***

***a) Discuss, consider and take appropriate action if necessary on the proposed N1 operating permit by Joe Jackson Construction, requesting authorization for a combination drilling/operating permit (N1-18-001P) for .36 acre-feet/year (116,070 gallons) completed in the Hensell Layer of the Trinity Aquifer on a five-acre tract located off Cedar Valley Rd, Salado, Texas, to produce groundwater for domestic use.***

***b) Discuss, consider and take appropriate action if necessary on the proposed permit transfer by Jack Hilliard Dozer and Materials LP of an existing permit of 73.2-acre feet/year on the existing 120-acre tract located at 12495 Reed's Lake Loop for well #N2-13-002P to Trinity Oasis LLC for industrial /commercial use in the sand & gravel mine.***

***c) Discuss, consider and take appropriate action if necessary by Trinity Oasis LLC to amend their existing permit of 73.2-acre feet/year to authorize an increase in production of 1,702.8-acre feet/year on the existing 120-acre tract located at 12494 Reed's Lake Loop for well #N2-13-002P for industrial/commercial use at in the proposed bottling plant.***

**President, Leland Gersbach, opened the Public Hearing on the applications described in agenda item #11 at 1:40 p.m.**

Leland stated, for the record, that he would be abstaining from the vote on the application by Trinity Oasis. He commented that he would still deliberate and ask question, but would not participate in the vote.

Leland gave a summary of the 2 applications being presented to the Board. He reviewed the procedures of the hearings and the Board's potential action on the applications. He noted that the hearings have been properly noticed pursuant to statute and District Rules and the applicants were required to provide notice of the filing of their application in the local newspaper and to adjacent property owners and well owners within ¼ mile.

Leland informed anyone wishing to participate in the hearing or protest the application must sign up to do so.

As presiding officer, Leland will be taking evidence, sworn testimony, and will rule on any procedural issues. He noted that the permit applications have undergone administrative and technical review by District staff, consultants and legal counsel.

Leland acknowledged all parties involved in the applications: Dirk Aaron (CUWCD-GM), Mike Gershon (Legal Counsel), James Beach (Hydrogeologist). Joe Jackson Construction did not have a representative present. Jack Hilliard Dozer and Trinity Oasis are represented by Greg Neal, Bob Harden, Hector Hernandez, and Stacy Hilliard.

Leland opened the hearing for public comment. There was none.

He administered the oath to all parties speaking on the applications being presented.

Leland began by hearing testimony on the Jackson application. He heard testimony and asked questions of CUWCD General Manager, Dirk Aaron. He heard an analysis by District Hydrogeologist, James Beach.

The application was considered administratively complete and per the executive summary, all key factors have been addressed. No questions were asked by the Board.

Leland concluded the evidentiary portion of the application and asked for a motion to grant/deny/partially grant Joe Jackson's request for a combination drilling/operating permit with special provisions outlined by GM and Consultants.

**11 a.) Secretary, Judy Parker, moved to grant the combination drilling/operating permit to Joe Jackson Construction with special provisions as outlined. Director, David Cole, seconded the motion. Motion carried 5-0.**

Leland proceeded with the review of Jack Hilliard Dozer and Materials/Trinity Oasis LLC application.

Leland noted, for the record, that all parties had previously been sworn in.

He began with testimony and questions of Dirk Aaron. Dirk stated that the application had been deemed administratively complete and all fees have been paid. His executive summary addressed all key permitting factors that the Board must consider under Chapter 36 and District Rules.

The applicant's representative, Greg Neal, gave a power point presentation explaining the request for the application that addressed questions the Board might have regarding the application. Bob Harden, the applicant's Hydrogeologist also presented testimony and information to the Board. Leland asked for clarification and verified information given by Greg Neal and Bob Harden.

James Beach, the District's Hydrogeologist answered questions regarding the application and presented information from a scientific stand point. Mike Gershon, legal counsel, answered questions regarding legal and statutory permitting factors required.

Leland concluded the discussion on Jack Hilliard Dozer & Materials LP application to transfer an existing permit of 73.2-acre feet/year on the existing 120-acre tract located at 12495 Reeds Lake Loop for well #N2-13-002P to Trinity Oasis LLC for industrial commercial use in the sand and gravel mine. He also concluded the discussion by Trinity Oasis LLC to amend their existing permit of 73.2-acre feet/year to authorize an increase in production of 1,702.8-acre feet/year on the existing 120-acre tract located at 12494 Reeds Lake Loop for well # N2-13-002P for industrial /commercial use at the proposed bottling plant.

Leland concluded the evidentiary portion of the application and asked for a motion to grant/deny/partially grant the proposed permit transfer by Jack Hilliard Dozer and Materials LP of an existing permit of 73.2-acre feet/year on the existing 120-acre tract located at 12495 Reed's Lake Loop for well #N2-13-002P to Trinity Oasis LLC for industrial /commercial use in the sand & gravel mine.

**11 b.) Director, David Cole, moved to grant the proposed permit transfer by Jack Hilliard Dozer and Materials LP of an existing permit of 73.2-acre feet/year on the existing 120-acre tract located at 12495 Reed's Lake Loop for well #N2-13-002P to Trinity Oasis LLC for industrial /commercial use in the sand & gravel mine. Secretary, Judy Parker, seconded the motion. Motion carried 4-0-1 (Leland Gersbach abstained).**

Leland asked for a motion to grant/deny/partially grant request by Trinity Oasis LLC to amend their existing permit of 73.2-acre feet/year to authorize an increase in production of 1,702.8-acre feet/year on the existing 120-acre tract located at 12494 Reed's Lake Loop for well #N2-13-002P for industrial/commercial use at in the proposed bottling plant.

**11 c.) Secretary, Judy Parker, moved to grant request by Trinity Oasis LLC to amend their existing permit of 73.2-acre feet/year to authorize an increase in production of 1,702.8-acre feet/year on the existing 120-acre tract located at 12494 Reed's Lake Loop for well #N2-13-002P for**

**industrial/commercial use at in the proposed bottling plant. Director, David Cole, seconded the motion. Motion carried 4-0-1 (Leland Gersbach abstained).**

**Public Hearing closed and Board meeting reconvened with President, Leland Gersbach, at 3:06 p.m.**

**6. Discuss, consider and take appropriate action if necessary to approve participation in supporting the pre-Proposal by the Texas Water Resource Institute to USGS National Competitive Grants Program.**

Received presentation from Tom Gerik, Director of Blackland Research. He asked the Board to consider participation in supporting the pre-proposal by the TWRI to USGS National Competitive Grants Program. The proposal is for them to do an analysis of the surface water availability of Lake Belton, Lake Stillhouse, and Salado Creek. Tom asked that the Board give Dirk authorization to send him an e-mail expressing the District's interest in participating in this pre-proposal. It is not a commitment to cost sharing. It is just expressing an interest in working with them on the pre-proposal.

Secretary, Judy Parker, moved to approve participation in supporting the pre-proposal by the Texas Water Resource Institute to USGS national Competitive Grant Program. Director, Gary Young, seconded the motion. **Motion carried 5-0.**

**10. Discuss, consider and take appropriate action if necessary to accept the FY17 Financial Audit as presented by the District's contracted auditing firm.**

Contracted Auditor, Alton Thiele, presented the FY17 Financial Audit. He stated that it was a clean audit.

Highlights:

- Total net position      \$1,249,737
- Cash and investments      \$662,835
- Deferred Inflows of resources      \$20,369
- Total Tax revenues      \$660,854
- Operation expenditures      \$563,449

Director, Gary Young, moved to accept the FY17 Financial Audit as presented by auditing firm. 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.**

- TWDB Edwards Aquifer Stakeholders meeting will be at CUWCD on March 5.
- Attending TWCA annual meeting March 7-9.
- City of Troy has put out rfp's for construction of their well.
- Staff will be competing the Comptroller reports in accordance with new Subchapter D Chapter 203 of the Texas Local Government code.
- First State Bank has been sold and is now Bancorp South. Dirk will let you know if anything changes.
- BEDC and KPA have developed proposed new road for entering off Ave. D instead of Powel. Dirk gave the Board a map of the changes to review.

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

- a) **Drought Status Reports**
- b) **Education Outreach Update**
- c) **Monitoring Wells**
- d) **Rainfall Reports**
- e) **Well Registration update**
- f) **Aquifer Status Report & Non-exempt Monthly Well Production Reports**

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

**14. Director comments and reports.**

**Judy Parker:**      Attended Region G; David Collinsworth is taking over BRA  
**Wallace Biskup:**      none  
**Gary Young:**      none

**David Cole:** none  
**Leland Gersbach:** none

**15. *Discuss agenda items for the next meeting.***

Annual Report

**16. *Set time and date for next meeting.***

Wednesday, March 14, 2018 1:30 p.m.

**17. *Adjourn.***


**Board meeting adjourned with President, Leland Gersbach, at 4:30 p.m.**

**Workshop Item #1. Receive and Review Draft of the Annual Report for 2017 per the District Management Plan.**

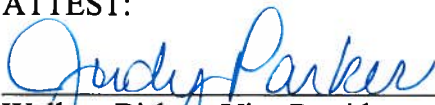
Dirk gave the Board a draft copy of the annual report. He asked that they review the reports and let Tristin know of any changes that need to be made.

**Workshop Item #2. Receive updated information if necessary related to the adopted DFC's for GMA8 and proposed MAG's.**

Nothing new to report.

  
Leland Gersbach, President

ATTEST:



Wallace Biskup, Vice President  
or Judy Parker, Secretary