

**Clearwater Underground Water Conservation District Meeting**  
**700 Kennedy Court**  
**Belton, TX**  
**Wednesday, January 11, 2023**  
**Minutes**

The Clearwater Underground Water Conservation District (CUWCD) held a Workshop at 10:00 a.m. and the Regular Board meeting at 1:30 p.m. on Wednesday, January 11, 2023, at the Clearwater UWCD Building, located at 700 Kennedy Court, Belton, Texas.

**Board Members Present:**

Leland Gersbach, President, Pct 1  
Gary Young, Secretary, Pct 2  
Jody Williams, Director, Pct 3  
Scott Brooks, Director, Pct 4  
Vacant position, Director, At-Large

**Absent:**

**Staff:**

Dirk Aaron, General Manager  
Shelly Chapman, Admin Manager

**Guests**

Jane L Van Praag – Bartlett  
Cole Ruiz – Lloyd Gosselink  
Valleri Bond – Liberty Hill  
Richard Egg – Salado  
Gail Christian – Belton  
Sharon Douglas – Salado  
Susan Gordon – Salado  
Murray Lane – Salado  
James Zavodny – Liberty Hill  
CV Capen – Belton  
Don Fergeson – Salado  
Mike Keester – RW Harden  
Jennifer Bronson Warren – TPWD  
David Cross – Belton  
Chet Sutton – Salado

Sandra Blankenship – WCID1  
Mike Walsh – Salado  
Keith Elliston – Liberty Hill  
Melanie Caraway – Salado  
Lou Hight – Temple  
K.D. Hill – Salado  
Bruce Gordon – Salado  
Chad Stewart – RREAF  
Jim Brown – Salado  
Pat Mielnick – Temple  
Jim Moreland – Florence  
Sara Whitis  
Bill Johnston – Belton  
Tim Fleischer – Salado Village Voice  
Session Herald – SWSC

Linda Griffith – Salado  
Darlene Walsh – Salado  
Linda Egg – Salado  
Gary Caraway – Salado  
Stan Simons – Belton  
Keren Kinnison – Salado  
Tracy Brown – Temple  
Sarah Bolton – Georgetown  
William Gamblin – Gamblin Eng.  
Murray McCarley – Temple  
Kerry Phillip – Salado  
Paul Stevens – Salado  
Marcia Cross – Belton  
Whitney Ingram – AgriLife Ext  
Warren Stevens - Salado

**Board meeting convened with President, Leland Gersbach, at 1:47 p.m.**

**1. *Invocation and Pledge of Allegiance.***

Director, Jody Williams, gave the invocation.  
Secretary, Gary Young, led the Pledge of Allegiance.

**2. *Public Comment.***

None.

**3. *Approve minutes of the December 14, 2022, Board meeting.***

Board members received the minutes of the December 14, 2022, Board meeting and workshop in their Board packet to review prior to the meeting.

Secretary, Gary Young, moved to approve the minutes of the December 14, 2022, Board meeting and Workshop. Director, Jody Williams, seconded the motion.

**Motion carried 4-0.**

**4. *Discuss, consider, and take appropriate action, if necessary, to accept the resignation of AT-Large Board Member, R. David Cole effective January 4, 2023.***

Leland noted that David had sent in a letter of resignation from the Board. Dirk asked to speak on David's tenure with the district. He served on the Advisory Board when the district was established. He was appointed to the Board in 2011 when John Mayer stepped down for health reasons. David spoke highly of the Board and the honor it has been to serve.

Dirk noted that the staff would do something to recognize David at the March Board meeting.

Director, Jody Williams, moved to accept the resignation of R. David Cole effective January 4, 2023. Director, Scott Brooks, seconded the Motion.

**Motion carried 4-0.**

5. *Discuss, consider, and take appropriate action, if necessary, direct General Manager to begin accepting applications immediately for the At-Large Directorship to replace R. David Cole until the close of business, Thursday, February 9, 2023.*

Secretary, Gary Young, moved to direct General Manager to begin accepting applications for the At-Large Directorship. Director, Scott Brooks, seconded the motion.

**Motion carried 4-0.**

**President, Leland Gersbach asked the Board to move to agenda item 16 at this time.**

16. *Conduct Public Hearing on the following application:*

*Discuss, consider, and take appropriate action, if necessary, on a proposed operating permit for an existing well for RREAF Holdings, LLC, and the Hanks-Cabiness Christian Trust submitted on November 1, 2022, for an operating permit for an not to exceed 19.2 acre-feet or 6,256,339 gallons per year for landscape use only, completed in the Edwards BFZ Aquifer and located in the Edwards BFZ Management Zone described in District Rule 7.1 and limited to a maximum 2-inch column pipe on a 14.387-acre tract in accordance with District Rule 9.5 and located at Latitude 30.93497°/Longitude -97.53675° at the N.E. corner of I-35 and FM 2268, Salado, Texas.*

President, Leland Gersbach, called the public hearing to order at 1:53 p.m.

Leland gave a summary of the application before the Board and reviewed the procedures that will apply. He noted for the record that the hearing had been properly noticed according to statute and District rules. Leland instructed anyone wishing to participate in the hearing, in support or protest to sign up to speak.

As presiding Officer, Leland will hear evidence and sworn testimony and rule on any procedural issues. He stated that the permit application must meet certain elements to be approved. General Manager, Dirk Aaron will cover these elements in his review and recommendations

Leland noted that the application before the Board has undergone administrative, legal, and technical review by District staff, General Counsel, and Geoscience Consultants.

Leland laid out the procedures for the hearing. First, the Board will offer members of the public wishing to speak in support of or against the application to provide such comments. These individuals may or may not qualify as affected parties. This opportunity for public comment will be afforded specifically to those members of the public seeking to offer public comment, but not wanting to request a contested hearing under District Rule 6.10.8., and/or not qualifying as an affected party. Leland noted that the district did receive requests for a contested case hearing prior to today's hearing in writing, and if the district receives any additional requests by a person appearing today before the Board, the Board will enter a preliminary phase of the contested case hearing. Next, Leland will ask the applicant (Chad Stewart) and his representative (William Gamblin) to provide testimony explaining the applications. Then Leland will take testimony on the merits of the application from General Manager Dirk Aaron, hydrogeologist and District Consultant – Mike Keester, and if necessary, Legal Counsel – Cole Ruiz.

Leland noted again that this is a contested case hearing and will ask any affected persons who have qualified to participate as a party to the case, to speak and provide testimony and any evidence they might have. Leland will then allow the applicant an opportunity for rebuttal and allow affected parties to express their concerns and ask questions.

Leland opened the floor to anyone interested in making a public comment but doesn't want to request a contested case hearing or does not qualify as an affected party. He noted that the Board accepts public comment from any member of the public wishing to comment.

Dirk stated that there were 4 people signed up to make public comments but don't meet the criteria of an "affected party".

Leland introduced the following people for public comment:

Jane Van Praag – Commented that she is opposed to any excess withdrawal of water and would appreciate the conservation of our water.

Richard Egg – He is opposed to the use of groundwater for the irrigation of commercial landscapes. He commented that there is insufficient groundwater in the area for this use considering the growth in Bell County and frequent and persistent drought. He suggested a better use would be rainwater catchment systems and the use of native plants. He also requests the application be denied.

Murray Lane – He is opposed to the use of a well for this purpose. He agrees with Richard Egg's suggestions for rainwater catchment and the use of native plants.

Murry McCarley – He is opposed to the application. Stated his credentials and background. He uses a rainwater catchment system on his property. He reviewed the application and noted the use of "native Bermuda grass". He commented that Bermuda grass is not native to this area. The use of native plants would use a lot less water.

Leland stated that anyone wishing to be recognized as an official affected party needs to explain to the Board how they meet the legal standard and establish party status according to the Water Code and the District Rules.

Dirk gave Leland a list of individuals who signed up to establish party status and be recognized as an affected party. Leland asked each person to state their name, legal right, duty, privilege, power, or economic interest that they believe will be affected if the application is granted.

Chet Sutton – adjacent landowner, 3 adjacent tracts with grandfathered exempt wells. **Will testify.**

Linda Griffith – adjacent property owner, shares a property line. **Will testify.**

Session Herald – representing Salado Water Supply Corp. Does not wish to testify.

Karen Kinnison – lives across the street from the development and is worried about water. Does not wish to testify.

Warren Stevens – lives within ½ mile from the development and is concerned about excessive water use. Does not wish to testify.

K.D. Hill – property owned downstream from the development, concerned about economic value as a business owner (The Barrow and Rio Salado). Does not wish to testify.

Darlene Walsh – owns property downstream, concerned about drainage issues from the development. **Will testify.**

Murray Lane – a property owner. **Will testify.**

Sara Whitis – ½ mile radius, doesn't share property line or a well on the property. Does not wish to testify.

Leland moved to the evidentiary phase of the hearing. He asked Dirk if representatives for the applicant were present. Chad Stewart and James Zavodny were present. Also present were District Counsel Cole Ruiz, and Hydrogeologist Mike Keester representing CUWCD.

Leland administered an oath to all parties introduced that will speak on the application. The oath was administered to Dirk Aaron, Cole Ruiz, Mike Keester, William Gamblin, Darlene Walsh, Linda Griffith, Chet Sutton, James Zavodny, and Chad Stewart.

Leland asked Chad Stewart with RREAF to lay out the application for an operating permit for an existing well. Chad introduced himself and gave a brief summary of his background and who he is. He presented his request for an operating permit for an existing well. He laid out their plans to protect and preserve water resources.

William Gamblin - Gamblin Engineering, consultant for the applicant, laid out his plans to gather the best science possible from the required pump tests. They will utilize 2 observation wells as required by the district.

Dirk Aaron – Clearwater UWCD, presented his executive summary and support documents referenced in his summary. He stated that the applicant met all administrative requirements, agreed to use existing wells as observation wells, and agreed to avoid waste and achieve water conservation. Dirk noted that landscape is considered beneficial use and they meet the metrics under state law.

Mike Keester – RW Harden, presented his evaluation and analysis concerning the application and projected groundwater demand and recommendations.

The meeting was interrupted by a gentleman not signed in (later identified Leland Gersbach as John Asbury). He referenced the Open Meetings Act and had concerns about people wanting to testify and were not given the opportunity because they were not in the geographical area of the location. District Counsel, Cole Ruiz, addressed the comment.

Leland addressed the applicant and verified he understood and agreed to all the requirements discussed. The applicant agreed.

Leland invited protestants who were determined to have legal standing an opportunity to state their concerns about the application.

Linda Griffith – Most of what she had to cover, CUWCD addressed. She read a letter she submitted regarding her concerns. She is an adjacent property owner and a member of the Native Plant Society of Texas. She gave a binder to the applicant from the Native Plant Society and offered their services.

Chet Sutton – He is an adjacent property owner. He has no option for public water supply. He is worried about the quality of his water and concerned about his wells failing. He is concerned about the economic value of his property.

Darlene Walsh – Salado resident and business owner. She is concerned about the runoff/drainage of water from the Sanctuary. She noted that there is not a well on that property. She is mainly concerned about where runoff is going to go.

Chad addressed Darlene's concerns and explained how they are improving the detention ponds. He also addressed Chet's concern and noted that they have worked with Salado Water Supply and provided in excess of \$5,000,000 in infrastructure. Which consisted of a new water system and everything that entails. Chet should be able to tap into those lines. Chet did say he had been in touch with SWSC.

Leland offered another opportunity for anyone else that is a party to the case to testify if they choose to.

Karen Kinnison – She agrees with everything Linda Griffith said. Water is precious. She is also concerned about the trees being cut down and then more trees being planted and having to be watered. Those are the things that bother her.

Chad asked to address Karen's comments. He explained that they have navigated roads and placement of buildings to mitigate the position of the trees. They are making every effort to save the "Legacy" trees.

There were no other comments.

Leland asked the Board if they had any additional questions. Director, Scott Brooks asked for clarification that the applicant agreed to monthly curtailments. Dirk confirmed.

Leland concluded the discussion on the application at 3:57 p.m.

Seeing all parties have had an opportunity to submit their case, Leland asked if any other parties contesting the application were interested in submitting additional evidence. There were none.

Leland asked the applicant when they will be able to complete the requirements and return to the Board for the final decision? Chad stated that will be contingent on the 2<sup>nd</sup> observation well. Dirk will get the contact information to them regarding the 2<sup>nd</sup> observation well. The applicant requested 60 days. That will put it out to the March or possible April Board meeting.

Leland concluded the evidentiary portion of the application and will not be issuing an operating permit until the applicant meets the additional requirements.

Leland stated that the hearing will be reconvened at a time to be determined.

Public Hearing closed

**(10 min break – move to item 12)**

***12. Discuss, consider, and take appropriate action, if necessary, to formally receive a petition for annexation from the Aquifer Conservation Alliance in Western Williamson County, and set forth the prescribed public hearings.***

Dirk noted that he received the petition for annexations from the ACA on January 2, 2023. The petition was reviewed by Dirk and the District's legal counsel, Cole Ruiz. Addresses on the petition have been verified to determine if they are in the petition territory for annexation. There is a requirement for 50 or more valid addresses to move forward. Dirk commented that the metrics were met by meets & bounds.

Dirk drafted a "Notice of Public Hearing" and requested that 3 public hearings be held. Dirk presented tentative dates and requested 2 be held in Williamson County and 1 be held in Bell County. Dirk will be meeting with a group from Florence that have an interest. The locations and notification of the public hearings will fall on the back of the district. The district is required to hold public hearings. The notifications of the dates will be in one notice and run in several of the small local papers in the petition territory as well as the TDT, KDH, and Salado Village Voice. Shelly has worked to get information on the community papers and deadlines to run the notice. Austin American Statesman would be extremely expensive.

Dirk explained to the Board that he would like to meet with the Board in Executive Session with legal counsel to continue the discussion.

Leland moved to Executive Session with legal counsel at 4:23 p.m.

Executive session concluded on the discussion of item 12 and the regular Board meeting resumed at 4:53 p.m.

Dirk asked the Board for direction to move forward to set dates, time, and locations for the public hearings to be held, to run the "Notice" in the local papers, and to post at the Bell and Williamson County Clerk's office.

Dirk and Cole discussed the flow of the public hearing and that no decisions will be made. The Board will be in "listening" mode only. The purpose of the hearing is to gather information.

Director, Scott Brooks, moved to have Dirk make arrangements to hold 3 public hearings as discussed on January 31<sup>st</sup>, February 1<sup>st</sup>, and February 2<sup>nd</sup> in various locations beginning at 6:00 p.m. depending on availability. Secretary, Gary Young, seconded the motion.

**Motion carried 4-0.**

***6. Discuss, consider, and take appropriate action, if necessary, to accept the monthly Financial Report for November 2022 (FY23) as presented.***

Board members received the corrected monthly financial report for November 2022 in their Board packet to review prior to the meeting.

Shelly presented and explained the corrections to the November 2022 monthly financial report.

Director, Scott Brooks, moved to accept the corrected financial report for November 2022 as presented. Secretary, Gary Young, seconded the motion.

**Motion carried 4-0.**

**7. *Discuss, consider, and take appropriate action, if necessary, to accept the monthly Investment Fund account report for November (FY23) as presented.***

Board members received the monthly Investment Fund account report for November 2022 in their Board packet to review prior to the meeting.

Director, Jody Williams, moved to accept the monthly investment Fund account report as presented. Director, Scott Brooks, seconded the motion.

**Motion carried 4-0.**

**8. *Discuss, consider, and take appropriate action, if necessary, to accept the monthly Financial Report for December 2022 (FY23) as presented.***

Board members received the monthly financial report for December 2022 in their Board packet to review prior to the meeting.

Secretary, Gary Young, moved to accept the monthly financial report for December 2022 as presented. Director, Jody Williams, seconded the motion.

**Motion carried 4-0.**

**9. *Discuss, consider, and take appropriate action, if necessary, to accept the monthly Investment Fund account report for December (FY23) as presented.***

Board members received the monthly Investment Fund account report for December 2022 in their Board packet to review prior to the meeting.

Director, Scott Brooks, moved to accept the monthly Investment Fund account report for December 2022 as presented. Director, Jody Williams, seconded the motion.

**Motion carried 4-0.**

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

Board members received the quarterly report in the Board packet to review prior to the meeting.

Director, Scott Brooks, moved to accept the quarterly report as presented. Director, Jody Williams, seconded the motion.

**Motion carried 4-0.**

**11. *Discuss, consider, and take appropriate action, if necessary, to approve the FY23 line-item budget amendments as requested.***

Shelly and Dirk presented a request for line-item budget amendments to cover legal expenses related to the ACA request for annexation and event costs related to the Christmas reception for permit holders, consultants, and Board members.

Staff also requests an additional adjustment to line item 53605-Event Cost to cover expenses of special meetings or events that may be held by the District in the coming months.

Vendor	Line Item	Invoice Amount	Available Funds	Amount Requested	New Balance	From	Available Funds	New Balance
Lloyd Gosselink	53703-General (Rules & Accountability)	\$8,791.00	\$8,470.50	\$320.50	\$0.00	50250-Contingency Fund	\$48,038.74	\$47,718.24
Card Services	53605-Event cost	\$271.73	\$0.00	\$271.73	\$0.00	53603-Sponsorships	\$6,007.12	\$5,735.39
Internal Adjstmt	53605-Event cost		\$0.00	\$500.00	\$500.00	53603-Sponsorships	\$5,735.39	\$5,235.39

Staff and Board members discussed the request for the additional adjustment of \$500 to the line-item 53605-Event cost and determined it would be better to move \$1,000 instead of just \$500. Dirk explained there may be additional costs to hold public hearings related to the ACA's petition for annexation of portions of Williamson County.

Director, Jody Williams, moved to approve the line-item budget amendments as requested. Director, Scott Brooks, seconded the motion.

**Motion carried 4-0.**

**13. Discuss, consider, and take appropriate action, if necessary, to approve the sponsorship level of the Texas 4-H Water Ambassador Program.**

Bell County and Hidalgo County have the most participants in this program. In the past, the district has sponsored at the \$2,500 Legacy level and reimbursed registration fees when participants complete the program.

Director, Jody Williams, moved to support the Water Ambassador Program at the \$2,500 Legacy level and reimburse registration fees for Bell County participants. Secretary, Gary Young, seconded the motion.

**Motion carried 4-0.**

**14. Discuss, consider, and take appropriate action, if necessary, to review and adopt the District Investment policy by resolution for calendar year 2023.**

Dirk presented the District Investment Policy to be adopted by resolution. He noted that he had reviewed the policy and made changes where needed.

Secretary, Gary Young, moved to adopt the District Investment policy by resolution for calendar year 2023. Director, Scott Brooks, seconded the motion.

**Motion carried 4-0.**

**15. Discuss, consider, and take appropriate action, if necessary to elect officers of the Board for the calendar year 2023 per District Bylaws, Article VI (Sec. 1 & 2).**

Secretary, Gary Young, moved to retain Leland Gersbach as president, himself as Secretary, and to nominate Jody Williams as Vice President to replace David Cole. Director, Scott Brooks, seconded the motion.

**Motion carried 4-0.**

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

- Reports due in January have been completed for the Comptroller's Office and TCEQ.
- Grant for Karst Coalition contract with TPWD is going smooth. The district's share for "match funds" is \$26,250. Dirk will confirm all parties are still on the development portions of the RHCP
- Annual audit will be presented in February.
- Tristin is working on the Annual Report for 2022. A draft will be presented at the February Board meeting.

- Drilling/Operating permit renewals are being reviewed.
- Several website updates are being worked on.

**18. Review 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 is required. Information items only.)

**19. Director's comments and reports.**

- **Leland Gersbach:** There is no policy in place regarding plaques/recognition for former Board members. If the District wants to recognize Board members that served for 10-plus years, he would be fine with that.
- **Jody Williams:** None
- **Gary Young:** Wishes nothing but the best for David Cole and his family. Today's meeting was very informative. Was surprised at how many people showed up for the public hearing.
- **Scott Brooks:** None

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

- Audit presentation
- Dirk requested the Workshop items be tabled until next month.


**21. Set the time and place of the next meeting.**

Wednesday, February 15, 2023, at 1:30 p.m. at the CUWCD office.


**22. Adjourn.**

**Board Meeting closed with President, Leland Gersbach, at 5:54 p.m.**

**Workshop deferred to next meeting per President, Leland Gersbach.**

  
Leland Gersbach, President

ATTEST:

  
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Gary Young, Secretary or  
Dirk Aaron, Assistant Secretary