

**MINUTES OF  
February 19, 2016  
BOARD MEETING  
CENTRAL TEXAS GROUNDWATER  
CONSERVATION DISTRICT**

The Board of Directors of the Central Texas Groundwater Conservation District met in regular session on Friday, February 19, 2016 immediately following the 9:00 a.m. Permit Hearing in the District office located at 225 S. Pierce Street, Suite 104, Burnet, Texas.

The following persons were present:

**Members Present**

Bill Felps, President	Steve Henderson, Vice President
Dan Brady, Secretary/Treasurer	Wayne Brown, Director
Bill Luedecke, Director	

**Staff and/or Consultants Present**

Charles Shell, General Manager	Mitchell Sodek, Hydrologist
Donnita Coats, Admin. Assistant	Timothy Brown, Legal Counsel

**Others present**

8 Members of the Public

President Felps established a quorum through a roll call of Directors; declared a quorum present; and called the Meeting to order at 10:59 a.m.

President Felps then asked for public comment. There was no public comment.

President Felps then asked for consideration and/or action on the Annual District Audit for 2014-2015. Phyllis Burnett, District Auditor with Tabor and Burnett PC, reviewed the audit, explained additions to the audit report due to new government reporting requirements regarding pensions and reported that there were no Non-Compliance Issues and No Control Weaknesses.

Bill Felps moved to:

Approve the Central Texas Groundwater Conservation District 2014-2015 Annual Audit as presented.

Second was by Bill Luedecke.

Vote on the motion carried.

President Felps then asked for consideration and/or action on Minutes of the Regular Board Meeting held January 8, 2016.

Steve Henderson moved to:

Approve the Minutes of the Regular Board Meeting held January 8, 2016.

Second was by Wayne Brown.

Vote on the motion carried.

President Felps then asked for consideration and/or action on Expenditures for January 2016; Review of 2015-2016 Budget; and Budget Line Item Adjustments.

Bill Felps moved to:

Approve the Expenditures for January 2016.

Second was by Dan Brady.

Vote on the motion carried.

President Felps then asked for consideration and or action on a Request for Reprieve for Penalty on Taxes from Mike Macgowan Jr.

Steve Henderson moved to:

Deny the Request for Reprieve for Penalty on Taxes from Mike Macgowan Jr.

Second was by Bill Luedecke.

Vote on the motion carried.

President Felps then asked for consideration and/or action on instituting an enforcement action against Rio Ancho Water System for waste as defined in District rule, 1.01(65) and prohibited in District rule 9.01. General Manager Shell informed the Board that he had made an inspection visit to the Rio Ancho Subdivision after receiving a citizen complaint including photos showing possible waste of water by the Rio Ancho Water System. He informed them that at the time of the inspection there appeared to be a substantial amount of water running and standing on roadways and vacant areas of the subdivision. An Aqua Texas representative for the Rio Ancho Water System assured the Board that the system is checked weekly and that calls to their customer service department regarding waste of water by the System would result in immediate action to remedy the problem. He also agreed to make signs to encourage water conservation and clearly identify the customer service phone number for reports of possible waste of water. No enforcement action was taken at this time.

President Felps then asked for consideration and/or action on an Interlocal Agreement with the City of Bertram for a monitor well to explore the Ellenburger Aquifer. General Manager Shell informed the Board that an agreement is being drafted and if a final agreement is reached it would be brought before the Board for action. The agreement would include cost sharing to drill the deep Ellenburger well and the Districts portion would be funded with money that has been budgeted for study of the Ellenburger aquifer.

President Felps then asked for consideration and or action on authorization for the General Manager to enter into an Interlocal Cooperation Contract with the State Office of Administrative Hearings to conduct contested case hearings for the District. Legal Counsel, Timothy Brown, explained the process whereby a contested case could be referred to an administrative judge for hearing and recommendation for a decision by the Board. The Board would have the final say on the contested matter. The cost would be borne solely by the District per the rules, but a rule change could redistribute the cost. The hearing could be held wherever the Board decided at the Districts cost.

Dan Brady moved to:

Give the General Manager authorization to enter into an Interlocal Cooperation Contract with the State Office of Administrative Hearings to conduct contested case hearings for the District.

Second was by Wayne Brown.

Vote on the motion carried.

President Felps then asked for consideration and or action on use of water at Vulcan Quarries at 5525 Hwy. 71 East, Spicewood, Texas. General Manager Shell informed the Board of a request by Vulcan Quarries to use water under its current industrial use permit for a ready mix operation at the quarry.

Bill Felps moved to:

Allow Vulcan Quarries an additional industrial use for a ready mix operation at the Quarry under the current 356 acre foot Operating Permit Number 10101934 with the additional use subject to all terms and conditions of the existing permit.

Second was by Steve Henderson.

Vote on the motion carried.

President Felps then asked for discussion of Operating Permit Renewals as affected by Section 36.1145 of the Texas Water Code, Chapter 36, as passed by the 84th Legislature, 2015. Legal Counsel, Timothy Brown, reviewed new legislation on Permit renewals. Legislation passed in 2015 which states permit renewals will be approved without hearings unless rules violations, change of use of water, etc. are present. Study of rule changes which may be needed will be explored.

President Felps then asked for consideration and or action on well spacing. Director Wayne Brown presented information on well spacing scenarios that he felt the Board needs to address by changing District Rules regarding spacing requirements. President Felps and legal counsel Timothy Brown informed the Board that a Rulemaking Hearing would have to be held to make spacing changes to the rules and directed General Manager Shell to include an agenda item at a future board meeting to call for a Rulemaking Hearing and to publish notice of the hearing.

President Felps then asked for consideration and/or action on Determination of the Drought Stage. Hydrologist Sodek reported that although there has been no rain the last six or seven weeks and the topsoil is dry, the creeks and streams are still running. He recommended staying at the current Drought Stage 1 - Near Normal at this time.

President Felps then called on the General Manager for the General Manager and/or Staff Report.

a. Monthly Report of Well Registrations & Permitting Activity

	Total as of September 10, 2015	Total as of February 18, 2016
Well Registrations	3948	4018
Well Drilling Authorizations	968	1030
Permit Applications Received	152	152

<u>Permit Applications by Use</u>		<u>Issued</u>	<u>Denied</u>	<u>Pending</u>
Commercial	16	15	0	1
Domestic, Livestock & Poultry	55	55	0	0
Industrial	11	9	0	2
Irrigation	26	23	0	3
Public Water Supply	44	42	1	1
Total	152	144	1	7

<u>Permit Applications by Precinct</u>	
Precinct 1	69
Precinct 2	32
Precinct 3	26
Precinct 4	23
Precinct 1,3	1
Precincts 1,2,&3	1
Total	152

b. GMA 8 Update

The GMA 8 Meeting held in Cleburne on February 17, 2016 resulted in the DFC's contained in Model Run 10 being adopted by the Full Board. Progress is continuing to meet the deadline for adopting the new DFC's.

c. Region K Update

General Manager Shell & Hydrologist Sodek will attend the seminar Water 101 – How Region K works on March 9, 2016.

d. Office Space Remodel Update

The contractor has visited the office and is working on the plan for the office remodel.

President Felps then asked for consideration and/or action on various DFC's on the Socioeconomic impacts and Private Property Rights as Related to Desired Future Conditions. As required in Texas Water Code Sections 36.108(d)(6). & 36.108 (d)(7).

Discussion was held concerning the socioeconomic and property rights concerns of setting various DFC's. Meeting attendee, Andy Carson, commented that the Board has always considered the socioeconomic and property rights concerns in their decision making.

More discussions will be held at future meetings concerning the DFC's and their impacts on the citizens of the District.

President Felps then called for any Director comments.

Wayne Brown asked if General Manager Shell had any news regarding the EPA Superfund. The EPA has generated a report which is available for review at local libraries. Information from the EPA has been difficult to obtain. The EPA has told the General Manager that they were going to clean up the contamination. The General Manager will continue to try to obtain information regarding the progress of the cleanup.

General Manager Shell informed the Board that he had a permit application that may become administratively complete and be ready for a permit hearing on the next meeting date.

President Felps then called for agenda items for the next Regular Board Meeting.

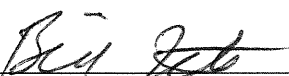
Rulemaking Hearing


Possible Permit Hearing at 9:00 a.m. prior to the meeting

President Felps stated that Directors could contact the General Manager or Board President prior to the deadline for posting notice of the next meeting if they have a suggested agenda item.

President Felps then set the date for the next regular board meeting for, Friday, March 25, 2016 at 9:00 a.m. or immediately following a possible 9:00 a.m. Permit Hearing at the District Office located at 225 S. Pierce, Burnet, Texas.

President Felps adjourned the meeting at 12:27 p.m.

  
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Bill Felps, President

  
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Dan Brady, Secretary/Treasurer