

**MINUTES OF
August 10, 2012
BOARD MEETING
CENTRAL TEXAS GROUNDWATER
CONSERVATION DISTRICT**

The Board of Directors of the Central Texas Groundwater Conservation District met in regular session on Friday, August 10, 2012 at 9:00 a.m. in the District office located at 225 S. Pierce Street, Suite 104, Burnet, Texas.

The following persons were present:

Members Present

| | |
|--------------------------------|---------------------------|
| Bill Felts, President | Bill Luedecke, Director |
| Wayne Brown, Vice President | Steve Henderson, Director |
| Dan Brady, Secretary/Treasurer | |

Staff and or Consultants Present

Charles Shell, General Manager Mitchell Sodek, Hydrologist
Donnita Coats, Administrative Assistant

Others present - Several Members of the Public

President Felts asked General Manager Shell to establish a quorum through a roll call of Directors; declared a quorum present; and called the Meeting to order at 9:00 a.m.

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

President Felts then asked for consideration and/or action on Minutes of the Regular Board Meeting held July 13, 2012 and Minutes of the Regular Board Meeting held July 30, 2012

Steve Henderson moved to:

Approve the Minutes of the Regular Board Meeting held July 13, 2012 and Minutes of the Regular Board Meeting held July 30, 2012

Second was by Wayne Brown.

Vote on the motion carried.

President Felts then asked for consideration and/or action on Expenditures for July 2012; Review of 2011-2012 Budget; and consideration and/or action on Budget Line Item Adjustments.

Wayne Brown moved to:

Approve the Expenditures for July 2012.

Second was by Steve Henderson.

Vote on the motion carried.

President Felts then asked for consideration and/or action on the Employee Retirement Plan. General Manager Shell informed the Board that he felt the Board should consider an alternative to the current retirement plan and that Mr. Tim Krause, Employer Services Representative for Texas County & District Retirement System, would give a presentation to the Board when he arrived for the meeting.

President Felts stated that they would move to Agenda Item Number 6, Consider and/or action on the engagement letter from Taber & Burnett, P.C. for the 2011 – 2012 Audit and return to Agenda Item Number 5 when Mr. Krause arrived.

General Manager Shell reviewed the Audit Engagement Letter with the Board and President Felps stated that the Board President would sign the letter if approved by the Board.

Bill Luedecke moved to:

Approve Taber & Burnett, P.C. to do the 2011-2012 Audit for the District.

Second was by Steve Henderson.

Vote on the motion carried.

President Felps then asked for consideration and/or action on Resolutions providing for the Sale of Property Acquired by the Burnet Central Appraisal District at Delinquent Tax Sale. General Manager Shell reviewed the Resolutions.

Wayne Brown moved to:

Approve the Resolutions providing for the Sale of Property Acquired by the Burnet Central Appraisal District at Delinquent Tax Sale as presented.

Second was by Bill Luedecke.

Vote on the motion carried.

President Felps then asked for consideration and/or action on LCRA Whitewater Springs Extension to Drilling Permit Validity Date. General Manager Shell explained that the properly noticed, published and permitted Drilling Permit No DP-0916111 for LCRA Whitewater Springs had previously been extended and then postponed due to the pending sale of the Public Water System to the Whitewater Springs POA. The sale of the system to Whitewater Springs Water Supply Corporation has been completed and Randall B. Wilburn, Representative for the Corporation, requested that the Drilling Permit be renewed for another term.

Steve Henderson moved to:

Approve an extension to the Drilling Permit Validity Date for Drilling Permit No. DP-0916111.

Second was by Dan Brady.

Vote on the motion carried.

President Felps then asked for consideration and/or action on Determination of the Drought Stage. Hydrologist Sodek reported that conditions have not changed and that there is a positive outlook for future rainfall. He and General Manager Shell concurred that the drought stage remain at Stage 2 – Moderate Drought. No action was taken to change the Drought Stage.

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

a. Rule implementation activities

| Activity | Total as of July 12, 2012, 2012 | Total as of August 9, 2012 |
|-----------------------------------|------------------------------------|-------------------------------|
| Well registrations | 3445 | 3458 |
| Exempt Well Drilling Auth. | 462 | 469 |
| Permit App. Received | 127 | 128 |
| Permit Applications by Use | | Permits Issued |
| Commercial | 14 | 12 |
| Domestic, Livestock & Poultry | 41 | 41 |
| Industrial | 9 | 0 |
| Irrigation | 30 | 19 |
| Public Water Supply | 34 | 25 |
| Total | 128 | 97 |

Permit Applications by Precinct

| | |
|------------------------------|----------|
| Precinct 1 | 55 |
| Precinct 2 | 34 |
| Precinct 3 | 23 |
| Precinct 4 | 15 |
| <u>Precincts 1 2 & 3</u> | <u>1</u> |
| Total | 128 |

Have received some of the overdue Pump Installation Reports as a result of phone calls done by the General Manager and Staff.

- b. Domestic Septic Registration No. 710921 Issued to Childress Outhouses, LLC
Motion to Overturned and Request for Judicial Review filed; Received TCEQ responses to Motion to Overturn; Legal Counsel preparing District response to that response; Fairland Citizens Community meeting to be held August 7th regarding registration.
- c. Proposed Participation in Rainwater Harvesting Projects
Will discuss possible participation and funding of projects for Briggs and Oakalla VFD in discussion of the draft budget.

President Felps then called for consideration and/or action on personnel matters including salaries and benefits of employees for the 2012 – 2013 fiscal year. President Felps tabled this agenda item until later in the meeting.

President Felps then called for consideration and/or action on the FY 2012-2013 Budget. Secretary/Treasurer Brady and General Manager Shell reviewed the Draft Proposed Budget that they had created as a result of discussions at the July 30, 2012 Board Meeting.

Bill Luedecke moved to:
Accept the Proposed FY 2012-2013 Budget as presented.
Second was by Wayne Brown.
Vote on the motion carried.

President Felps then stated that Tim Krause with Texas County & District Retirement System(TCDRS) had arrived at the meeting and would give his presentation to the Board. Mr. Krause introduced himself and gave Board Members and Staff a handout and presentation introducing TCDRS and outlining how the plan works. Following the presentation, the Board instructed General Manager Shell to present a cost comparison for the current plan and the TCDRS plan at a future meeting.

President Felps then called for consideration and/or action on the 2012 Proposed Tax Rate. General Manager Shell informed the Board that the effective tax rate for 2012 was .0099/\$100 for a total tax of \$442,011.00.

Bill Luedecke moved to:
Approve a Proposed 2012 Tax Rate of .0099/\$100
Second was by Dan Brady.
Vote on the motion carried.

President Felps then called for any Director comments.

Dan Brady asked General Manager Shell how many responses the District had received for Request for Qualifications for District Legal Counsel and suggested that a committee be formed to review the responses. President Felps stated that he and Dan Brady would act as the committee and report back to the Board.

Board members and Staff discussed the need for a Special Board Meeting before the next Regular Board Meeting to consider and/or act on Request for Qualifications for District Legal Counsel – Deadline & Committee Report and Proposed 2012-2013 Budget.

President Felps then set the date for a Special Board Meeting for Friday, August 17, 2012 at 9:00 a.m. at the District Office located at 225 S. Pierce, Burnet, Texas.

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

- Adopt 2012-2013 Budget
- Adopt 2012 Tax Rate

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, September 14, 2012 at 9:00 a.m. at the District Office located at 225 S. Pierce, Burnet, Texas.

President Felps then stated that the Board would go into Executive Session to discuss personnel matters. The Board went into Executive Session at 11:05 a.m. and returned to Regular Session at 11:20 a.m.

President Felps then returned to tabled Agenda Item No. 11 consideration and/or action on personnel matters including salaries and benefits of employees for the 2012 – 2013 fiscal year.


President Felps moved to:

Increase General Manager Shell's Annual Salary to \$67,000.00, to increase Administrative Assistant, Donnita Coats, salary by \$2400.00 per year and increase District Hydrologist, Mitchell Sodek's, salary by \$1200.00 per year effective the payroll period beginning August 18, 2012.

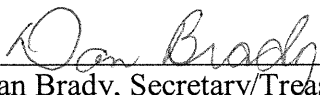
Second was by Wayne Brown.

Vote on the motion carried.

President Felps adjourned the meeting at 11:28 a.m.



Bill Felps, President



Dan Brady, Secretary/Treasurer