

**MINUTES OF  
April 30, 2021  
BOARD MEETING  
CENTRAL TEXAS GROUNDWATER  
CONSERVATION DISTRICT**

The Board of Directors of the Central Texas Groundwater Conservation District met in regular session on Friday, April 30, 2021 at 9:00 a.m. in the District office located at 225 S. Pierce Street, Suite 104, Burnet, Texas.

**Members Present:**

Ryan Rowney, President    Ricky Bindseil, Vice-President  
Kathy Griffis-Bailey, Secretary/Treasurer    Bill Felps, Director    Homer Will, Director

**Staff and/or Consultants Present:**

Mitchell Sodek, General Manager    Paul Babb, Groundwater Resource Specialist  
Donnita Coats, Office Manager    Bill Dugat, District Legal Counsel  
Dr. Neil Deeds, District Technical Consultant

**Others Present:** 14 Members of the Public

President Rowney declared a quorum present and called the Meeting to order at 9:00 a.m.

President Rowney then called for the Invocation and Pledge of Allegiance to the Flags.

President Rowney then asked for public comment. Three members of the public stated that they would make comments on agenda items they had comment on when the agenda item was called.

President Rowney then asked for consideration and/or action on a Request by Corix Utilities-Texas (Corix) to be Allowed to Consider its CCN Area as Part of the Contiguous Controlled Acre Attributable to its Well(s); or for a Variance from Rule 5.02; or, that the District Establish a Special Production Regulation Related to the Corix Well(s).

General Manager Sodek summarized the request made by Corix and the events and water rights issues that had led to the non-compliance issue with the Corix Utilities (Texas) Operating Permit. Russell Johnson, representing Corix, detailed the request being made and gave information on ongoing negotiations with the Summit Springs Homeowner's Association (HOA) to obtain water rights to include in their permit. He and James Bene, Hydrogeologist for RW Harden & Associates, offered that granting the request would have little or no impacts to the aquifer and does not threaten the Districts goals to manage groundwater. Larry Whatley and Meg Bergquist, President and representative of the HOA discussed ongoing negotiations with Corix for the leasing/purchasing of water rights and the cost to the HOA associated with the effort. General Manager Sodek and Legal Counsel Dugat discussed that there is no variance in the District Rules to cover this situation and there are no hydrogeologic conditions to create a management zone. President Rowney expressed appreciation to Corix and the HOA for working together but respectfully submitted that they continue to work together to come up with a solution to what appears to be a business deal which is not the District's issue. Director Griffis-Bailey agreed and suggested a more formal mediation between Corix, the HOA and PUC as they continue to work on a solution.

No action was taken and President Rowney called a five minute recess at 9:48 a.m.

President Rowney reconvened the meeting at 9:54 a.m.

President Rowney then asked for consideration and/or action on Operating Permit Sunset Water Utilities-Spicewood Estates Non Compliance. General Manager Sodek reviewed the Spicewood Estates Permit, the non-compliance issue of producing more water than the permit allows, and the contract agreement they have made with the newly developed Spicewood Trails Subdivision to provide water from the Spicewood Estates water system. A test well was drilled in the Spicewood Trails Subdivision with the intent to add the well to the water system but the water quality of the well does not meet Texas Commission on Environmental Quality water quality standards. Increased production has been met by the existing Spicewood Estates wells, but the newly acquired water rights associated with Spicewood Trails are not contiguous. The operators of the Spicewood Estates system are working on getting water rights to contiguous acres with Spicewood Trails in order to supply them water from their system. Ricky and Sandra Rowe, operators of the Spicewood Estates water system, spoke on the progress that is being made to obtain water rights to contiguous acreage to Spicewood Trails which they think may be possible to obtain by May of 2021 and on leaks in the Spicewood Trails Subdivision section of the system being the reason that production was over the permitted amount. General Manager Sodek suggested scheduling a show cause hearing in June to formally set a deadline for compliance at a date one year from the hearing.

Bill Felps moved to:

Schedule a Show Cause Hearing for the Sunset Water Utilities-Spicewood Estates Non Compliance issue for the June 2021 Regular Board Meeting and if the conditions to become compliant are met before that time no Show Cause Hearing will be held.

Second was by Kathy Griffis-Bailey.

Vote on the motion carried.

President Rowney then asked for consideration and/or action on Written Comments Received on Proposed Desired Future Conditions. Bill Felps recused himself from discussion and action on this agenda item. General Manager Sodek read a summary of the one written comment the District received from Felps LLC and noted that the Board had been sent a review and link to the comments. Dr. Neil Deeds, District Technical Consultant, who has had a 20 year career in groundwater modeling, discussed the groundwater availability models (GAM) provided by the Texas Water Development Board (TWDB) and the District's role as a stakeholder with Groundwater Management Area 8 (GMA 8) to provide desired future conditions (DFCs) to TWDB. He believes the numbers used to set the proposed DFC's represent the best available science. He and General Manager Sodek suggested conducting an additional MAG run based on written comments received and then analyze the results to determine if there are needed changes to the proposed DFC's to take to GMA 8 for approval. Dr. Deeds presented a memo dated April 14, 2021 laying out the scope of work and estimated cost for INTERA to run the proposed additional GAM run. Bill Dugat, District Legal Counsel, summarized the process that the District would be required to follow to make changes to the proposed DFC's if it is decided that changes are needed.

Ricky Bindseil moved to:

Authorize Dr. Neil Deeds through INTERA to run an additional GAM run with an estimated cost of \$11,300.00 as proposed in his memo dated April 14, 2021.

Second was by Kathy Griffis-Bailey.

Vote on the motion carried.

Ryan Rowney voted Aye

Ricky Bindseil voted Aye

Kathy Griffis-Bailey voted Aye

Homer Will voted Aye

Bill Felps Abstained

President Rowney then asked for consideration and/or action on the Proposal by Collier Consulting (Collier) for Professional Services Related to Development of a Groundwater Data Management and Integrated Mapping System. General Manager Sodek informed the Board that he had met frequently with Collier, following their proposal at the last regular Board Meeting, to address the specific needs of the District and the procedure to transition from the current database used by the District. He presented Collier's overview of proposed services, scope of work and costs associated with 2 phases for developing and maintaining the proposed Groundwater Data Management and Integrated Mapping System. President Rowney suggested requesting that a specific number of years at the current annual fee rate be added to the proposed contract. Legal Counsel Dugat has reviewed a similar contract between Collier and another District.

Ricky Bindseil moved to:

Move forward with Collier Consulting's proposal for Professional Services Related to Development of a Groundwater Data Management and Integrated Mapping System with the General Manager and Legal Counsel reviewing the service contract and to allow the General Manager to sign the contract.

Second was by Bill Felps.

Vote on the motion carried.

President Rowney then asked for consideration and/or action on Requests for Waiver of Penalty and Interest on Taxes – Brad & Jennifer Hicks; Eldon Box; and Thomas & Diane Sanders, Co-Trustees, The Thomas L Sanders Revocable Inter-vivos Trust. General Manager Sodek reviewed each request and after discussion by the Board no action was taken.

President Rowney then asked for consideration and/or action on Extension of the District Office Lease. General Manager Sodek informed the Board that the current lease will end in May and that it is in the contract to renegotiate the Consumer Price Index (CPI) at the time of renewal of the lease. The CPI will increase the lease payment by \$40.00 per month for a two year renewal.

Kathy Griffis-Bailey moved to:

Approve the two year extension option to the current office lease with Huttluck One, Ltd starting June 1, 2021 and running through May 31, 2023 with a \$40.00 increase to the monthly base rent, resulting in a payment of \$2,185.00 per month.

Second was by Ricky Bindseil.

Vote on the motion carried.

President Rowney then asked for discussion on District Property and Future Building. General Manager Sodek was informed by Burnet City Manager, David Vaughn, that the Burnet Economic Development Corporation (EDC) has a proposed plat for a 13.5 acre subdivision off of Highway 281 in Burnet that if approved would be available for sale for commercial development in the near future. The Board reviewed the proposed plat design and location and agreed to meet at the location and possibly have discussion with the EDC in conjunction with the next regular Board Meeting.

President Rowney then asked for consideration and/or action on the Minutes of the Regular Board Meeting held on March 10, 2021.

Kathy Griffis-Bailey moved to:

Approve the Minutes of the Regular Board Meeting held on March 10, 2021.

Second was by Ricky Bindseil.

Vote on the motion carried.

President Rowney then asked for consideration and/or action on Expenditures for March 2021; Review of 2020-2021 Budget; Budget Line Item Adjustments; and Quarterly Report on Investments. General Manager Sodek stated that there were no line item adjustments needed.

Bill Felts moved to:

Approve the Expenditures for March 2021.

Second was by Kathy Griffis-Bailey.

Vote on the motion carried.

Public Funds Investment Officers, Mitchell Sodek and Donnita Coats, gave the Board a Quarterly Report on the Investment Position of the District for the quarter ending March 31, 2021 in accordance with Section IV of the Public Funds Investment Policy of the District.

President Rowney then asked for consideration and/or action on determination of the Drought Stage. Groundwater Resource Specialist Babb reported that conditions and rainfall deficits have remained the same for the last three months and that a La Nina is still predicted. He discussed the Palmer Hydrologic Drought Index report is showing Burnet County to be in moderate drought but with the deficit in rainfall amounts he recommended that there is no need to change the current Drought Stage 3 – Severe Drought at this time.

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

a. Well Registrations & Permitting

General Manager Sodek reported that there is a skyrocketing trend in the number of new developments in the County and well applications being received by the District.

	Total as of April 28, 2021	Last 30 Days	Last 90 Days	Last 365 Days
Wells in Database	7667	51	117	500
Registered Wells	5333	32	80	334
Wells Pending Registration	170	45	90	162
Imported Unregistered Wells	1691	0	0	0
Canceled/Denied/Not Completed Wells	473	1	4	79
Non-Exempt - By Rule	489	28	55	229
Permit Applications Received	169	1	1	3

Permits by Status	Received	Approved	Denied	Pending	Incomplete	Expired	Terminated
	169	149	1	6	2	0	11

Permits Approved by Use	Total
Commercial	14
Domestic, Livestock & Poultry	65
Industrial	11
Irrigation	32
Public Water Supply	43
Total	165

Permits Approved by Precinct	Permits	Wells
Precinct 1	68	140
Precinct 2	35	76
Precinct 3	19	31
Precinct 4	24	37
Precinct 1,2,3	1	13
Precinct 1,3	1	2
Precinct 1,4	1	3
Totals	149	302

b. Cybersecurity Training

The training is required by the State for all Board and Staff members and General Manager Sodek is required to report completion of the training to the State. He reported that all staff and most of the Board has completed the training and encouraged completion of the training as soon as possible.

c. Monitor Wells

Two new monitor wells were recently drilled. One in the Ellenburger-San Saba aquifer at Backbone Ridge and one east of Bertram at Watson Place near CR 274 located between two proposed new developments in the county. The wells are equipped with the new Wellintel equipment and the equipment is also being added to some existing monitor wells.

President Rowney then called for Director comments. Director Bill Felps offered the Board a letter of resignation as Director At-Large for reasons addressed in his letter and for personal health issues involving an immediate member of his family. He expressed that he had enjoyed his time on the Board, that his goal to get a District created had been met and that he hopes it succeeds and does well in the future. Ricky Bindseil and President Rowney offered appreciation for his service on the Board and offered prayers for the family on behalf of the Board and Staff.

Bill Felps will be removed from the signature authority documents at any financial institutions that he is included as an authorized signer on the account(s). At such time as a new Board Member is appointed to the Board, that member will be added to signature authority documents that they would be included on at these financial institutions.

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

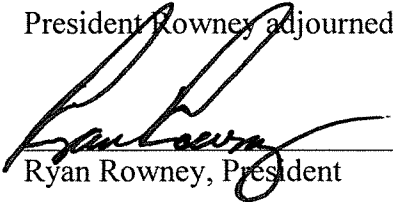
Site Visit to EDC property and District Property and Future Building  
Development and Water Availability Studies  
Amend Budget

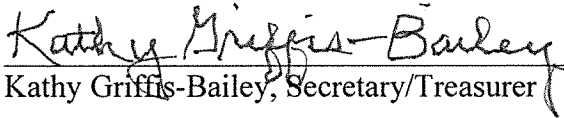
Directors may contact the General Manager or Board President prior to the deadline for posting notice of the next meeting if they have a suggested agenda item.

Legal Counsel, Bill Dugat, informed the Board that they will need to appoint a replacement for the Director At-Large position and since an appointed Director can only serve a two year term, the District will have to include an election for the position at the next scheduled election held by the District.

President Rowney then set the date for the next regular board meeting for, Friday, May 21, 2021 at 9:00 a.m. at the District Office located at 225 S. Pierce, Burnet, Texas.

President Rowney adjourned the meeting at 11:25 a.m.

  
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Ryan Rowney, President

  
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Kathy Griffis-Bailey, Secretary/Treasurer