

**MINUTES OF
July 19, 2021
BOARD MEETING
CENTRAL TEXAS GROUNDWATER
CONSERVATION DISTRICT**

The Board of Directors of the Central Texas Groundwater Conservation District met in regular session on Monday, July 19, 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 Homer Will, Director

Members Absent: Paul King, Director

Staff and/or Consultants Present: Mitchell Sodek, General Manager
Paul Babb, Groundwater Resource Specialist Donnita Coats, Office Manager
Bill Dugat, District Legal Counsel

Others Present: 11 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. There was no public comment.

President Rowney then called a Show Cause Hearing to order at 9:01 a.m.

Deer Springs Water Company, Theresa Schweiger and Backbone Valley Nursery were given notice to appear before the Board and required to show cause why a suit should not be initiated against the person in a court of competent jurisdiction for failure to comply with the orders or Rules of the Board, the relevant statutes of the State, or failure to abide by the terms and provisions of a permit issued by the District or the operating authority of the District. General Manager Sodek informed the Board that Deer Springs Water Company and Theresa Schweiger had not met the technical requirements agreed to in the Order.

Discussion was held between the Board, General Manager Sodek, District Legal Council Dugat and the Operator of the Deer Springs Water Company (Operator) Cody Lewis and Lisa Lewis on actions not taken to meet requirements of the agreed order by the Operator; a request for a contested case hearing by the Operator; enforcement action and civil penalties allowed by the District; and production reporting requirements for the permit.

Kathy Griffis-Bailey moved to:

Require Deer Springs Water Company to provide the District with monthly reports of groundwater usage on the tenth day of each month effective with the report beginning August 1, 2021 for the Month of July 2021.

Second was by Ricky Bindseil.

Vote on the motion carried.

General Manager Sodek informed the Board that Theresa Schweiger was not present for the hearing and that she had not contacted him regarding the notice of hearing. Discussion was held between the Board, General Manager Sodek and District Legal Counsel Dugat on enforcement action and civil penalties allowed by the District.

Kathy Griffis-Bailey moved to:

Notify Theresa Schweiger of the District's intent to initiate legal enforcement action to include a penalty of \$250.00 per day and intent to file suite to obtain enforcement for penalties and all relief possible in the petition effective July 19, 2021.

Second was by Ricky Bindseil.

Vote on the motion carried.

General Manager Sodek informed the Board that Backbone Valley Nursery had been sent notice of the Show Cause Hearing and an Agreed Order for violating terms of Permit OP-10102004 by exceeding the annual production amount allowed by the permit. Ben Robertson with Backbone Valley Nursery could not attend the hearing but has signed the Agreed Order sent to him by the District.

Kathy Griffis-Bailey moved to:

Approve the signed Agreed Order received by Backbone Valley Nursery.

Second was by Ricky Bindseil.

Vote on the motion carried.

President Rowney adjourned the Show Cause Hearing and reconvened the Regular Meeting at 9:46 a.m.

President Rowney then asked for consideration and/or action on June 29, 2021 complaint filed by Felps LLC under Tex. Water Code 36.119 alleging groundwater production exceeding permitted amounts under Hanson Aggregates LLC Operating Permit for Quarry Pit OP-10110301, including but not limited to setting a future hearing date.

General Manager Sodek informed the Board of the complaint received from Felps LLC and summarized the Hanson Aggregates LLC permit terms and use and informed the Board that production reports had been submitted annually and amounts were within the permitted amount each year.

President Rowney opened the item up for discussion and public comments. Comments were heard from Mark Harral, Harral and Associates, PLLC.; Cleve Clinton, Houston Clinton Company, HR Ranch; and LB Bhatnagar, Hanson Aggregates LLC.

Kathy Griffis-Bailey wanted more information on Texas Water Code Chapter 36.119 and requested that the Board go into Executive Session in compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, for consultation concerning attorney-client matters (§551.071).

President Rowney announced that the Board would go into Executive Session at 10:19 a.m. and stated no action would be taken in the Executive Session. President Rowney adjourned the Executive Session at 10:47 a.m. and no final decision or final action was taken by the Board. After a short break President Rowney reconvened the Regular Meeting and continued with agenda item number five at 10:49 a.m.

Ricky Bindseil moved to:

Direct the General Manager (GM) to investigate allegations including directing complainant, permittee and any other affected persons to provide relevant information to the GM for the District's consideration; to Direct GM to coordinate with complainant, permittee and any other affected persons on a hearing date of August 30, 2021 in connection with a regular Board meeting; and to

Direct the Board President to take any necessary action in setting schedule and addressing procedural and other matters related to the complaint that may arise before the next board meeting.

Second was by Kathy Griffis-Bailey.

Vote on the motion carried.

President Rowney then asked for consideration and/or action on District Property, Future Building and Budget Amendment. General Manager Sodek had no update for this item and no discussion or action was taken.

President Rowney then asked for consideration and/or action on the Minutes of the Regular Board Meeting held on June 28, 2021.

Kathy Griffis-Bailey moved to:

Approve the Minutes of the Regular Board Meeting held on June 28, 2021.

Second was by Ricky Bindseil.

Vote on the motion carried.

President Rowney then asked for consideration and/or action on Expenditures for June 2021; Review of 2020-2021 Budget; Budget Line Item Adjustments; and Quarterly Report on Investments. General Manager Sodek reported that the line item Expenses-Reserves-Legal would be going over budget and requested that an adjustment be made to move \$15,000.00 to this item from Expenses-Reserves-Building/Construction Consultant in the FY 2020-2021 Budget.

Ricky Bindseil moved to:

Approve the Expenditures for June 2021 and to Move \$15,000.00 from Expenses-Reserves-Building/Construction Consultant to Expenses-Reserves-Legal in the FY 2020-2021 Budget.

Second was by Homer Will.

Vote on the motion carried.

Public Funds Investment Officers, Mitchell Sodek and Donnita Coats, provided to the Board a Quarterly Report on the Investment Position of the District for the quarter ending June 30, 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 amendments to and/or re-adoption of District Investment Policy. General Manager Sodek informed the Board that he and Public Funds Officer, Donnita Coats, had recently attended the required public funds investment training and that it was not necessary to amend the current policy at this time.

Kathy Griffis-Bailey moved to:

Adopt a Resolution confirming the continuance of the District Investment Policy without amendment.

Second was by Ricky Bindseil.

Vote on the motion carried.

President Rowney then asked for consideration and/or action on Texas 4-H Water Ambassadors Program. As requested by the Board at the June 28, 2021 Meeting, General Manager Sodek contacted David Smith, 4-H2O Program Coordinator, to see if any of the funds provided by the District last year will carry forward to 2021 or if they need additional funds. He responded that even though some events were canceled due to Covid-19 restrictions they were able to offer alternative events and all sponsorship funds received were used to fund the program.

Ricky Bindseil moved to:

Approve a \$5,000.00 Signature Level Sponsorship for the Texas 4-H Water Ambassadors Program to be funded from the general public education budget of the District's FY 2020-2021 Budget.

Second was by Homer Will.

Vote on the motion carried.

President Rowney then asked for consideration and/or action on Determination of Drought Stage. General Manager Sodek reported that the Palmer Hydrological Drought Index shows the District to be in a drought stage corresponding to District Drought Stage 1-Near Normal. He recommended that there is no need to change the current Drought Stage at this time.

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

a. Well Registrations & Permitting

General Manager Sodek reported that well registration applications have been averaging 40 per month and that most applications are for exempt and non-exempt by rule applications.

	Total as of July 15, 2021	Last 30 Days	Last 90 Days	Last 365 Days
Wells in Database	7790	40	143	520
Registered Wells	5411	24	101	340
Wells Pending Registration	200	40	123	191
Imported Unregistered Wells	1691	0	0	0
Canceled/Denied/Not Completed Wells	488	0	0	74
Non-Exempt - By Rule	545	19	69	240
Permit Applications Received	171	1	3	3

Permits by Status	Received	Approved	Denied	Pending	Incomplete	Expired	Terminated
	171	147	1	8	2	0	13

Permits Approved by Use	Total
Commercial	14
Domestic, Livestock & Poultry	64
Industrial	11
Irrigation	30
Public Water Supply	43
Total	162

Permits Approved by Precinct	Permits	Wells
Precinct 1	68	140
Precinct 2	34	75
Precinct 3	18	30
Precinct 4	24	37
Precinct 1,2,3	1	13
Precinct 1,3	1	2
Precinct 1,4	1	3
Totals	147	300

b. Monitor Wells

Looking at drilling a few monitor wells in conjunction with Krause Springs Project. Groundwater Resource Specialist Paul Babb reported that monitor well graphs can be viewed on the District website and that some wells are trending up but there are some Trinity aquifer wells are not showing increased levels even after rainfall.

c. Texas Groundwater Summit

All District Staff and President Rowney have registered for the Summit.

President Rowney then called for Director comments. There were no Director comments.

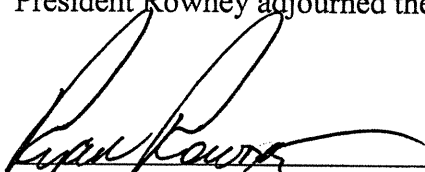
President Rowney then called for agenda items for the next Regular Board Meeting.

Swearing in of New Director At-Large
Budget Items

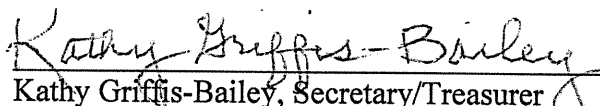
Directors may contact the General Manager or Board President prior to the deadline for posting notice of the next meeting if they have a suggested agenda item.

President Rowney then set the dates for two board meetings for, Tuesday, August 10, 2021 and Monday, August 30, 2021 at 9:00 a.m. at the District Office located at 225 S. Pierce, Burnet, Texas.

President Rowney adjourned the meeting at 11:14 a.m.



Ryan Rowney, President



Kathy Griffis-Bailey, Secretary/Treasurer