

BLUEBONNET GROUNDWATER CONSERVATION DISTRICT

Board of Directors Meeting

Wednesday, January 20, 2010
6:00 PM

Bluebonnet Groundwater Conservation District
Board Room, Suite B & C
303 East Washington Avenue
Navasota, Texas

MINUTES OF THE MEETING

In Attendance: Directors Blezinger, Brandes, Minze, Sandel, Brown, Thomas, Ward, Pierce, Copeland, General Manager Behm, Administrative Assistant Williams, Wm Dugat, C. R. Williams, Mike Gershon, Tom Wallis, John Daugherty, Bob Williams, John Mikels, Rick Welch, Jonathon Dittmar, Henry Muller. Director Morrison joined the meeting at 6:05 PM, Director Paben joined the meeting at 6:06 PM and Director Huebner joined the meeting at 6:12 PM. Director Olsta joined the meeting after the oath of office was administered.

1. Call to order
The meeting was called to order at 6:03 PM by Vice President Minze.
2. Public Comment
No one addressed the Board during the Public Comment period.
3. Discussion and possible action to approve Resolution 2010-01 (1) ratifying and adopting the Presiding Officers January 6, 2010 Order which adopts Findings of Fact and Conclusions of Law and (2) adopting Findings of Fact and Conclusions of Law.
Following a review of the action taken on January 6, 2010, Director Copeland moved approval of Resolution 2010-01. Director Pierce seconded. **Carried Motion**
4. Presentation by Thomas Wallis and discussion of FY 2009 audit performed by Ingram Wallis & Company.

Thomas Wallis presented the FY 2009 audit as performed by Ingram Wallis & Company which resulted in an “unqualified” rating. He reviewed the letters included with the audit.

5. Discussion and possible action to accept FY 2009 Audit prepared by Ingram Wallis & Company.

After clarifying questions and comments, Director Morrison moved acceptance of the FY 2009 Audit as presented. Director Thomas seconded. **Motion Carried**

6. Public Hearing - Proposed revisions to the Revised District Management Plan adopted by the District on October 21, 2009 (Resolution 2009-03) recommended by the Texas Water Development Board after their initial review of the Revised Management Plan submitted on December 3, 2009 that establishes: the District Mission; the purpose and time period of the Plan; reviews the composition of the District and the authority of the District; established the groundwater resource of the District; reviews the regional geologic structure and aquifer relationships in the District; sets forth aquifer descriptions; describes the physiography of the District; defines units of measure for the water planning estimates in the Plan; estimates the Total usable amount of groundwater in the District, the amount of groundwater used annually in the District and the amount of natural or artificial annual recharge of the groundwater resources within the District; describes how recharge may be increased; states estimates of projected total water demand within the District and of projected surface and groundwater supplies; discusses water management strategies to meet the needs of water user groups; discusses how the District Plan addresses water supply needs in a manner not in conflict with the Region G and H water plans; provides details of District plans to manage groundwater in the District; provides actions, procedures performance and avoidance necessary to effectuate the Plan; describes methodology for tracking the District’s progress in achieving management goals; and describes management goals for the District.

The Public Hearing was opened at 6:29 PM. No one spoke. The Public Hearing was closed at 6:30 PM.

7. Discussion and possible action to approve Resolution 2010-02 Revising and Readopting the District Management Plan following comments from the Texas Water Development Board (TWDB).

Randy Williams delineated the revisions required by TWDB and additional changes suggested by TWDB as a result of statutes and TWDB rule changes. Director Sandel moved approve of Resolution 2010-02. Director Blezinger seconded.

Motion Carried

8. Discussion and possible action to approve minutes of October 21, 2009 and November 18, 2009 Board meetings.
With no changes, Director Ward moved approval of minutes of October 21, 2009 Board Meeting. Director Huebner seconded. **Motion Carried**
With no changes, Director Huebner moved approval of minutes of November 18, 2009 Board Meeting. Director Brandes seconded. **Motion Carried**
9. Discussion and possible action to approve quarterly Financial Report.
Director Morrison moved approval of the quarterly Financial Report. Director Copeland seconded. **Motion Carried**
10. Discussion and possible action to approve quarterly Investment Report.
Director Sandel moved approval of quarterly Investment Report. Director Paben seconded. **Motion Carried**
11. Discussion and possible action to accept quarterly Drought Status Assessment.
Following a description of the new drought information available Director Paben moved acceptance of quarterly Drought Status Assessment. Director Thomas seconded. **Motion Carried**
12. Approve Bonds for Directors.
After an explanation of the statutory requirements that all Directors be bonded Director Brandes moved approval of Bonds for Directors. Director Pierce seconded. **Motion Carried**
13. Administer Oath of Office to new Walker County Director Jack Olsta representing Industrial interests and to reappointed Directors (Austin County Blezinger & Huebner; Grimes County Patout & Thomas; Waller County Copeland & Minze; Walker County Morrison).
General Manager Behm, a Notary Public for the State of Texas, administered the oath of office to Directors Olsta, Blezinger, Huebner, Thomas, Copeland, Minze and Morrison. Director Patout was absent the meeting.
14. Discussion and possible action to elect Board Officers (President, 2 Vice-presidents & Secretary).
Director Brandes moved unanimous re-election of the current officers; Director Patout, President; Director Beckendorff, Vice-President; Director Minze, Vice-President, and Director Sandel, Secretary. Director Paben seconded. **Motion Carried**
15. Committee appointments by President.

- a) Executive Committee [oversight of District Administration, Financial matters (including signatories on District Bank Accounts) & Investments]
- b) Legislative Committee (advise General Manager on legislative matters and positions to be advocated by the District)
- c) Rules Committee (annual review of District Rules and recommend and prepare revisions for consideration by the Board)
- d) Management Plan Committee (conduct annual review, recommend revisions for consideration by the Board and prepare revised plan for consideration by Board and approval by Texas Water Development Board)
- e) District Fee Schedule Committee (conduct review of District Fee Schedule, recommend changes or revisions for consideration by the Board and prepare revised schedule for consideration by Board)

Inasmuch as the Committee appointments are a duty of the President and President Patout is not present the Directors agreed to postpone these appointments until he returns.

16. Public Hearing – A hearing will be conducted to consider an operating permit amendment application and a transportation permit application submitted by DWP Interest LLC for production of spring water from a well at 153-A Davidson Road, Huntsville, Texas (well BWLK-0036). The applications are to modify an existing operating permit for production of 7 million gallons annually to an amended operating permit authorizing the production of 33 million gallons annually for use as bottled water and to grant a transportation permit to transport 33 million gallons annually out of the District for bottling or as bottled water.

The Public Hearing was opened at 6:49 PM. There being no comments the Public Hearing was closed at 6:50 PM.

17. Discussion and possible action on:

- a) Amended Operating Permit for DWP Interest LLC for well BWLK-0036 to authorize production from this well of 33,000,000 gallons annually for use as bottled water.

Grant the DWP application for Operating Permit for 23 million gallons per year with a special condition requiring the Applicant to with with the District to measure the water level in three offsite wells at Applicant's expense. If the General Manager determines no

connectivity between the three offsite wells and the Applicant's well, then the special condition is satisfied. If the General manager determines that there is connectivity between the three offsite wells and the Applicant's well, then the application must be returned to the Board for further consideration. If landowners do not allow the General Manager to observe the water levels, then the special condition is satisfied. Director Morrison moved approval. Director Copeland seconded. **Motion carried.**

- b) Transportation Permit for DWP Interest LLC to authorize transport out of the District for bottling or as bottled water of 33,000,000 gallons annually

Grant transportation Permit DWP Interest LLC to authorize transport out of the District for bottling or as bottled water of 23,000,000 gallons annually with a special condition that the special condition in the operating permit must be met. Director Sandel moved grant. Director Blezinger seconded. **Motion carried.**

- 18. Discussion and possible action to approve Resolution 2010-03 approving a monitoring well agreement with New Waverly Sound Investments LLC for District access and use of well BWLL-0048TW as a District monitoring well.

After a presentation of location data by Mr. Gershon and the promise to provide a clearer representation of same, Director Paben moved approval of Resolution 2010-03. Director Copeland seconded. **Motion Carried**

- 19. Discussion and possible action to approve Resolution 2010-04 designating certain positions and persons as signatories for BGCD bank accounts.

Following an explanation by General Manager Behm of the need for an additional signatory in addition to the District officers (Director Ward in Navasota), Director Morrison moved approval of Resolution 2010-04. Director Huebner seconded. **Motion Carried**

- 20. General Managers Report

- a. Well Registration/Permitting
- b. GMA 14 Joint planning
- c. Trinity & San Jacinto River Basins & Galveston Bay Basin & Bay Stakeholder Committee meetings
- d. Region G & H RWPG meetings

- 21. Date for next Board meeting – April 21, 2010ⁱ.

22. Adjourn

There being no further business at this time the meeting was adjourned at 8:49 PM.

The above minutes of the regular meeting of the Board of Directors of the Bluebonnet Groundwater Conservation District held on January 20, 2010, were approved and adopted by that Board on April 21, 2010.

J Jared Patout, President

ATTEST:

Joe B Sandel, Secretary
