

BLUEBONNET GROUNDWATER CONSERVATION DISTRICT

Board of Directors Meeting

Wednesday, January 19, 2005
6:00 PM

Navasota City Hall, City Council Chambers
107 Farquhar
Navasota, Texas

MINUTES

In Attendance: Directors Beckendorff, Blezinger, Brandes, Huebner, Sandel, Thomas, Ward, General Manager Lloyd Behm; Thomas Wallis, Ingram Wallis & Company; Karen Way, student University of Texas; Frances Behm Town and Country Consulting.

1. Call to order:

Vice President Milton Beckendorff called the meeting to order at 6:23pm.

2. Public Comment

(Public comment is limited to a maximum of 5 minutes per speaker and/or 30 minutes total time for all speakers)

No Public Comment.

3. The Board of Directors will meet in Executive (closed) Session with it's attorney and the District General Manager to receive legal advice and to discuss contemplated litigation as permitted by Section 551.071, Texas Government Code. No final action will be taken in Executive Session.

General Manager announced that the matter in question was settled before the meeting. No executive session was held.

4. Discussion and possible enforcement action, including litigation, against Brazos Country Water System for noncompliance with the rules of the District relating to registration, permitting and payment of water use fees.

General Manger Behm explained that the City of Brazos Country was new management of Brazos Country Water System. They have been in contact with him and will be making arrangements to complete all paper work and bring their production payments to a current status.

5. Discussion and possible action to approve and authorize President to execute engagement letter with Bickerstaff, Heath, Smiley, Pollan, Keever & McDaniel, L.L.P. for legal services for the District.

Director Sandel moved that President be authorized to execute engagement letter with Bickerstaff, Heath, Smiley, Pollan, Keever & McDaniel, L.L.P. for legal services for the District, Director Huebner seconded. Motion Carried.

6. Presentation by Thomas Wallis with Ingram Wallis & Company, discussion of FY 04 audit performed by Ingram Wallis & Company and possible action to accept FY 04 audit.

Mr. Wallis explained the financial audit to directors present.

Mr. Wallis stated that the district has good board oversight and that his firm is pleased with the financial condition of the District.

Following his presentation, Mr. Wallis left the meeting.

Director Ward moved that the board accept the FY 04 audit as presented by Mr. Wallis, Director Thomas seconded. Motion Carried.

7. Discussion and possible action to approve minutes of July 21, 2004 and September 22, 2004 Board meetings

Director Brandes moved that the board accept minutes of the July 21, 2004 and September 22, 2004 Board Meetings, Director Thomas seconded. Motion Carried.

8. Discussion and possible action to approve quarterly Financial Reports.

Director Huebner moved that the Board approve the quarterly Financial Reports for Q4, FY 04 and Q1, FY 05, Director Sandel seconded. Motion Carried.

9. Discussion and possible action to approve quarterly Investment Reports.

Director Blezinger moved that the Board approve the quarterly Investment Reports for Q4, FY04 and Q1, FY05, Director Sandel seconded. Motion Carried.

10. Discussion and possible action to accept quarterly Drought Status Assessment.

General Manager explained that this is a new report required by the management plan.

Director Huebner moved that the Board accept quarterly Drought Status Assessment for Q4, CY04, Director Thomas seconded. Motion Carried.

11. Discussion and possible action to accept resignation of Director Kent Watson representing rural water suppliers' interests from Grimes County.

Director Thomas moved that the board accept Director Kent Watson's resignation, Director Blezinger seconded. Motion Carried.

12. Discussion and possible action to authorize preparation of changes to District Fee Schedule including addition of minimum water use fee.

Director Thomas moved that the Board authorize preparation of changes to the District Fee Schedule to include the addition of a minimum water use fee of \$3.50 per month, Director Huebner seconded. Motion Carried 6 for; 1 against.

13. Discussion and possible action to approve and authorize President to execute revised employment agreement with Lloyd A Behm for position of District General Manager.

Director Blezinger moved that the Board authorize President to execute revised employment agreement with Lloyd A Behm for position of District General Manager. Revision to include rewording the paragraph about vacation to state that after two (2) years employment, the manager will be eligible for ten (10) days vacation. Director Sandel seconded. Motion Carried.

14. Discussion and possible action to authorize salary increase for the General Manager position.

Director Huebner moved that the Board authorize a 75 ¢ per hour pay raise effective on the next pay period, Director Blezinger seconded. Motion Carried.

15. Discussion and possible action to confirm Permit Review and Approval Committee appointed by President in accordance with Rule 8.7 F.

Director Sandel moved to confirm Permit Review and Approval Committee appointed by President (Beckendorff, Chairman; Ward, Vice Chairman; McFarland, member; Morrison, Member) in accordance with Rule 8.7F, Director Thomas seconded. Motion Carried.

16. The following Committee Appointments have been made by Board President Patout.

- (1) Executive Committee (administration, Finance & Investments)
President Patout, Chairman
Vice President Beckendorff
Secretary Sandel

- (2) Legislative Committee
Morrison, Chairman
Beckendorff

Ward

- (3) Rules Committee
 - Beckendorff, Chairman
 - Huebner
 - Sandel
 - Grimes County Rural Water Supplier's Representative

- (4) Management Plan Committee
 - Morrison, Chairman
 - Brandes
 - Thomas
 - Ward

- 17. General Manager Report
 - (1) Report on meetings, conferences and seminars attended.
 - (2) Status of Citation Navasota Chapter 11 filing.
 - (3) Well Registration/Permitting summary.
- 18. Date for next Board meeting – April 20, 2005.
- 19. Adjourn - Director Ward moved that the meeting be adjourned at 7:35pm, Director Thomas seconded. Motion Carried.

THE ABOVE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE BLUEBONNET GROUNDWATER CONSERVATION DISTRICT HELD ON JANUARY 19, 2005 ARE APPROVED AND ADOPTED BY THAT BOARD ON APRIL 20, 2005.

(s) J Jared Patout _____
J. Jared Patout, President

ATTEST:

(s) Joe B Sandel _____
Joe B. Sandel, Secretary