

BLUEBONNET GROUNDWATER CONSERVATION DISTRICT

Board of Directors Meeting And Public Hearing

Wednesday, January 21, 2015
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 Davis, Eppler, Groschke, Huebner, Julian, Minze, Morrison, Patout, and Reed; General Manager Holland and Administrative Assistant Paben. Visitors: James "Jim" Ingram and Bob Renbarger.

1. Call to order.
There being a quorum present, the meeting was called to order at 6:05 PM by President Patout.
2. Public Comment.
No comments were made.
3. Presentation by James Ingram or representative and discussion of FY 2014 Audit performed by Ingram, Wallis & Company.
Mr. Ingram presented an overview of the FY 2014 Audit to the Board.
4. Discussion and possible action to accept FY 2014 Audit prepared by Ingram, Wallis & Company.
During discussion, the Board wants specific line items for the next board meeting to line out action on recommendation. Director Morrison moved that the Board accept the FY 2014 Audit prepared by Ingram, Wallis & Company. Director Minze seconded. ***Motion carried.***
5. Discussion and possible action to approve minutes of October 15, 2014 Board Meeting.
During the discussion, GM Holland updated the Board on the desire of the legislators to amend the District's enabling legislation in connection with export fees. Director Reed moved that the Board approve the minutes of the October 15, 2014 Board Meeting. Director Davis seconded. ***Motion carried.***
6. Discussion and possible action to approve quarterly Financial Report.
During the discussion, the Board asked questions in regards to the next step in the process to get the entities with outstanding invoices paid to which they suggested moving forward with legal action on those that are over three months past due. Director Davis moved that the Board approve the quarterly financial report. Director Huebner seconded. ***Motion carried.***
7. Discussion and possible action to approve quarterly Investment Report.
Upon review, Director Minze moved that the Board approve the quarterly Investment Report. Director Davis seconded. ***Motion carried.***
8. Discussion and possible action to accept quarterly Drought Status Assessment.
After reviewing the assessment, Director Davis moved that the Board accept the quarterly Drought Status Assessment. Director Eppler seconded. ***Motion carried.***
9. Discussion of TWCA Groundwater Committee Consensus bills and groundwater related topics of the 84th Legislative Session.
 - A. Chapter 36 Clean Up Bill
This legislation makes corrective changes to Chapter 36 and is not intended to many any substantive changes. The purpose of this is to clean up current language and make technical corrections.

B. Hearings Bill

This legislation makes a number of changes to the permit hearing process in Chapter 36, mostly aimed at clearing up confusion in the existing subchapter.

C. Seller's Disclosure Bill

This legislation is designed to provide notice of the existence of a GCD to buyers of residential real property in the State. It amends the Texas Property Code to require sellers of residential real property to include GCD information on the disclosure form provided to potential buyers.

D. Permitting Bill

The "Operating Permit Renewal" bill is a policy initiative which streamlines the renewal of an operating permit without a hearing, if certain conditions are met by the permit holder. Such conditions may include renewal application fees and no requested changes to the current permit. The permit holder would also need to be in good standing with their current permit, district rules, and any district order at the time of renewal. Although this seems like a new initiative and policy, the framework has been this District's operation ever since we began the renewal process. It has not been a prudent practice to reopen and reevaluate each permit upon renewal as we expect these non-exempt wells to produce much longer than a permit term. Some districts do reopen and reevaluate each permit with public hearing annually.

E. ASR Bill

The next bill for consideration is "Aquifer Storage and Recovery". The final policy initiative adopted by TWCA relates specifically to a House and Senate interim charge regarding ASR. This initiative encourages the development of ASR projects, and requires the oversight of the TCEQ. Through this process, TCEQ must consider if the project applicant demonstrates: 1) whether the injection of water will comply with standards set forth under the Federal Safe Drinking Water Act; 2) the extent to which the cumulative volume of water injected for storage in the receiving geologic formation may be successfully recovered from said formation for beneficial use, taking into account commingling of native groundwater; 3) the extent to which existing water wells may be impacted by an ASR project; and 4) the potential for groundwater quality degradation. TCEQ must also limit the amount recovered to the amount injected and further limit the amount that can be recovered if there are losses that are unrecoverable. Annual water quality testing of injected and recovered water is reported to both TCEQ and the appropriate GCD. ASR wells must be registered with a GCD, and meet any fees that are required by a DFC. ASR recovery wells must comply with district well spacing rules, permitting and production requirements if the wells produce more water than is injected and authorized for recovery by TCEQ. Lastly, GCDs will have the ability to consider hydrogeologic conditions related to the injection and recovery of water in an ASR project in their planning and monitoring of the achievement of an applicable DFC. This bill was filed by Representative Lyle Larson Monday January 12th with HB 655.

F. State Auditor's Office Bill

This legislation recognizes that TCEQ is the agency charged under Chapter 36 of the Water Code to review a GCD's groundwater management activities. Currently, the Water Code authorizes the State Auditor's Office (SAO) to audit the records and management plans of GCDs, a role that has become somewhat duplicative given the additional GCD oversight provided to TCEQ over the past few legislative sessions. And though the SAO process was initially intended to help identify "shell" GCDs, it has had the unintended consequence of deterring active GCDs from developing meaningful and robust management plans. This bill strikes the provisions related to SAO review of groundwater management activities in Chapter 36, leaving that to TCEQ, and amends section 36.061(b) so that it is identical to the corresponding language in Chapter 49 for other types of water districts (regarding the SAO being able to review financial transactions).

G. TDLR Bill

The TDLR policy initiative works to establish a field operations program, as well as re-establish an apprentice driller and pump installer program. Additionally, this policy would require a driller to provide a copy of the well log to TDLR, TCEQ, the well owner or person it was drilled for, and the GCD in which the well is located. This would occur no later than 60 days after the completion or cessation of drilling, deepening, or alteration of the well. Lastly, the policy allows TDLR to enter into a memorandum of understanding with certain state agencies or political subdivisions of the state to assist TDLR.

- A. Well Registration/Permitting
- B. GMA 14
- C. Region G & H RWPG
- D. Vehicle Summary

11. Date for next Board meeting – April 15, 2015.

President Patout reminded the Board of the remaining set meeting dates for the year which are April 15, 2015, July 15, 2015, September 16, 2015 and October 21, 2015.

12. Adjourn

The meeting adjourned at 7:07 PM.

The above minutes of the regular meeting of the Board of Directors of the Bluebonnet Groundwater Conservation District held on January 21, 2015 were approved and adopted by that Board on April 15, 2015.

J Jared Patout, President

ATTEST:

James Morrison, Secretary