

# BLUEBONNET GROUNDWATER CONSERVATION DISTRICT

## Board of Directors Meeting And Public Hearing

Wednesday, October 15, 2014  
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 Beckendorff, Blezinger, Browne, Groschke, Hopper, Huebner, Julian, Minze, Patout, and Thomas; General Manager Holland and Administrative Assistant Paben; District General Counsel Bill Dugat and District Hydrogeologist Dr. Bill Hutchison Visitor: Bob Renbarger. Director Reed joined the meeting at 6:14 PM and Director Davis joined the meeting at 6:20 PM.

1. Call to order.  
There being a quorum present, the meeting was called to order at 6:04 PM by President Patout.
2. Public Comment.  
No comments were made.
3. Public Hearing on proposed rules to commence at 6:00PM – Proposed revisions to the District rules include subsidence, hearing process, hydrogeologic study guidelines, desired future conditions, permit term length, fees for non-exempt use, definitions, and oil and gas exemptions in connection with hydraulic fracturing. A copy of the proposed rules is available for review at the District Office at the address described above and on the District's webpage at [www.bluebonnetgroundwater.org](http://www.bluebonnetgroundwater.org).  
The Public Hearing was opened at 6:04 PM. Bob Renbarger reminded the Board of the comments that he had previously submitted. There being no other comments, the Public Hearing closed at 6:07 PM.
4. Discussion and possible action to approve minutes of July, 16, 2014, September 17, 2014 Board Meeting, and September 9, 2014 Rules Committee Meetings.  
GM Holland noted the amendments that needed to be made in regards to attendance within the September 17, 2014 minutes. Director Browne moved that the Board approve the minutes of the July 16, 2014 and September 17, 2014 Board Meetings, and the minutes from the September 9, 2014 Rules Committee Meetings once the September 17, 2014 minutes are amended. Director Thomas seconded. ***Motion carried.***
5. Discussion and possible action to approve quarterly Financial Report.  
After GM Holland spoke in detail to the Board on the financial report, Director Minze moved that the Board approve the quarterly financial report. Director Blezinger seconded. ***Motion carried.***
6. Discussion and possible action to approve quarterly Investment Report.  
Upon review, Director Minze moved that the Board approve the quarterly Investment Report. Director Thomas seconded. ***Motion carried.***
7. Discussion and possible action to accept quarterly Drought Status Assessment.  
Once reviewing the assessment, Director Beckendorff moved that the Board accept the quarterly Drought Status Assessment. Director Browne seconded. ***Motion carried.***
8. Presentation of District Annual Report for CY 2013 by General Manager Holland.  
GM Holland briefed the Board on the production of CY 2013 and how that year averaged out compared to other years. GM Holland noted that 2011 was a year that the District and state had seen an increase in pumping. GM Holland's report showed that the primary growth in new wells are exempt wells.
9. Discussion and possible action to approve CY 2013 Annual Report.

The Board spoke of their appreciation in the way the report was presented. Once reviewing the report, Director Browne moved that the Board approve the CY 2013 Annual Report. Director Reed seconded. **Motion carried.**

10. Discussion and possible action to approve the revised District Rules and readopt the District Rules.  
GM Holland explained the process that the Board took in sending notices to constituents within the District highlighting the revisions that the Board were looking to make: subsidence, Phase II, DFCs, drawdowns, permit terms, hydraulic fracturing, clarifications of the Hearing process, and firming up definitions. GM Holland also noted Rule 8.19 General Permit by Rule and the proposed change to Rule 8.5F.5. Rule 8.5F.5 states “after notice to the application and affected persons and an opportunity for a hearing, the Board will consider the results of the Phase II hydrogeological report and may modify a permit with special conditions and changes to the permitted volume of groundwater. A Phase II hydrogeological report must address any special conditions in a permit.” The Board commented on the reliability of a model in regards to subsidence and the DFCs. It was also noted that subsidence is just one of the factors to consider in regards to permits. The Board commented on extending permit terms. Questions in regards to the importance of a Phase II report were brought to attention, to which the response was greatly for in regards to mandating these reports for non-exempt wells that are eight inches or greater and using the reports as an impact analysis. Director Beckendorff moved that the Board approve the revised District Rules and readopt the District Rules as amended. Director Thomas seconded. **Motion carried.**
11. Discussion and possible action to amend the District’s enabling legislation in connection with export fees.  
GM Holland stated that he was approached by legislators who feel that the District should be able to charge more and look at potential revisions to the fees associated with export. They cannot be treated any differently; however, there have been changes in statute since the District was created related to fees. Current fees are capped at 17 cents per thousand, which means all production fees charged cannot exceed this amount. New revisions in Chapter 36 read that a District can charge a fee negotiated between the District and transport, but also for a fee based District, a 50% export surcharge in addition to the District production fee for water transported out of the District. This would be the proposal that GM Holland would go to the legislators that have expressed their desire to carry and to work through the Executive Committee in the case further action is required, as the Board only meets quarterly and my not align in the upcoming legislative session. At this time, there are three entities that this would affect. Director Beckendorff moved that the Board directed GM Holland to draft enabling legislation reflective of statute changes and work with legislators and the Executive Committee with any action moving forward. Director Thomas seconded. **Motion carried.**
12. General Manager’s Report
  - a. Well Registration/Permitting
  - b. TAGD & TWCA
  - c. Region G & H RWPG
  - d. GMA 14 Joint Planning
  - e. BGCD Update
    - i. Vehicle Summary
13. Date for next regular Board meeting – January 21, 2015
14. Adjourn  
The meeting adjourned at 7:36 PM.

The above minutes of the regular meeting of the Board of Directors of the Bluebonnet Groundwater Conservation District held on October 15, 2014 were approved and adopted by that Board on January 21, 2015.

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J Jared Patout, President

ATTEST:

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James Morrison, Secretary