

Clearwater Underground Water Conservation District Meeting
700 Kennedy Court
Central Texas Council of Governments
Belton, Texas
Tuesday, June 19, 2012
Minutes

The Clearwater Underground Water Conservation District (CUWCD) held a board meeting on Tuesday, June 19, 2012 in the Clearwater UWCD Building, located at 700 Kennedy Court, Belton, Texas.

Board Members Present:

Leland Gersbach, President
Wallace Biskup, Vice President
Judy Parker, Secretary
Bill Bartlett, Director
David Cole, Director At-Large

Public Advisory Committee Members:

Bill Schumann
Henry Bunke
Brad Ware

Staff:

Dirk Aaron
Shelly Chapman

Others Present:

Randy Williams – BarW	Geoff West – Temple Daily Telegram	Mickey Lea
Sterling Robertson-TxDot	Kristen Fancher – Lloyd Gosselink	Ricky Preston

Clearwater Board meeting was convened with Board President, Leland Gersbach, calling the meeting to order 1:32 p.m.

1. *Invocation and Pledge of Allegiance:*

Vice President, Wallace Biskup, gave the invocation.
Director, Bill Bartlett, lead the Pledge of Allegiance.

2. *Public Comments:*

None

3. *Approve Minutes of the May 8, 2012 Workshop and Board Meeting:*

Vice President, Wallace Biskup, moved to accept the minutes as they stand. Secretary, Judy Parker, seconded the motion. **Motion carried 5-0.**

4. *Reconvene public hearing (from May 8, 2012) on the following permit application:*

- a. *Discuss, consider and take appropriate action if necessary on the Operating Permit for Salado Water Supply Corporation (SWSC) wells in the Edwards BFZ aquifer to produce 36.99 acre-feet per year for public water supply use located in Salado at the #1-#7 aggregated wells system.***
- b. *Discuss, consider and take appropriate action if necessary on the proposed Historic and Existing Use Permit Amendment for SWSC Wells #1-#7 for 1070.00 acre-feet per year from the Edwards BFZ aquifer for public water supply use for an aggregate well system to add wells 7KX #8 and #9.***
- c. *Discuss, consider and take appropriate action if necessary on the proposed Historic and Existing Use Permit Amendment for 7KX Wells #8 and #9 for 402.3 acre-feet per year from the Edwards BFZ aquifer for public water supply use to add SWSC Wells #1-#7.***

Public Hearing reconvened at 1:34pm on June 19, 2012. President, Leland Gersbach, gave a brief explanation and review of the Hearing procedure. Mr. Gersbach reminded those

present that at the hearing on May 8th Ronnie Tynes requested a continuance of 1(one) month to allow time for the Ambrose family to review, file and prepare for this hearing. The applicant agreed to the continuance. Mr. Gersbach recognized that only one of the participants (Ricky Preston-Salado WSC) is present at this hearing. The Ambrose family is not represented; therefore, the protest is uncontested and has been withdrawn. Mr. Gersbach proceeded with the hearing. Mr. Gersbach informed those present that the General Manager for CUWCD had provided supplemental information to Salado WSC and Ronnie Tynes/Ambrose Family. All parties have had an opportunity to review the information. General Manager, Dirk Aaron, commented that he had a conversation with Mr. Tynes. Mr. Tynes indicated that the Ambrose family gave the okay to proceed.

Mr. Gersbach recognized appearances by Ricky Preston (SWSC), Dirk Aaron (CUWCD), and Randy Williams (Bar-W) for the purpose of this hearing and an oath was administered for them to testify.

General Manager, Dirk Aaron, presented the application and information to the Board. He stated that 2(two) reviews of the application were completed – the primary review and a secondary review based on the request from Mr. Tynes and the Ambrose Family. Dirk Aaron reviewed the facts of the application to the Board.

Randy Williams, Bar-W, gave the Board a summary of his review. Mr. Gersbach stated that the complete review was given to the Board and is a part of the record.

- a. Director, Bill Bartlett, moved to approve the Operating Permit Amendment for Salado Water Supply Corporation (SWSC) as requested but restricted to wells 4-7. Motion seconded by Wallace Biskup. **Motion carried 5-0.**
- b. Vice President, Wallace Biskup, move to approve the Historic and Existing Use Permit amendment to aggregate wells 1-7 of SWSC to include the 7KX Wells 8 & 9 as long as the lease agreement stays in place with SWSC and 7KX. Should the lease agreement cease then the HEU Permit of 1070 acre-feet/year reverts back to original SWSC aggregate of Wells 1-7; and the HEU Permit of 402.3 acre-feet/year reverts back to the original 7KX aggregate for wells 8&9. Director, David Cole, seconded the motion. **Motion carried 5-0.**
- c. Director, David Cole, moved to approve the Historic and Existing Use Permit amendment to aggregate the 7KX wells 8&9 to include SWSC wells 1-7 as long as the lease agreement stays in place with SWSC and 7KX. Should the lease agreement cease then the HEU Permit of 1070 acre-feet/year reverts back to original SWSC aggregate of Wells 1-7; and the HEU Permit of 402.3 acre-feet/year reverts back to the original 7KX aggregate for wells 8&9. Secretary, Judy Parker, seconded the motion. **Motion carried 5-0.**

President, Leland Gersbach, closed the Public Hearing at 2:15 p.m.

President, Leland Gersbach, reconvened the Board Meeting at 2:28p.m.

5. Discuss, consider and take appropriate action if necessary on the request for extension the following Drilling Permit:

- a. ***D-10-004 for Armstrong Water Supply Corporation (N2-10-001P).***

Dirk Aaron reminded the Board that the original Drilling Permit was approved on July 20, 2010. Four extensions have been granted moving the expiration date to July 9, 2012.

Armstrong's environmental study was approved by the Texas Parks and Wildlife Dept. They have been working with the US Dept. of Agriculture-Rural Development for a loan and anticipate funds being available this summer. A 120 day extension is requested which will move the expiration date to Nov. 6, 2012.

Secretary, Judy Parker, moved to approve the request for a Drilling Permit extension of 120 days for Armstrong WSC. Vice President, Wallace Biskup, seconded the motion. **Motion carried 5-0.**

6. Discuss, consider and take appropriate action if necessary on the budget amendment items for FY2012.

Dirk Aaron stated that Clearwater UWCD closed the accounts with CTCOG for all transactions prior to April 1, 2012. The proposed budget amendments are per the staff's research based on real costs associated with the stand alone facility at 700 Kennedy Court. The Board Member were given a copy of the proposed budget with the recommended line item amendments expressed as changed items in column number three. Dirk explained that the **recommended changes** expressed in the third column of the spread sheet are **blue** or **red** respectfully. The red items are the line item funds moved from old CTCOG budget to the New Line Items (Chart of Accounts) blue. These old line item amendments total **\$264,605.99** from the previous budget up through March 31, 2012. Dirk broke down the spreadsheet for the Board and explained how the "old" CTCOG line items would be redistributed to the "new" line items. Dirk recommends moving those available funds as necessary to the line items described above. This will adjust the budget for expected expenditures necessary to operate independently from CTCOG. Staff has determined that the monthly cost savings are currently at **\$13,119.83** per month as compared to operational cost with of \$26,666.00 with CTCOG. The board has approved additional funding for the Studies with USGS and TAMU-IRNR at \$55,000 in FY12. Board also has approved \$19,000 the funding for development of the web based GIS program and upgrading of GIS support, contracted with Halff Associations in FY12.

Leland Gersbach commented that the new system with Quick Books will allow the Board to see more detailed break down and they will know where the expenses are going.

Director, David Cole, moved that the Board approve Budget Amendments as described by the General Manager. Secretary, Judy Parker, seconded the motion. **Motion carried 5-0.**

7. Discuss, consider and take appropriate action if necessary on preparing the budget development timeline for FY13.

The proposed budget will be presented to the board at the July meeting. Dirk Aaron anticipates that CUWCD will come in under budget by an estimated \$75,000. Currently the fund balance at the close of FY12 looks to be approximately \$375,412 plus the anticipated return to fund balance of about \$75,000 will make the fund balance at the close of FY12 approximately \$450,412. Dirk stressed that this is only an estimate at this time.

Dirk stated that the anticipated budget being proposed will allow the District to maintain the current tax rate of \$.0040/\$100 value. At this rate the preliminary revenue from taxes would be an estimated \$550,732. Also included in the budget will be revenue from interest and fees.

The proposed budget to be presented will be based on current cost of administration, salaries and benefits, operating expense and facility cost.

Dirk presented the following budget timeline for approval to plan, prepare and review the FY13 budget before adopting the budget in August.

- Discuss proposed budget for FY13 in June and July workshops
- Set preliminary tax rate of \$030040/\$100 value on Aug 14, 2012
- Board Meeting Aug. 14 to finalize budget
- Set date of Aug. 21 for announcement of public hearing on tax rate and adoption of budget (7 day notice required)
- Set date for adoption of the FY 13 budget (Aug. 28, 2012)
- Set date for the public hearing and adoption of tax rate for tax year 2011 (August 28, 2012)

Secretary, Judy Parker, moved to accept the timeline presented by General Manager, Dirk Aaron. Director, Bill Bartlett, seconded the motion. **Motion carried 5-0.**

8. *Discuss, consider and take appropriate action if necessary on staff 457b retirement plan structure.*

Dirk Aaron introduced Mickey Lea with Lea Financial Management Inc. to present a 457b retirement plane. Leland explained to the Board what the 457b plan is. Mr. Lea made his presentation.

Dirk Aaron made a recommendation that the Board participate in one of three options:

Option A: Employee contributes 6%	Employer contributes 6% (*\$420/month)
Option B: Employee contributes 3% (min)	Employer contributes 3% (*\$210/month)
Employee contributes 3% (opt)	Employer contributes 1.5% (*\$105/month)
Option C: Employee contributes 6%	Employer contributes 3% (*\$210/month)

(* estimate cost to the District based on FY12 current salaries of GM and Admin. Assist.)

Director, Bill Bartlett, moved that the Board approve the 457b retirement plan Option B with Security Benefit as the provider of the plan. Director, David Cole, seconded the motion. **Motion carried 5-0.**

9. *Receive monthly report and possible consideration and Board action on the following:*

a) District financial status report

Dirk Aaron presented financial report.

b) Monitoring wells

Dirk Aaron presented the measurements of the monitor wells.

c) Salado Creek stream flow gauges

Dirk Aaron presented information on stream flow and drought status reports

d) Rainfall/drought conditions

Dirk Aaron discussed the Drought Status Report. He recommends we go to Stage 2 for the Edwards and Stage 1 for the Trinity. The Board was in agreement.

e) Well Registrations

Shelly Chapman presented report of 1 grandfathered well and 4 new exempt wells.

f) Non-Exempt Well Production

Dirk Aaron presented report based on Well Production spreadsheet

7. Manager's Report and Staff comments:

Dirk Aaron informed the Board that they now have a website login. They will need to use their login to see the rainfall data logger.

Judy and Dirk will be attending TAGD June 26-27. Dirk mentioned the Texas Water Summit in August. He informed the Board that he would attend as well as Shelly Chapman. He encouraged all Board members to attend if they were able.

TWCA update: Dirk went to a meeting last week. The groundwater panel topic of discussion was the Day/McDaniel case. The attorneys gave an overview of the ruling.

We are working on completing annual report.

Working on open records request to USDA-FSA for farm operators who irrigate. Dirk needs this information for a TWDB report)

Still researching Health Insurance Option.

Facebook

8. Public Advisory Committee Comments:

Bradley Ware – attended a meeting in Temple for the BRA water management program.

9. Director Comments and Reports:

None

10. Discuss agenda items for next meeting

Draft budget

East Bell WSC aggregation of well 1 & 2

11. Set time and place of next meeting.

Next meeting is set for July 10, 2012 at 1:30 p.m. at CUWCD

12. Adjourn

Meeting adjourned at 4:35 p.m.

Workshop convened at 4:38

1. Review and discuss the potential Salado Salamander Listing and Interlocal Agreement and activities with Stake Holders and Texas AgriLife Extension (TAMU).

Dirk Aaron attended the first stakeholders meeting on June 18th in Salado with Dr. Gulley. There were approximately 60 people in attendance.

2. Review and discuss items of interest concerning FY13 Budget process.

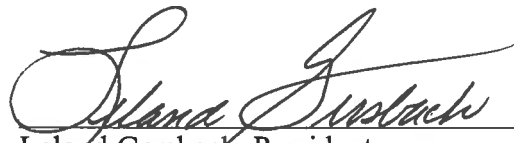
Dirk presented the Board with a draft proposed budget for their review. Mr. Gersbach thinks we may need to increase the budget for GMA 8, Legal, Professional and Tech Consulting. Dirk agreed. He informed the Board that CUWCD would make the suggested changes and will remove the CTCOG line items and make the FY13 Budget process a significant part of the August Workshop.

3. Review and discuss the items of interest concerning the November 6th 2012 General Election

Dirk Aaron informed the Board that Precinct 1-Leland Gersbach, Precinct 3-Wallace Biskup, and At-large position-David Cole, are all up for election. The Board will need to approve in August the contract with Bell County Clerk to run CUWCD election in November. Associated expenses are estimated to be about \$3000. The Board will need an election order. Legal staff had prepared an election order for November 2010. Dirk is planning to use the previous one if no changes need to be made. The agenda item and Election Order will be presented in the August meeting. The legal staff had also prepared the Dept. of Justice Preclearance letter in 2010 and still appears to be in place. However, Dirk stated that we may need to do a special preclearance letter with the Dept. of Justice for the Special Election for David Cole. Dirk will verify this with Shelly Coston's office. Dirk informed the Board that we have applications in house for a Place on the Ballot. Staff Administrative Assistant, Shelly Chapman, is a notary and can notarize applications as they are submitted.

4. Review and discuss the items of interest concerning the Drought Contingency Plan Study.

Randy Williams gave a presentation regarding the Drought Contingency Plan. He gave an overview of two approaches to conservation in regards to Historic and Existing Use permits and Operating permits.


Leland Gersbach, President

ATTEST:


JUDY PARKER, Secretary

(A compact disc of this meeting is available upon request.)