

Clearwater Underground Water Conservation District Meeting
700 Kennedy Court
Belton, Texas
Thursday, February 18, 2015
Minutes

The Clearwater Underground Water Conservation District (CUWCD) held a board meeting on Thursday, February 18, 2015 at 1:30 p.m. at the Clearwater UWCD Building, located at 700 Kennedy Court, Belton, Texas.

Board Members Present:

Leland Gersbach, President
Wallace Biskup, Vice President
Judy Parker, Secretary
David Cole, Director
Garv Young, Director

Public Advisory Committee:

Bill Schumann
Tom Madden

Staff:

Dirk Aaron
Shelly Chapman

Guests:

Emilie Blunt – UMHB Student
Alton Thiele – Auditor
Tim Brown – Bell County Commissioner

Workshop convened with President, Leland Gersbach, at 1:30p.m.

Workshop #1. Discuss Groundwater related issues and concerns per the 84th Legislative Session.

Dirk Aaron gave a Legislative update. He discussed proposed legislative items in several categories. Dirk, with the assistance of Ty Embry (Lloyd Gosselink) and TAGD, identified legislation that the District can support and will be helpful to the efforts of CUWCD. He discussed TWCA consensus bills that are important to groundwater regulation without undo unfunded mandates. The consensus bills filed are:

- A) ASR Bill HB 655 (Larson)
- B) SAO Bill HB 950 (Lucio III)
- C) Operating Permitting Bill HB 1248 (Lucio III)
- D) TDLR Bill HB 930 (Miller)
- E) Sellers Disclosure Bill (Lucio III)

Dirk recapped each of the consensus bills for the Board. Dirk gave the Board a Telicon Listing of Bills being monitored at this time. He also gave the Board a “watch list” of bills of concern per the Telicon Report. Those Bills are as follows:

- A) HB 30 Brackish
- B) HB 835 Brackish bill by TAGD
- C) HB 836 Brackish bill by TWCA
- D) We think a bill is being shopped around that pulls the research of brackish groundwater by TWDB and funding for the research to TWDB
- E) HB 1232 (Lucio III) known as the study bill or all groundwater, which relates to the mapping of aquifers.
- F) SB 78 (Ellis’s) study bill that SB 78 would add information that must be included in the State Water Plan.

Dirk recapped and discussed each of these bills for the Board.

Workshop #2. Review draft of Annual Report for 2014.

Dirk Aaron gave a draft copy of the 2014 Annual Report to the Board and PAC Members. He asked that they review the document and notify the District of any changes or corrections as soon as possible. The report will be presented to the Board for approval at the March Board Meeting.

Workshop closed and Board Meeting convened with President, Leland Gersbach at 2:38 p.m.

1. Invocation and Pledge of Allegiance:

Vice President, Wallace Biskup, gave the invocation.
Secretary, Judy Parker, lead the Pledge of Allegiance.

2. Public Comments:

None

3. Approve minutes of the January 13, 2015 Board Meeting and Workshop.

Secretary, Judy Parker, moved to approve the minutes of the January 13, 2015 Board Meeting and Workshop. Vice President, Wallace Biskup, seconded the motion. **Motion carried 5-0.**

4. Discuss, consider and take action if necessary to accept the monthly financial report for January 2015 as presented.

Director, Gary Young, moved to accept the monthly financial report for January 2015 as presented. Director, David Cole, seconded the motion. **Motion carried 5-0.**

5. Discuss, consider and take action if necessary to accept the monthly Investment Fund account report as presented.

Director, David Cole, moved to accept the monthly investment fund account as presented. Director, Gary Young, seconded the motion. **Motion carried 5-0.**

6. Discuss, consider and take action if necessary to accept the Quarterly Deferred Compensation Employee Retirement Program account report as presented.

Dirk informed the Board that the report was not ready to present at this time. There was a discrepancy on the report and Shelly Chapman is working with Security Benefit to resolve the discrepancy. Dirk asked that the Board table this item until the next meeting.

Secretary, Judy Parker, moved to table this item until the next meeting. Vice President, Wallace Biskup, seconded the motion. **Motion carried 5-0.**

7. Discuss, consider and take action if necessary to approve the FY15 line item budget amendments as requested.

Dirk Aaron presented the request for line item budget amendments. Dirk recommends transferring \$6,670 from Contingency Fund (50250) to Water Quality Studies (53105.6). The Board approved the Baylor Study by Jim Tucker at the January meeting making this budget amendment necessary per last month's decision.

Leland pointed out that line item 53130.4 (Investigations) was over budget. Dirk suggested transferring the balance of \$3,906.90 from Elections (50550) to cover the overage and to cover any other investigations that may arise. \$4,000 was budgeted for the November Election and the District was only billed for \$93.10.

Secretary, Judy Parker, moved to transfer the remaining funds of \$3,906.90 in line item 50550 (Elections) to 53130.4 (Investigations) and to move \$6,670 from 50250 (Contingency Fund) to 53105.6 (Water Quality Studies). Director, David Cole, seconded the motion. **Motion carried 5-0.**

8. Discuss, consider and take action if necessary to accept the 2014 Financial Audit Report as presented from District's contracted auditing firm.

Dirk introduced the District's Auditor, Alton Thiele. Alton presented the results of the audit to the Board. A copy of the audit was given to the Board for their review prior to the meeting. The Auditor issued a clean opinion of the District's financials. He then recapped the details of the audit.

Alton pointed out a timing issue of deposited funds that came up at the June 17th Board meeting. The receipt of the funds and the deposit date were not the same. This brought into question an "un-deposited funds" situation in Quick Books. The Auditor recommended making sure receipts are entered and deposited on the same day to preserve the integrity of the process.

The Auditor also pointed out the Affordable Health Care Act was passed and went into effect January 1, 2014. As a result, the District's healthcare policy of reimbursement was affected. This is no longer considered a fringe benefit. The Auditor worked with Leland Gersbach to resolve this issue. It was determined that the District would reissue the 2014 W2s and W3s to show the remuneration as additional income on the employee W2. The Auditor recommended the District adopt a qualified healthcare policy for the employees from this point on.

Director, Gary Young, moved to accept the 2014 Audit as presented. Director, David Cole, seconded the motion. **Motion carried 5-0.**

9. Discuss, consider and take action if necessary on groundwater related legislation filed at the 84th legislative session.

Dirk informed the Board that he had (with Ty Embry's assistance and feedback from TAGD) identified legislation that the District can support and will be helpful to the efforts of CUWCD. These items are the TWCA Consensus Bills "A" through "E" (discussed in workshop) that are important to groundwater regulation yet find balance without undo unfunded mandates. Staff recommends the Board endorse the TWCA Consensus bills as described:

- A) ASR Bill HB 655 (Larson)
- B) SAO Bill HB 950 (Lucio III)
- C) Operating Permitting Bill HB 1248 (Lucio III)
- D) TDLR Bill HB 930 (Miller)
- E) Sellers Disclosure Bill (Lucio III)

Vice President, Wallace Biskup, moved to give General Manager, Dirk Aaron, the authority to pass on to Ty Embry that the Board agrees to go with A-E presented as Consensus Bills. Secretary, Judy Parker, seconded the motion. **Motion carried 5-0.**

10. General Manager's report concerning office management and staffing related to District Management Plan.

- Dirk gave an update on the RFQ process for GMA8. RFQs were sent out to several firms. GMA8 will hold a meeting to open RFQs and hold a vote to determine the consultant to be used.
- Dirk discussed the on-going process to review groundwater investigations for proposed plats to the county.
- Dirk recapped the issue that came up during the audit on healthcare reimbursement.
- Dirk informed the Board that he and Judy attended TAGD Feb 11-13. Dirk will be attending TWCA meeting March 4-6 in Austin. He also informed the Board that Stacey Stienbach will be leaving TAGD at the end of the session. She will be going to work for TWCA.
- Dirk gave the Board an article to read about the Austin Golf Course at Decker Lake and also one on Trinity Hays. Judy Parker commented on the articles.

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

- a. Salado Creek stream flow gauges**
- b. Education Outreach Update**
- c. Monitoring wells**
- d. Rainfall/Drought Conditions**
- e. Well registration**
- f. Non-exempt Monthly well production**

(Copies of the Monthly Staff Reports were given to the Board Members to review. No action required. Informational items only.)

12. Public Advisory Committee comments.³

None

13. Director comments³

Judy Parker attended the City of Killeen City Council Meeting ON Tuesday, Feb 17th. A presentation was made by a city council member about the Chisholm Trail/Georgetown merger. This council member feels the City of Killeen needs to be more involved. Bell County Commissioners Tim Brown and John Fisher made presentations as well. Jerry Atkison, WCID#1, also spoke at the meeting. Judy Parker and Tim Brown gave a recap of the meeting to the Board. Judy commented that the issues discussed are something the District needs to keep an eye on because they could be detrimental.

14. Discuss agenda items for next meeting.

McLane Group Drilling Permit
Annual Report
Retirement Fund Qtr. Report

15. Set time and place of next meeting.

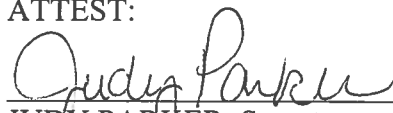
March 11, 2015, 1:30 p.m.

16. Adjourn.

Meeting adjourned by President, Leland Gersbach at 4:15 p.m.


Leland Gersbach, President

ATTEST:


JUDY PARKER, Secretary

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