

**MINUTES OF
July 13, 2012
BOARD MEETING
CENTRAL TEXAS GROUNDWATER
CONSERVATION DISTRICT**

The Board of Directors of the Central Texas Groundwater Conservation District met in regular session on Friday, July 13, 2012 immediately following the 9:00 a.m. Permit Hearing in the District office located at 225 S. Pierce Street, Suite 104, Burnet, Texas.

The following persons were present:

Members Present

Bill Felps, President	Bill Luedecke, Director
Wayne Brown, Vice President	Steve Henderson, Director
Dan Brady, Secretary/Treasurer	

Staff and or Consultants Present

Charles Shell, General Manager	Mitchell Sodek, Hydrologist
Donnita Coats, Administrative Assistant	Brian Sledge, District General Counsel

Others present - Several Members of the Public

President Felps asked General Manager Shell to establish a quorum through a roll call of Directors; declared a quorum present; and called the Meeting to order at 9:37 a.m.

President Felps then asked for public comment. There was no public comment.

President Felps then asked for consideration and/or action on Minutes of the Regular Board Meeting held June 7, 2012 and Minutes of the Special Board Meeting held June 22, 2012.

Bill Luedecke moved to:

Approve the Minutes of the Regular Board Meeting held June 7, 2012 and Minutes of the Special Board Meeting held June 22, 2012.

Second was by Wayne Brown.

Vote on the motion carried.

President Felps then asked for consideration and/or action on Expenditures for June 2012 and Budget Line Item Adjustments; Review of 2011-2012 Budget; and Quarterly Report of Investments Accounts.

Bill Felps moved to:

Approve the Expenditures for June 2012.

Second was by Steve Henderson.

Vote on the motion carried.

General Manager Shell presented and reviewed the following budget line item adjustment that he suggested be made to the budget:

\$1600.00 from Payroll Expenses – Intern and/or FTE to Vehicle Expense – Fuel/Maintenance

Wayne Brown moved to:

Approve the budget line item transfer as presented.

Second was by Bill Luedecke.

Vote on the motion carried.

Public Funds Investment Officer, Donnita Coats, gave the Board a Quarterly Report on the Investment Position of the District for the quarter ending June 30, 2012 in accordance with Section IV of the Public Investment Policy of the District.

President Felps then asked for consideration and/or action on Domestic Septic Registration No. 710921 Issued to Childress Outhouses, LLC, 605 CR 121, Marble Falls, Texas.

General Manager Shell informed the Board that he had hired David Price, AusTex Development I, Ltd, to create an engineering report supporting the District's position opposing the Childress Registration and that Lloyd Gosselink had filed a Motion to Overturn and Motion for Judicial Review of the Application on the District's behalf.

District General Counsel Sledge reported that the Motion to Overturn and Motion for Judicial Review had been timely filed and that the Texas Commission on Environmental Quality had 45 days to act on the Motion to Overturn. He also informed the Board that his partner in the firm, Brad Castleberry and paralegal, Erin Zoch, had prepared and submitted the documents and that a separate billing account was set up for services regarding the Childress Outhouses application.

President Felps then asked for consideration and/or action on amendments to and re-adoption of the District Investment Policy. The Investment Policy of the District requires the District to review the Investment Policy at least annually and adopt a resolution confirming the continuance of the Investment Policy without amendment or adopt an Amended Investment Policy. General Manager Shell informed the Board that it was not necessary to amend the current policy at this time.

Wayne Brown moved to:

Adopt a Resolution confirming the continuance of the Investment Policy without amendment.

Second was by Steve Henderson.

Vote on the motion carried.

President Felps then asked for consideration and/or action on the District's Attorney Contracts. Director, Dan Brady, informed the Board that it had been brought to his attention that the District had been using the same General Counsel since the creation of the District and that it was time for a fresh set of eyes. The Board instructed General Manager Shell to solicit Requests for Qualifications for legal services for the District.

Wayne Brown moved to:

Proceed with Requests for Qualifications from Legal Firms involved in groundwater work for consideration to represent the District.

Second was by Steve Henderson.

Vote on the motion carried.

President Felps then asked for consideration and/or action on a Proposal from USGS Concerning a Gain/Loss Study on the Colorado River and a Study of the Ellenburger Aquifer.

General Manager Shell introduced USGS Representatives, Marylynn Musgrove and Megan Roussel, who presented the proposals for Board consideration. The Board took the studies under advisement and will act at a future meeting.

President Felps then asked for consideration and/or action on Possible Minor Violations of District Rule 3.70.

General Manager Shell discussed the number of New Well Registrations that were not complete due to the lack of receipt of well reports and/or pump installation reports required by the District Rules and a minor violation of the rules subject to civil penalties for non-compliance. He informed the Board that well owners are notified at the time of Authorization to Drill that it is their responsibility to see that the District receives this information and that reminder letters are sent if the information is not received according to the time requirements set forth in the rules. He requested that the Board direct him in what course of action to take regarding non-compliance with the requirements.

Directors Brown and Brady directed General Manager Shell and the staff to contact, by phone, those well owners who are out of compliance to request the required information before assessing civil penalties and report the results to the Board at a future meeting.

President Felps then asked for consideration and/or action on Determination of the Drought Stage. Hydrologist Sodek reviewed the most recent monitor well level graphs and reported that the Palmer Drought Indexes remain the same for the month of June. He then reviewed the existing monitor wells and plans for new monitor wells in the District and a flowing Ellenburger Monitor Well that had been drilled with for monitoring and/or geological data. Hydrologist Sodek recommended and General Manager Shell concurred that the drought stage remain at Stage 2 – Moderate Drought. No action was taken to change the Drought Stage.

President Felps then called on the General Manager for the Staff Report.

a. Rule implementation activities

Activity	Total as of June 6, 2012, 2012	Total as of July 12, 2012
Well registrations	3414	3445
Exempt Well Drilling Auth.	445	462
Permit App. Received	125	127
Permit Applications by Use		Permits Issued
Commercial	14	12
Domestic, Livestock & Poultry	40	40
Industrial	9	0
Irrigation	30	19
Public Water Supply	34	24
Total	127	95
Permit Applications by Precinct		
Precinct 1	55	
Precinct 2	33	
Precinct 3	23	
Precinct 4	15	
Precincts 1 2 & 3	1	
Total	127	

- b. Monitor Well Program
General Manager Shell will give a District Monitor Well Tour on July 21, 2012 for the Burnet County Water Conservation Tour & Workshop sponsored by Burnet AgrLIFE Extension.
- c. Employee Retirement Plan of the District
General Manager Shell gave a short review of a possible Texas County & District Retirement Plan and will bring a proposal at a future meeting.
- d. Proposed Participation in Rainwater Harvesting Projects
Looking into Rainwater Harvesting Projects with Briggs and Okalla Volunteer Fire Departments and will have updates at future meetings.

President Felps then called for a work session on the FY 2012-2013 Budget. The Board agreed to set a regular meeting to work on the Budget for Monday, July 30, 2012 at 9:00 a.m. at the District Office. General Manager Shell informed the Board that he would post notice for this meeting.

President Felps then called for any Director comments.

President Felps discussed the recent Region K Meeting that he and General Manager Shell had attended and LCRA Reservoir Collection Studies.

General Manager Shell read the Burnet Central Appraisal District Public Hearing Notice's to the Board.

Director Brown expressed that the Board may need interim committees on Legislation in the near future.

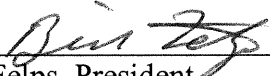
President Felps then called for Agenda items for the next Board Meeting.

- Budget


President Felps stated that Directors could contact the General Manager or Board President prior to the deadline for posting notice of the next meeting if they have a suggested agenda item.

President Felps then set the date for the next regular board meeting for, Friday, August 10, 2012 at 9:00 a.m. at the District Office located at 225 S. Pierce, Burnet, Texas.

President Felps adjourned the meeting at 11:41 a.m.



Bill Felps, President



Dan Brady, Secretary/Treasurer