

PECAN VALLEY GROUNDWATER CONSERVATION DISTRICT

Minutes of Meeting
March 17, 2004 - 4:00 P.M.

PVGCD OFFICE
Cuero Plaza Mall-Suite 1129
Cuero, TX 77954

BOARD MEMBERS PRESENT: Errol John Dietze (Chairman), Gary Colman, Bob Davis, Bubba Steen, Bob McCurdy (GM), Jim Allison (PVGCD attorney), Tim Voelkel (newly appointed board member)

CALL TO ORDER: A quorum being present, and all notices having been properly posted, the meeting was called to order at 4:00 p.m. by the Chairman, Errol John Dietze.

APPROVAL OF MINUTES: Minutes of the February 16th meeting were presented in the board packet. Bubba Steen noted three corrections to the minutes. The corrections were noted and made. Bob Davis made a motion to accept the minutes as corrected, second by Bubba Steen; the motion carried unanimously.

SWEARING IN OF NEW BOARD MEMBER: Manager McCurdy introduced Tim Voelkel from Precinct #3 to the Board. Tim will be replacing Peggy Laging who resigned with an unfilled term of office. As per District Rules, the Board appointed a candidate to fill the Prct. #3 vacancy. Chairman, Errol John Dietze, performed the oath of office; appropriate documents were signed, and will be sent to the Sec. of State Office, TWDB, Region L, and TCEQ for official filing. Bubba Steen made the motion to accept Tim Voelkel's nomination to the Precinct 3 position, second by Bob Davis; motion carried unanimously.

BUDGET REVIEW: Manager McCurdy made the board aware of the new accounting software, Quick Books, the PVGCD office has initiated, and will be using in the near future. The new accounting process will accurately generate reports, plus interface with the accounting office of Mike McCauley. Manager McCurdy also reviewed the recent increase in the office rental payment due to the increase in taxes and insurance. The base rent is currently \$450 and the taxes and insurance amount will increase to \$66 for a total of \$516 due monthly. The previous payment was \$495, base rent plus taxes and insurance. Manager McCurdy also discussed the possibility of a future move to a different location that should be considerably less expensive. The space, 106 N. Gonzales, is owned by Frank Burns, and is currently housed by the County Health Department. Availability of this space could be in a year or so. Gary Colman suggested the consideration of purchasing an office site. Discussion followed with Jim Allison pointing out the difficulty of projecting space needs over time. This may be an option for future consideration. Bubba Steen made the motion to accept the budget review, second by Gary Colman; motion carried unanimously.

MANAGER'S REPORT:

WELL PERMITTING: Manager McCurdy told the board that to-date we have permitted one well. In an effort to get all participants aware of the application process, Bob made a presentation regarding well permits to the Cuero City Council, will be presenting to the Cuero Chamber in the near future, and will set up meetings with all municipalities. The PVGCD will also be sending out copies of the well permit application to all drillers for the convenience of reproducing on site, and forwarding to the PVGCD office along with the \$50 fee (refundable). We are currently set up to receive/receipt those applications and deposits.

BONDING & INSURANCE: Cost has increased from \$150 to \$200 per person. Jim Allison indicated that all board members should be bonded (surety bond). Bob McCurdy indicated that the current board members, and Kay Wild, have all been bonded. Manager McCurdy will get information to begin the process of having Tim Voelkel, newest board member, bonded. Jim Allison indicated that though it was not necessary to have Kay Wild bonded, it is good idea to have everyone bonded.

SEMINARS/MEETING: Manager McCurdy informed the board of the recent seminars and meeting he has attended for the PVGCD. The most recent being the Technical Forum Conceptual Delivery Study held in San Marcos on March 16th. Bob indicated that there was not much new information shared at that seminar. The meeting was not well attended and no new information was made available; with the exception of possible new pipeline routes that will probably exempt DeWitt County from the proposed pipeline routing. The #1 proposal will run directly from the Salt Water Barrier at the Lower Guadalupe through Refugio and Goliad County by-passing DeWitt County; with well fields and possible surface reservoir sites being located in Refugio, Goliad, and Victoria Counties. Manager McCurdy also attended the Senate Select Committee Hearing in Victoria, 3/17/04, to see how issues are developing for the next Legislative session, January of 2005. It is becoming apparent that there is a strong effort by the transporters to undercut the authority of groundwater districts. There is consideration that the use of lobbyists will be a future effort of the groundwater districts. This proposal was discussed at length at the Goliad Groundwater Dist. meeting held 3/16/04, which Jim Allison attended. Sabrina Brown and Ron Lewis were two of the names brought up for consideration. When that time of decision comes regarding the Pecan Valley participation in hiring a lobbyist, Bubba Steen said he would have to recuse himself from voting on this issue as he is

a relation to Sabrina Brown. The amount per district would be approximately \$500.00 per month. The best posture at this time is to see if Districts can retain their authority as we get closer to the next Legislature session. Districts will probably evaluate the situation around Nov./Dec. With the authority of groundwater districts somewhat undefined, some districts are imposing restrictions to protect the aquifer. Jim Allison said it is difficult to model for drought since the aquifer has never been stressed. Manager McCurdy then discussed his meeting with the City Council in Corpus Christi with representatives of the Corpus Christi City Council on Feb. 17, 2004. Along with Lonnie Stewart of Live Oak Co.GCD and Art Dohmann of Goliad County GCD, we learned that Corpus Christi is not in a critical water shortage at this time. The outlook of the City Mgr. and the City Council was a "wait and see" attitude as to future water procurement strategy. Manager McCurdy also informed the board that he has heard that the O'Connors are contemplating filing a law suit against the LOWER GUADALUPE WATER SUPPLY PROJECT. Manager McCurdy also pointed out that the Edwards Aquifer is crucial to this area, and is the cheapest and closest aquifer to San Antonio. When their water becomes low, they will widen their current area of export, which we can expect to see in the short term future. Since the Guadalupe River demands rely on the water flow from the Edwards Aquifer into the springs at San Marcos, demands on this aquifer will increase and surface river water demands will increase downstream with projected shortages. Since DeWitt is in the recharge zone for Victoria, and Victoria County currently has no water district protections, this is a crucial issue for DeWitt Co. Massive pumping from the Victoria Co. area will certainly affect DeWitt County.

GAM: Manager McCurdy presented the engineering breakdown report. This engineering study will certainly help to protect our interests, and is money well spent to support the local groundwater districts. Jim Allison mentioned that there are grants available from Region L. If these grants are awarded, it will legitimize the study done by A&M at Kingsville. Manager McCurdy also told the Board that Goliad has agreed to pay the difference if the study should go over the projected amount, which is approximately \$50,000; divided between the six participating Counties. Goliad is the administrative agency for the Alliance.

PERSONNEL: Manager McCurdy told the board that Mike McCauley filled a 1099 on him as contract labor. The F.I.C.A. ruling states that if you are not directed by the board on the day to day activity, then you can be considered contract labor. There is some consideration that Kay will have to not be considered contract labor if earning over \$12,000 a year. We will call Mike McCauley's office and get a ruling from him. Refugio has made their director a full-time employee and we might come to that point in the future. It will involve more bookkeeping and workman's compensation. Manager McCurdy then asked Jim Allison if we could invest monies. Jim Allison indicated the need for the District to have an investment officer. If you are subject to a state audit, the question will be asked, "Do you have a certified investment officer." We can use another taxing entity's investment officer, or a board member can receive the training and become an investment officer. The training is about a one week, 40 hour course to become certified. Jim Allison recommended that if we make these changes, that we do it at the start of our fiscal year, October 1st. Bob said he would check with Appraisal District regarding using their investment officer. Jim Allison discussed the need to change our election structure of odd number of years to an even year cycle. Elections would be in November with county elections and we could pay them to hold our election. If not, we would be required to hold our own election which would be very costly and many man hours to coordinate. The advantages are tri-fold: 1) the County can hold the election, 2) it saves the district money, and 3) you get a bigger turn out of voters. Jim Allison suggested that we begin that process of change now. Jim will get us the necessary forms to begin the process.

This concluded the manager's report. A motion was made by Bob Davis to accept the manager's report as presented, second by Gary Colman; motion carried unanimously.

CLOSING COMMENTS: Chairman Dietze welcomed Tim Voelkel to the board and expressed his appreciation for his willingness to put his time and energies into the effort of groundwater conservation.

ADJOURNMENT: Chairman Dietze called for a motion to adjourn; motion by Bubba Steen and second by Bob Davis. The meeting adjourned at 5:15 P.M.

Sec/Gary Colman

Recorded: Kay Wild/Office Asst/PVGCD