

MINUTES OF MEETING
JUNE 14, 2005 - 4:00 P.M.
PVGCD OFFICE
CUERO PLAZA MALL-SUITE 1129
CUERO, TX 77954

BOARD MEMBERS PRESENT: Errol John Dietze (Chairman), Bubba Steen (Co-Chairman), and Bob Davis (Prec. 4).

ALSO IN ATTENDANCE: Bob McCurdy (GM), Kay Wild (Office Assistant), Jim Allison (Legal Council) and Donald Goldman (Accountant).

#1 CALL TO ORDER: A quorum present, and all notices properly posted, the meeting was called to order at 4:05 P.M. by Chairman Dietze.

#2 APPROVAL OF MINUTES: Minutes of the April 5th meeting were presented in the Board packet. With one typographical error correction noted, Bubba Steen made a motion to accept the minutes as corrected, second by Bob Davis; the motion carried unanimously.

#3 PUBLIC COMMENT: None present, none made.

#4 FINANCIAL SUMMARY & APPROVAL: Bob McCurdy did an over-view of the financial reports prepared by Kay Wild, and provided to the board in their packets. Bob Davis made a motion to accept the financial summary as presented, seconded by Bubba Steen; the motion carried unanimously.

#5 AUDIT REPORT: Donald Goldman of Goldman, Hunt, Notz. LLD, gave a summary of the audit for 2003-2004 fiscal year. With the company reported in good standing, Bob Davis made the motion to accept the audit report with one correction of a name mis-spelling, second by Bubba Steen, and the motion carried unanimously.

#6 INVESTMENT POLICY/INVESTMENT OFFICER: This issue was discussed at the previous meeting and agreed upon. The only part necessary at this meeting was a signature process for authorization to have Bob McCurdy as the investment officer for the PVGCD. Errol John Dietze, chairman, signed the authorization.

#7 ELECTION DATE: Jim Allison reiterated our approval from the U.S. Dept. of Justice to move the election date from a May to November election to coincide with the county elections. With the change to the Nov. 8th election, Jim noted that the filing date for positions that will come up for re-election are to be submitted by Sept. 6th. The following positions will come due in this upcoming November election: At Large (Errol John Dietze), Precinct 2 (Gary Colman) and Precinct 4 (Bob Davis). If someone files to run for an open position, the PVGCD board will have to convene to approve the ballot. If there is no contest, the PVGCD board will meet to cancel the election.

#8 LEGAL ISSUES: Jim Allison referenced the recent Legislative session indicating that not much was done with Senate Bill 3. It passed through the Senate, but hit the wall on the House side. Jim said that it came within 15 bills of making it to the floor before the Legislative session ended. He said however, there are a lot of changes for Groundwater Districts in the language of HB 1763. Jim provided highlights of some of the changes, one of which is the revision of Groundwater Districts' Management Plan and Rules. It also added some responsibilities for Groundwater Districts to adopt a provision on the status of the aquifer (deplete, sustain or replenish.) He also said that the GWD water management group will be comprised of the presiding officer of each GWD, approximately 8 countries included, and will meet annually. By 2010 they will have to determine objectives by a 2/3 vote on the condition of the aquifer. Additionally, there is now the right for groundwater districts to appeal through Travis County if they do

not get approval from the TWDB. Jim also indicated that there are a lot of changes to Chapter 36 of the State Water Code. One of the changes is provisions on contested permit hearings; revision of hearing rules is effective Sept. 1st, 2005.

#9 OPERATIONS REPORT BY GM: Bob McCurdy brought before the Board a question regarding the necessity of the \$50 deposit currently required from landowners when applying for a new well. He also indicated the need to increase the processing fee from \$10 to \$25 to better cover expenses incurred in the processing of each application. The \$50 deposit was initially an attempt to provide some leverage for the GWD to secure well logs from the driller once wells were completed. It was decided that a better position of leverage would be to refuse additional well application approval to drillers who have not followed through with sending their well logs to the District office, and do away with the deposit from landowners. Since the deposit and fee stipulations are part of the PVGCD rules, Rule 9.1, Jim Allison said that he would include language for this change when he prepares for the other rule changes to be made to concur with HB 1763.

Bob gave an update on the status of the Hochheim well situation. Jim indicated the options available to the landowner; Bob will draft a letter to the landowner stating these options, and the need to apply for a permit. A variance may be requested by the landowner, with a waiver of "no objection" obtained from the adjacent landowners.

The next issue before the board was a request for an increase in mileage reimbursement for the PVGCD office staff. The board agreed that mileage reimbursement should comply with the rise and fall of the State allowable mileage reimbursement, which currently is .40 cents. A motion was made by Bob Davis to accept the manager's report and request for mileage compensation adjustment, second by Bubba Steen, the motion carried unanimously.

#10 ADJOURNMENT: A motion to adjourn the meeting was made by Bubba Steen, second by Bob Davis, and Chairman Dietze adjourned the meeting at 5:30 P.M.

Sec/Gary Colman

Recorded: Kay Wild/Office Asst/PVGCD