

**MINUTES OF PUBLIC HEARING
SEPTEMBER 20, 2005 - 6:30 P.M.
WELLS FARGO BANK BOARD ROOM
307 N. ESPLANADE
CUERO, TX 77954**

BOARD MEMBERS PRESENT: Errol John Dietze, Bubba Steen, Bob Davis, Gary Colman, Tim Voelkel.

ALSO IN ATTENDANCE: Bob McCurdy, Kay Wild, Jim Allison.

GUEST SPEAKER: Dr. Venkatesh Uddamerri of Texas A&M-Corpus Christi

VISITORS: Mela Walker, Bill Braden, Curtis Wild

#1 CALL TO ORDER: A quorum present, and all notices properly posted, the meeting was called to order at 6:35 P.M. by Chairman Dietze.

#2. WELDOME: Bob McCurdy welcomed the Board and visitors to the public hearing, and introduced Dr. Uddamerri.

#3 PROPOSED BUDGET AND TAX RATE: Jim Allison gave an over-view of the proposed tax rate and budget. The increase in tax assessment, which falls mostly in gas and oil value with little increase in property tax, will give the PVGCD approximately a 19% increase in revenue for 2006. The PVGCD Board of Directors voted in a previous meeting held on August 2nd, to accept the proposed tax increase of .015%, as opposed to the effective rate of .0135% which would produce the same amount collected last year. Explanation from Jim Allison for accepting this increase is to build up the contingency fund for extraordinary expenses that might arise in the future, such as research or to respond to legal issues. Mr. Allison explained that the PVGCD operates on a very small budget, and there is great need to build up the contingency fund. He explained further that the District can set the tax rate at any level it needs to support the budget. A public comment was made regarding investing the contingency funds. Bob McCurdy responded that previously there were not enough funds to invest. With the increase, Mr. McCurdy said that a portion of the contingency could be considered for investment, and he was currently looking into that possibility. At this time public comment was closed and the Board moved on to the next agenda item.

4. CANCELLATION OF ELECTION: The PVGCD holds elections every two (2) years. The positions that were up for election this year are Prec. 2, 4, and at-large. Jim Allison explained the section of the Election Code Schedule that states that if only one candidate files for a position, that candidate can be certified as an unopposed candidate and the election can be canceled. After the November 8th election date, the District will file a certificate of election and oath of office. A motion was called to adopt the order of election and to cancel the election. Bubba Steen made the motion, second by Tim Voelkel, the motion carried. The order was signed by the Board president and secretary to be filed with the County Clerk's Office.

5. PRESENTATION OF THE ALIANCE GROUNDWATER ASSessment MODELING (GAM), BY DR. UDDAMERRI

#6 ADJOURNMENT: A motion to adjourn the meeting was made by Bubba Steen, second by Bob Davis, and the meeting was adjourned at 8:35 P.M.

Sec/Gary Colman

Recorded: Kay Wild/Office Asst/PVGCD