

Lost Pines Groundwater Conservation District

Board of Directors Agenda Minutes

Wednesday, February 16, 2022

The Board of Directors convened at 6:05 p.m. in an in person/telephonic/video conference meeting pursuant to public notice having been given. The following members of the Board were present: President Sheril Smith; Vice-President Kay Rogers; Secretary-Treasurer Elvis Hernandez; Directors: Thomas Arsuffi, Melissa Cole, Herbert Cook, Phil Cook, Larry Schatte, Billy Sherrill and Michael Simmang.

Staff members present: Jim Totten, General Manager; Peggy Campion and Dana Goertz.

Consultants present: Natasha Martin, Attorney and Greg Ellis, Special Counsel.

1. President Smith called the meeting to order and introduced to the public new Board members Thomas Arsuffi and Elvis Hernandez. President Smith also introduced Javier Saenz, Assistant General Manager.

2. *Public Comments.* The Board heard comments from the public.

3. *Pursuant to Board Rule 2.1 A, the Board will conduct its annual election for President, Vice-President and Secretary-Treasurer.* Director H. Cook moved to nominate Michael Simmang for President. Director P. Cook moved to nominate Sheril Smith for President. The Board members voted six (6) to (4) in favor of President Smith. Director P. Cook moved to nominate Kay Rogers for Vice-President. There being no other nominations, the motion carried. Director P. Cook then moved to nominate Elvis Hernandez for Secretary-Treasurer. There being no other nominations, the motion carried.

4. *Review and approval of the minutes of the December 15, 2021 special board meeting and December 15, 2021 regular board meeting.* There being no corrections to the minutes of the December 15, 2021 special board meeting, the minutes were approved. After making a correction to agenda item 10 on the December 15, 2021 regular board meeting minutes, the minutes were approved.

5. *Discussion, consideration of and possible action on modifying District signature authority for banking and investments.* General Manager Totten reported that there were former board members with signatory authority at First National Bank and TexPool. He recommended that the Board update the signatory authority on these accounts to remove former board members Doug Prinz and Carl Steinbach from the TexPool account and former board members David Fleming and Michael Talbot from the First National Bank account and replace them with current board members. Director Schatte moved to add Vice-President Rogers and Secretary-Treasurer Hernandez to the signature authority for banking and investments and remove the former Board members. Director H. Cook seconded the motion, which carried unanimously.

6. *Discussion, consideration of and possible action on application by Alcoa USA Corp. for the approval of transfer of ownership of the Operating Permits for District Well Nos. 5839608, 5840101, 5840428, 5840427, 4850426, 5840431, 5840432, and 5840433 to SLR Properties I, LLC.* General Manager Totten reported to the Board that Alcoa USA Corp. sold its property along with its wells to SLR Properties I, LLC. SLR Properties requested to transfer of ownership of the operating permits held by Alcoa. SLR Properties filed the correct paperwork with the District for this transfer. General Manager Totten and Alan Gardenhire, representative from Alcoa USA Corp answered questions from the Board. President Smith then called for action to approve. There being no objections to the transfer, motion carries.

7. *Discussion, consideration of and possible action on Lower Colorado River Authority's Motion for Rehearing dated November 22, 2021 on the District's decision on the Applications of Lower Colorado River Authority for Operating Permits and Transfer Permits for Eight Wells in Bastrop County; SOAH Docket No. 952-19-0705.* Greg Ellis, Special Counsel, explained the rehearing process to the Board. Vice-President Rogers, Secretary-Treasurer Hernandez and Director P. Cook were recused from this agenda item. At 6:36 p.m. the Board went into executive session. At the conclusion of the closed meeting, the Board went back into open meeting. After returning to open session at 6:59 p.m., President Smith stated that no votes had been taken in closed session and called for a motion. Director Cole moved, upon recommendation from Special Counsel Ellis, to grant Lower Colorado River Authority's November 22, 2021 Motion for Rehearing on the District's decision on the Applications of Lower Colorado River Authority for Operating Permits and Transfer Permits for Eight Wells in Bastrop County. Director Schatte seconded the motion, which carried unanimously.

8. *Discussion, consideration of and possible action on District surety bonds for any directors and/or any District officer or employee.* General Manager Totten reported that he contacted Western Surety, to provide potential surety bonds for the district, with language acceptable to Board members. The Board members' bond would be transferred to Western Surety and General Manager Totten and Peggy Campion would be added to the bond. General Manager Totten answered questions from the Board. Vice-President Rogers moved to direct General Manager Totten to change the bonds to Western Surety for any directors and/or any District officer or employee. Director Sherill seconded the motion, which carried unanimously.

9. *Discussion, consideration of and possible action on a resolution adopting a District professional services policy.* General Manager Totten reported that this policy would bring the District in compliance with applicable requirements for selection of professional services. Director H. Cook moved to approve Resolution No. 2022-02-01 adopting a professional services policy. Director Cole seconded the motion, which carried unanimously.

10. *Discussion, consideration of and possible action on applications submitted to the District's Groundwater Mitigation Reimbursement Fund program for reimbursement greater than \$3,500. Discussion of and possible action on suspending acceptance of reimbursement requests pending committee review and recommendation.* General Manager Totten reported that the Finance Committee met prior to the Board meeting and reviewed nine applications received in the last two months. Eight applications will be paid in a total amount of \$45,874.00. There was one application

set aside. General Manager Totten then answered questions from the Board. With a motion and a second on the floor to approve the eight applications, the motion carried with Director Simmang voting no. The Board then heard from Natasha Martin, Attorney, regarding suspension of the program effective February 17, 2022 to reevaluate the structure and funding of the program. After Board discussion, Vice-President Rogers moved to suspend acceptance of reimbursement requests pending committee review and recommendation. Director Simmang seconded the motion, which carried with Director Sherrill voting no.

11. *Discussion, consideration of and possible action on the approval of Budget Amendment #1-2022.* General Manager Totten is recommending a budget amendment be made to maintain sufficient funds to satisfy the expenditures of the District and to meet the audit requirements for year end 2021. The recommended change is to redirect \$7,950.00 from Function 7200, Scada Tech Services into Function 8136, Director's Compensation. Director Simmang moved to approve Budget Amendment #1-2022. Vice-President Rogers seconded the motion, which carried unanimously.

12. *Discussion, consideration of and possible action on adding additional designated meeting locations in the District at the City of Elgin City Council Chambers in Elgin, Texas and the American Legion in Bastrop, Texas.* Director Cole and President Smith secured the two mentioned venues for future use if needed by the District. Director Cole moved to add designated meeting locations in the District at the City of Elgin City Council Chambers in Elgin, Texas and the American Legion in Bastrop, Texas. Director H. Cook seconded the motion, which carried unanimously.

13. *Discussion of District Committees, and possible appointment of Board Directors to District Committees for 2022.* President Smith appointed Vice-President Rogers and Directors H. Cook, B. Sherrill and P. Cook to the Financial Services Committee and appointed P. Cook, Chair, Secretary-Treasurer Hernandez and Directors H. Cook and B. Sherrill to the Infrastructure Committee. President Smith will appoint members to the Governance, Outreach and Management Committees in the near future.

14. *General Manager's Report.* President Smith next recognized General Manager Totten for presentation of the General Manager's report. Please see Attachment A.

15. *Committees Report.* Director P. Cook, Chair of the Infrastructure Committee reported that the committee met February 8, 2022 and discussed areas for the committee to focus on.

16. *Discussion of Lost Pines Groundwater Conservation District legislation, related legislation and/or activities occurring that affect or pertain to the District and Groundwater.* The Board heard from Greg Ellis.

17. *Consideration of conferences, meetings and educational opportunities Board members desire to attend.* There were none at this time.

18. *Consideration of agenda calendar and events.* The next regular Board meeting will be March 16, 2022 at Giddings Public Library, Giddings, Texas.

19. *Executive session of the Board pursuant to Tex. Gov't Code section 551.071, or any closed session permitted by law, to consult with its attorney and seek advice regarding Lower Colorado River Authority's Motion for Rehearing dated November 22, 2021 on the District's decision on the Applications of Lower Colorado River Authority for Operating Permits and Transfer Permits for Eight Wells in Bastrop County; SOAH Docket No. 952-19-0705. The Board went into executive session during agenda item 7.*

President Smith adjourned the meeting at 7:56 p.m.

Approved:



Sheril Smith, President



Elvis Hernandez, Secretary-Treasurer

Lost Pines Groundwater Conservation District

P. O. BOX 1027
Smithville, TX 78957

Attachment A

MEMORANDUM

DATE: February 16th, 2022
TO: President and Board of Directors
FROM: General Manager & Staff
SUBJECT: February 2022 General Manager's Report

1. Statistics Exempt Wells:
LPGCD Form 100's Drilling Permits received
December 1st through December 31st 2021 (12)
January 1st through January 31st 2021 (10)
LPGCD Form 300's Certificate of Registrations received
December 1st through December 31st 2021 (1)
January 1st through January 31st 2021 (0)

Wells plugged: 0 Water quality test: 3 Wells gauged: 21 (12.16-2.15)

Drought Conditions: Lee and Bastrop Counties rainfall is currently below normal but are not currently reporting any drought conditions. (Drought.gov)

1. District staff will work with the Governance Committee in developing a new employee manual for District staff with the goal of having a draft document for review at the next regular Board meeting.
2. District staff will work with the Finance Committee to develop a draft investment policy to cover District investments and finances with goal of having a draft policy ready for Board review at the next regular Board meeting.
3. GMA 12 met at the POSGCD offices on the 21st of January to review the draft explanatory report. At a second meeting on the 28th GMA 12 voted to adopt the draft explanatory report with some limited modifications. The explanatory report is currently being reviewed by the Water Development Board and the letter of administrative completeness should be issued by the TWDB in coming months with new MAGs coming in late summer.
4. The Texas Alliance of Groundwater Districts winter quarterly meeting was conducted in Austin on the 8th and 9th of February. Assistant General Manager Javier Saenz was able to participate in the TAGD GCD Bootcamp program as part of the meeting. The meeting also included presentation on better communications with local real estate agencies, brackish water zone development and the potential for co-mingling of groundwater in production and retired unplugged wells.
5. The District Financial Committee met on January 26th and February 16th to discuss the District Lee County Carizzo well programs. The District Infrastructure Committee met on February 9th to discuss ongoing capital projects and to begin planning committee activities.
6. Pending Permits:
 - i. The City of Bastrop has filled applications for three wells to be located on the XS Ranch property in Bastrop County. They are seeking an additional 4000 af/yr for the three wells

and to aggregate the new wells with the existing permitted well already located on the same property.

- ii. Aqua WSC has filed for a no increase amendment on their existing aggregated S field permits and seeks to add a new well to the existing permits.

7. Upcoming meetings

- i. GMA 12, February 25th, 10 a.m. POSGCD Offices Milano, TX and online
- ii. Region K, April 27th, 10 a.m. LCRA Dalchau Center Austin, TX

