

Lost Pines Groundwater Conservation District

Board of Directors Agenda Minutes
Special-Called Meeting of the Board of Directors

Wednesday, May 26, 2021

The Board of Directors convened at 7:00 p.m. in a meeting pursuant to public notice having been given, at American Legion Post 6, Lexington, Texas. The following members of the Board were present: President Michael Talbot; Vice-President Sheril Smith; Secretary-Treasurer Michael Simmang; Directors: Herbert Cook, David Fleming, Kay Rogers, Larry Schatte, Billy Sherrill and Carl Steinbach.

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

Consultant's present: Natasha Martin, Attorney; Andy Donnelly, Hydrogeologist.

1. President Talbot called the meeting to order.
2. Welcome and introductions.
3. *Public Comments.* The Board heard comments from the public.
4. *Discussion, consideration of and possible action on amendments to the District Budget to establish a mitigation fund and evaluate options to establish a well assistance program for well owners in the District.* General Manager Totten gave a recap of the mitigation program proposal that would cover the geographic area impacted by Vista Ridge production in the Carrizo formation out of the Post Oak Savannah Groundwater Conservation District. To implement the program, District staff and auditors will need to create a mitigation fund, develop an application for well owners seeking reimbursement and authorize staff to process reimbursement applications for \$3,500.00 or less and authorize the Monitoring Committee to review and give recommendations to the Board for applications requesting more than \$3,500.00. After Board discussion and General Manager Totten answering questions, Director Fleming moved to authorize District staff and the auditors to prepare a mitigation fund program for Board adoption after determining what the internal financial control will be, creating forms and establishing the process of form administration with the District staff and consultants, setting a maximum per well reimbursement of \$3,500.00 and a total maximum annual program cost of \$525,000.00 to be reevaluated every year. Vice-President Smith seconded the motion. Director Fleming added an amendment to the motion, if the cost of the well reimbursement exceeds \$3,500.00, the cost be forwarded to the monitoring committee for an evaluation and decision. Vice-President Smith approved the amendment, which carried unanimously.
5. *Discussion and consideration of establishing a District management zone to manage production from the Carrizo Wilcox formation in a portion of Lee County, Texas pursuant to District Rule 9.2 – Management Zones. Rulemaking procedures must be followed for creation of*


a management zone, as such, the District must post notice and conduct a hearing prior to creation. General Manager Totten recommended that the District establish a management zone to cover the geographic area impacted by the Vista Ridge production in the Post Oak Savannah Groundwater Conservation District. This would restrict the issuance of new operating permits in the Carrizo formation for non-exempt wells with the management zone. Establishing a management zone would require a change to the District's rules following notice, comment, and a public hearing.. There was Board discussion and General Manager Totten and Legal Counsel Natasha Martin answered questions.

President Talbot adjourned the meeting at 8:25 p.m.

Approved:



Michael Talbot, President



Michael Simmang, Secretary-Treasurer