

MINUTES OF PUBLIC HEARING
AUGUST 18, 2004 - 6:30 P.M.

WELLS FARGO BANK BOARD ROOM
703 N. ESPLANADE
CUERO, TX 77954

BOARD MEMBERS PRESENT: Errol John Dietze (Chairman), Bob McCurdy (GM), Bob Davis, Gary Colman and Bubba Steen.

CALL TO ORDER: A quorum being present, and all notices having been properly posted, the meeting was called to order at 6:33 P.M. by the Chairman, Errol John Dietze.

APPROVAL OF MINUTES: Minutes of the July 6th meeting were presented in the board packet. Bubba Steen noted one correction to the minutes changing the reference to the "General Services Commission" which is now the "State Building and Procurement Commission" as mentioned in rule 4.1. With no further corrections, additions or deletions, Bubba Steen made the motion to accept the minutes as corrected, second by Bob Davis; the motion carried unanimously.

PUBLIC COMMENT: Jim Allison suggested that we defer public comment to follow the discussion of the rules changes. The board agreed with this change in the schedule of agenda items.

ADOPT ANNUAL BUDGET: The 2004 Budget was presented in the board packets to provide structure for the discussion and formulation of the 2005 budget. Bob McCurdy indicated that there would be approximately a 5% increase in funds in the 2005 budget due to the increase in property taxes. The tax rate will remain the same in 2005 as it was in 2004. Jim Allison suggested that the 2004 Budget be amended to indicate 2005 and make the change in the total funds collected to \$97,765.61, and the contingencies amount changed to \$9,431.65, in order to approve the budget at this meeting. Jim Allison asked if there were any questions regarding the budget and *a question came from the floor requesting a copy of the budget followed by question regarding travel and training expenses*. Jim Allison informed her that the Board is required to receive training to qualify to be a board member or general manager. Second question *referenced the amount spent for tax collection*. Bob McCurdy explained that we have to pay the county for collecting the taxes. Another question as to *what all was included in the office operations expenditures*. She was informed that his category covers all the costs of running the office; utilities such as electricity and phone, internet provider, printing expenses, postage, post office box fee, etc. At this time *it was requested that the board introduce themselves*, and they did. With no further discussion regarding the budget for 2005, Bubba Steen made the motion to accept the budget presented in the board packet with noted changes, Bob Davis seconded the motion; the motion carried unanimously.

SET AND APPROVE TAX RATE: The tax rate of 0.015 remaining the same in 2005 as it was for 2004, Bubba Steen made the motion to accept the tax roll and tax rate for 2005, Gary Colman seconded; the motion carried unanimously.

DISCUSSION OF RULES CHANGES AND ADDITIONS: Jim Allison was given the floor to present the proposed rules changes as discussed/suggested in the minutes from the July 6th Board meeting. Copies of the proposed rules changes, as prepared by Jim Allison, were passed out to the Board members. Jim Allison suggested that the rules changes be presented and discussed at this public hearing, but defer approval and voting until the next meeting (to be scheduled), to allow for any additional input and further discussions. This was unanimously agreed to by the Board.

The first discussion was regarding setting a copy charge. It is recommended that we adopt the fees as set by the Building and Procurement Commission.

Amendments to District rules:

#1 Rule 5.1 and Rule 5.2 are amended to delete “150” and substitute “100.” Jim Allison read the existing rules 5.1 and 5.2 from the District’s Rules Manual regarding spacing requirements. It is recommended that the spacing requirement from property line of adjacent landowners be change from 150 ft. to 100 ft. to allow more flexibility of well placement on smaller lot locations, especially in sub-divisions. Bob McCurdy indicated that the State’s spacing requirement is 50 ft. from property line, and 100 ft. from leach fields; and suggested we take under consideration adoption of the same requirements. Bob McCurdy indicated that these spacing requirements deal with exempt wells which are agricultural and domestic wells that pump no more than 25,000 gal. per day. No operating permit is required on these types of wells; only registration of new wells with the PVGCD office is required, and the submission of a drilling log by the driller at the completion of the well. It is a State requirement that a drill log be submitted at the completion of the well. It was indicated that most of the domestic and agriculture wells use a one horse, or less, motors which allows production to stay within the requirements and does not allow over-production. *Mrs. Walker raised the question regarding aerobic water systems and why it is not addressed in the rules.* Jim Allison said it was covered in the next rule change and she was informed that the State and County regulate OSSF (on site septic systems) and the TCEQ is the governing entity. *There was a concern from the floor why there couldn’t be one source for a landowner to obtain requirements regarding water wells and septic systems.* The most the PVGCD can impose on a landowner is registration of new wells, and monitor that it meets all the PVGCD Rules. We cannot create rules in areas we do not govern. *Henry Rangnow, owner and operator of Rangnow Water Well Service, said he would like to see PVGCD have the same spacing requirements as the State.* Bubba Steen asked Mr. Rangnow how often the spacing requirement of 100 ft. would present a problem in drilling a well. He explained the situations that occur within sub-divisions where the lots are smaller and water wells following the spacing requirements could end up in the front yard of a home. Bob McCurdy indicated that in these cases a variance would be used. Bubba Steen asked Bob McCurdy how many variances he has issued thus far, and he indicated only about three. Mr. McCurdy said that when a situation arises, we try to work with the landowner, and variances are available and considered. *Mrs. Walker raised the question regarding what procedures are provided for requesting a variance?* Bob McCurdy indicated that there is a form in place and available at the PVGCD office that allows a landowner to submit the need for an exception to a specific rule. It is the burden of the landowner to submit a variance. When the application is received in the PVGCD office, Bob McCurdy can indicate that a variance is required because the information presented in the application does not meet the rules requirements. Gary Colman suggested we leave the spacing requirement as suggested in the proposed change of 100 ft., and use the variances to accommodate special circumstances. Bubba Steen expressed his support of this decision and stated that we leave the spacing at 100 ft. as proposed in the rules changes. The Board agreed with this decision.

#2 Rule 5.1 is amended by adding the following language at the end of the section: “Minimum distance from any existing or proposed septic system, whether on owner’s property or adjacent property, must meet County and State standards.”

#3 Rule 5.1 is amended by adding the following language at the end of the section: “Spacing requirements for permitted wells is 2 feet for every gallon per minute (gpm) of the permitted flow from nearest existing well or authorized well site.” *Mrs. Walker asked how production is monitored.* The explanation is that production is determined by the size of the well and the size of the pump.

#4 Rule 5.2, Section 1 is amended by striking the word “will” and substituting the word “may.” This wording allows more flexibility changing from mandatory to permissive.

Rule 5.2, Section 3, change Board to District

#5 Rule 6.1 is amended by adding a new section to read as follows: “5. Operators of permitted wells shall provide monthly production reports to the District. Production reports must be based upon accurate meters provided by the operator.” This rule applies to non-exempt, large producing wells. The Board can determine what conditions and requirements they request from large wells in the operating permit. *Mrs. Walker expressed her concern that the wording of the rules were vague and difficult for a*

landowner to understand. It seems that there are different requirements from different entities; and a landowner could possibly put in a well according to one requirement and end up having to move it because it doesn't meet the PVGCD requirements. Bob McCurdy said that that could indeed happen if a well is dug without a permit. The purpose of a well permit application is to make sure a new well meets all requirements, and to register the well with PVGCD. Mrs. Walker, said that she is trying to figure out and understand what the purpose of the Groundwater District is. Errol John Dietze told her that the sole purpose of the water district is to protect the landowner and their water rights, pure and simple. He indicated that he, Bubba Steen, Bob McCurdy and Bill Braden initiated the need for a groundwater district with the proposed Lower Guadalupe Water Supply Project in adjacent districts. The water district was formed to prevent large exporting of ground water from DeWitt County. He also indicated that he attends every water law conference offered in the State to keep abreast of what is going on concerning groundwater.

#6 Rule 6.1, Section 4 is amended to add the words “in the district” after the word “area” and add the words “for water supplied in the district” at the end of the sentence.

#7 Reference was made to rule 8.1 regarding a Production Permit. It was suggested that we do not have one, but Jim Allison said there is such a form. **Rule 8.2 delete this rule.** Clarification of this rule by Jim Allison stated that a landowner who own property that is divided by a district boundary line, does not have to have a transport permit. If a well is permitted in DeWitt and is used in an adjacent district, a transport permit will not be required. A Transport Permit is applicable to the larger wells, and when the need arises Jim Allison will get with the District in formulating this form. Do not adopt this suggested rule change.

#8 Rule 9.1 is amended to delete “eight (8)” and substitute “four (4).” This will put the rules book in agreement with the 120 day time-line indicated on the well permit application.

#9 Rule 10.1 (a) is amended by adding the following language at the end of the sentence “and a registration number assigned by the District.” Bob McCurdy indicated that a registration number is affixed to all applications as well as a TWDB (Texas Water Development Board) grid number. Bob McCurdy indicated that we have had several instances where GVEC has requested the registration number. Mrs. Walker asked why this information is being requested. Mrs. Walker suggested that the reason the electric company might need to know this information is that most electrical poles are in place prior to drilling since the driller needs the electricity. Bob McCurdy indicated that that is not necessarily so, and that many and most wells are drilled before the electrical pole is set.

#10 Rule 10.2 is amended by adding the following to the Caption: “For Non-Exempt Wells.” If a permitted well changes hands, the District will review the operating permit

#11 Rule 10.4, Subsection (b) is amended by striking the words “awaiting approval by the Board of Directors.” Question from the floor regarding whose responsibility is it to secure the permit, the landowner or the driller? An Operating Permit is the responsibility of the landowner, but the driller usually ends up doing most of this.

#12 Rule 12.2 (a) is amended by striking “150” and substituting “60.” Rule 12.2 (b) is amended by striking “150” and substituting “100.” Rule 12.2 (c) is amended by striking the work “steel.”

Mitigation: Jim Allison presented a proposed new rule to be Rule 10.6 This mitigation clause will pertain to non-exempt wells that produce more than 300 acre feet of water per year. Jim Allison indicated that we have never had a big draw on this aquifer. The only data is from the 1950's drought. If draw-down is more than you expect, it could possibly create a critical water issue for DeWitt County landowners. Jim Allison also felt that there is no need to require an escrow account. The issue of payment of damages should be in the District Courts and not on the shoulders of the water district. The purpose of the mitigation clause is to protect the aquifer, users and future users, from damage from other users. Bill Braden then posed the question of available funds to fight the large users of groundwater. Jim Allison said we have insurance to cover any issues that result in law suits against the District. The Board is keeping a close eye on adjacent district who are currently dealing with this situation. Currently there is no

mining production in our District. Our best weapon is our engineers. If we were not covered by insurance, funds would have to come from tax money or production fees. The effort is to protect historic users. Jim Allison noted that Goliad is asking for bonds put up by big companies; Refugio sets limits on drawdown and if it is exceeded, the well is shut-down. *Mrs. Walker asked how the District could stop a big producer and by what means it could be enforced.* Jim Allison said that we would file on them in court, and if they did not comply, the sheriff would then enforce the mandate. The District can request different requirements in different areas and different parts of the aquifer. *Mrs. Walker asked for a definition of aquifer. There are many different sands and different references to aquifers; so what makes up the Gulf Coast Aquifer?* It was explained by Jim Allison that aquifer covers all groundwater in a designated area. Chairman Dietze asked that further discussions be tabled at this time until the next public meeting considering the late hour. Bob Davis made a motion that additional questions be tabled, seconded by Bubba Steen; the motion carried unanimously. Errol John Dietze then referenced a letter given to Bob McCurdy at the beginning of the public meeting from Mrs. Walker. He asked if we had addressed her concerns. *Mrs. Walker said she had a lot more questions that needed to be answered. Mrs. Walker also indicated that she felt that the District did not want public input and that the board intimidated citizens if they have questions.* Several members of the board indicated that we beg for participation. Bubba Steen said that the attendance at this meeting was the largest turn out that we have had thus far... there were five citizens present and one driller. We have published meetings and encouraged citizen input, with little to no response. Errol John Dietze recognized Henry Rangnow as having attended every public meeting that the District has had. Kay Wild indicated that the door to the PVGCD office is always open to the public for concerns, comments or questions. Bubba Steen thanked Mrs. Walker for her interest and attendance. *Mrs. Walker suggested that the Board form a committee could to assess public needs; concerns could then be presented to the Board in a unified format.* Bubba Steen said that if she wanted to form a committee, he thought she would make a good chairman and we would welcome any input, and address any concerns. *Mrs. Walker said she would talk to her neighbors and beat the bushes for participants.* Errol John Dietze said that we beg tax payers to pay attention to what is coming. Jim Allison said that most districts' mission is to protect the aquifer and leave people alone to operate their own wells. Jim Allison indicated that the District was formed to protect from big transporters and that most of the wells permitted are exempt. Jim Allison also stated that the PVGCD operates on a minimal budget and is doing a thorough job. He also pointed out that the every-day user is not the threat it is the big producers.

The Chairman asked that Mrs. Walker's letter be put on the next meeting's agenda in order to address all of her questions, and that we adjourn. Bubba Steen made the motion to adjourn, Bob Davis seconded; the motion carried unanimously. The meeting was adjourned at 8:30 P.M.

Sec/Gary Colman

Recorded: Kay Wild/Office Asst/PVGCD