

TEXANA GROUNDWATER CONSERVATION DISTRICT MEETING  
Meeting Minutes  
August 11, 2011  
Jackson Co. Services Bldg.

Members Present: Jim Revel and Robert Martin, Johnny Dugger, Michael Skalicky, Kenneth Koop, and Clarence Schomburg.

Members Absent: Ray Brundrett

Guest: Mr. Lewis Chanek

Others Present: Jim Allison of Allison, Bass, and Associates, and Sam Hoerster, TGCD General Manager

The meeting was called to order by Mr. Skalicky, Board President, at 8:40 A.M. Mr. Skalicky welcomed and introduced Mr. Chanek. Mr. Chanek indicated that he was working with the GM to proceed with drilling a new well and wanted to personally visit a TGCD meeting to understand how it functions and its conduct of business.

The minutes of the July 14, 2011 and August 1, 2011 Board Meetings were read by Mr. Skalicky. Mr. Schomburg moved the July 14 meeting minutes be accepted as corrected. Mr. Koop seconded and the minutes were approved unanimously. Mr. Skalicky moved the August 1 meeting minutes be accepted as read. Mr. Martin seconded and the minutes were approved unanimously.

In Mr. Brundrett's absence, the GM presented the treasurer's financial reports. He also presented the following invoices/receipts for payment approval:

GM Time and Salary Invoice - \$1,080.30 (7/14/11 - 8/10/11)  
Stamps - \$8.80

Mr. Skalicky moved to accept the treasurer's financial report and approve the invoice/receipt. The motion was seconded by Mr. Schomburg. The motion passed unanimously.

The GM reviewed several of the Management Plan Goals and discussed the District's progress. To document progress on one of the goals, the GM provided a letter he prepared to the RR commission that requests the RR Commission share new well applications and well information within the District. Mr. Allison addressed a question about water supply wells for oil and gas well sites. Usually they are turned over to the property owner upon well completion and therefore need to be registered and validated. A new state regulation requires the RR Commission to notify the GWD's about such wells.

The GM discussed further the Management Plan requirements, one of which is the GM's annual report. He requested that the Board allow him to delay the report for a month due to his workload. Mr. Revel moved that the GM be allowed to report at the October meeting versus the required September meeting. Mr. Schomburg seconded the motion and it was approved unanimously.

The GM presented status of the District application forms, which are almost complete. Mr. Allison still has several modifications to add to the operating permit application. In addition, for Oil and Gas water supply wells, the District should get the land owner to sign the applications. The District can ask for it, but it is not mandated. The GM indicated that he will be putting all the forms/application on the District website as soon as possible.

Public hearing notices need to run in the local newspaper 10 days prior to the meeting. A discussion ensued about the lead time to receive and validate each application along with the public hearing procedures and associated notification for new applications, operating permits, and validation of wells. Mr. Allison pointed out the importance for well owners to have their wells registered. No action on existing wells can be taken until they are registered in the District. This will be a work in progress for the GM and the District. Mr. Allison recommended that the District proceed in notifying the public of this requirement as soon as practical.

Mr. Chanek offered some comments before leaving the meeting. He appreciated being able to attend and offer comments. One comment was a request of the Board to reconsider the "1/2 acre-foot of water" limit in the District Rules when the rules are reviewed later this year. He suggested "1-1/4 acre-feet of water" as an alternate.

At 10:45 AM, Mr. Skalicky called for a meeting break of 15 minutes.

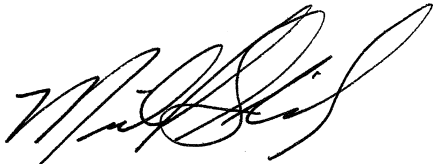
Upon return to the meeting, the GM presented a draft budget for review. A discussion ensued with several suggestions presented to enable the GM to finalize the budget for consideration at the next Board meeting. There needs to be a notice in the newspaper seven days prior to the meeting when the Board plans to approve the appraisal roll, adopt a 2012 budget and set the tax rate. Mr. Koop moved that the GM give a hearing notice for adopting the budget and proposed tax rate of \$0.01/\$100 property valuation at the next Board meeting on August 31, 2011 at 8:30AM in the Jackson Co. Services Building. Mr. Revel seconded the motion and it was approved unanimously.

It was pointed out that the District needs to submit an RFP (Request for Proposal) for auditor services upon completion of the Fiscal year '11 September 30, 2011. The GM plans to inquire with VCGD as to who that district uses as auditor and have information available at the next meeting.

Mr. Allison provided modification wording to the GM's employment contract for consideration. Mr. Schomburg moved that the modifications be approved. Mr. Dugger seconded the motion and it was approved unanimously.

The GM reported that there was no Region P update. Mr. Skalicky had responded to the GMA update and copied his correspondence to the GM for record. The GM also reported that he was making plans for the up-coming Well-Drillers' meeting in the October-November time-frame. He plans to complete the planning in September.

Mr. Skalicky announced that there was no need to close the meeting to consult with attorney and there was no further business to discuss. At 11:55AM, Mr. Koop moved (Mr. Dugger seconded) that the meeting be adjourned. Motion passed unanimously.

A handwritten signature in black ink, appearing to read 'Michael Skalicky', written in a cursive style.

Michael Skalicky, TGCD President