

MINUTES OF REGULAR MEETING
OF
BRAZORIA COUNTY GROUNDWATER CONSERVATION DISTRICT

August 10, 2006

THE STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §

The Board of Directors of Brazoria County Groundwater Conservation District, met in regular session, open to the public, on the 10th day of August, 2006, at the Brazoria County Courthouse, West Annex, 451 N. Velasco Street, 1st Floor Conference Room, Angleton, Texas, inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Dennis Davenport	President
Michael O'Day	Vice President
Raymond Felder	Secretary
John Pyburn	Assistant Secretary
Leo Mikeska	Director

and all of said Directors were present except Director Felder, thus constituting a quorum.

Also present were the following: Melony Oldham of the Campaign for Florin Vrazel; David Kocurec, Jerry Collins, and Clarence Wittwer of the City of Alvin; Rob Balcells of URS Corporation ("URS"); and Stephen M. Robinson and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR").

Director Davenport called the meeting to order.

RECEIVE PUBLIC COMMENTS

Director Davenport opened the meeting to receive public comments. No public comments were made.

APPROVE MINUTES

The Board next considered approving the minutes of the June 8, 2006, and July 18, 2006, meetings. Upon a motion made by Director Mikeska and seconded by Director O'Day, the Board unanimously approved the minutes as written.

DISCUSS CURRENT WATER ISSUES AFFECTING BRAZORIA COUNTY

The Board next discussed an application submitted to the Texas Commission on Environmental Quality (the "TCEQ") by the Chocolate Bayou Water Company to change its diversion point for surface water from the Brazos River. Discussion ensued regarding the potential effects the change might have on the quality and use of Brazoria County's groundwater and actions that could be taken by the Board. Following review and discussion, the Board requested that ABHR forward a request to the TCEQ to include the District on the notice distribution list for the application submittal. Directors Davenport, Pyburn, and Mikeska additionally requested that URS prepare a summary report of the application, including potential effects an approved application might have and proposed actions to be undertaken by the District.

ADOPT RULES

Mr. Robinson reported that no additional comments were received during the extended public hearing time and that the District has fulfilled all of the requirements for notice and public comments. Upon a motion made by Director Pyburn and seconded by Director O'Day, the Board voted unanimously to adopt the Rules of the Brazoria County Groundwater Conservation District as presented, a copy of which is attached.

ADOPT ORDER ESTABLISHING FEES, CHARGES, AND PENALTIES

Discussion ensued regarding projected revenues and expenses, amounts owed to Brazoria County pursuant to Reimbursement Agreements, and amounts owed to ABHR and URS for services provided. The amounts owed are approximately \$74,023.00 to Brazoria County, approximately \$16,118.00 to URS, and approximately \$64,000.00 to ABHR. Projected expenses through the end of the year are \$16,000.00 for URS and \$15,000.00 for ABHR. Following discussion, the Board requested Director Davenport and ABHR to discuss a proposed re-payment schedule with Brazoria County, and requested URS and ABHR to develop a draft District budget based on Coastal Bend Groundwater Conservation District's budget for review.

The Board next discussed proposed fees, charges, and penalties. Following review and discussion, the Board concurred on well permit application fees of \$100.00 for one-year permits, \$175.00 for two-year permits, and \$250.00 for three-year permits; a production fee of \$0.03 per 1,000 gallons effective as of October 1, 2006, due by the last day of the month following the month for which production was calculated; and an export fee of \$0.0450 per 1,000 gallons of water exported outside of the District's boundaries. The Board concurred on self-reporting, whereby each well permit holder shall be responsible for accurately reporting production and export measurements to the District on the District's Production and Export Fee Billing Form. The Board also concurred on payment of fees by check or money order, and a one-time late payment of

ten percent of the amount not paid. Additional discussion ensued regarding providing enough notice of adopted fees, charges, and penalties to the public water systems. Upon a motion made by Director Davenport and seconded by Director Mikeska, the Board voted unanimously to adopt an Order Establishing Fees, Charges, and Penalties as discussed, a copy of which is attached. The Board requested ABHR to distribute to the District's constituents a copy of the Order with a letter outlining the fee payment process and due date of November 30, 2006.

ADOPT ORDER CALLING DIRECTORS ELECTION

Mr. Robinson next reported that the legislation creating the District requires that a Directors Election be held for all of the Board's Director positions during the November 7, 2006, general election. He reviewed with the Board an Order Calling Directors Election and Authorizing Joint Election with Brazoria County, Texas Pursuant to Chapter 271, Texas Election Code, a copy of which is attached. Upon a motion made by Director O'Day and seconded by Director Pyburn, the Board unanimously adopted the Order declaring that the election will be held jointly with the County on November 7, 2006.

AUTHORIZE EXECUTION OF JOINT ELECTION AGREEMENT FOR ELECTION SERVICES WITH BRAZORIA COUNTY

Mr. Robinson next reviewed with the Board a Joint Election Agreement and Contract for Election Services with Brazoria County, a copy of which is attached. He stated that Brazoria County estimates that the District's costs for the election will be \$37,571.93 and requires a deposit of 50% of the cost by September 8, 2006. Upon a motion made by Director O'Day and seconded by Director Mikeska, the Board voted unanimously to authorize execution of the Joint Election Agreement and Contract for Election Services with Brazoria County.

DISCUSS MISSION, OBJECTIVES, FEES, ADMINISTRATION, BUDGET, REVIEW AND APPROVE PAYMENT OF INVOICES AND AUTHORIZE REQUEST TO BRAZORIA COUNTY FOR FINANCIAL ASSISTANCE, DISCUSS ENGAGING A BOOKKEEPER

The Board discussed projected revenues and expenses, amounts owed to Brazoria County pursuant to Reimbursement Agreements, and amounts owed to ABHR and URS for services provided. Mr. Robinson briefly reviewed bookkeeping compliance issues for governmental entities. Mr. Balcells reported that a URS employee can provide interim administrative services related to collections and permitting for the District from September through December 2006, for the estimated cost of \$16,000.00 pursuant to an amendment to the current URS contract. He stated that the estimate is based on \$50.00 per hour for 20 hours a week and that the District would be billed for actual hours worked. Following review and discussion, Director Pyburn moved that

the Board: 1) appoint Director Davenport as the District's representative to discuss with Brazoria County a proposed re-payment schedule and advancement of funds for anticipated expenses; 2) appoint Director Davenport as the District's representative to research proposed bookkeepers for engagement; and 3) accept the proposal from URS for interim administrative services as discussed. Director Mikeska seconded the motion, which was approved by unanimous vote.

RECEIVE REPORTS FROM DIRECTORS

No reports from Directors were presented.

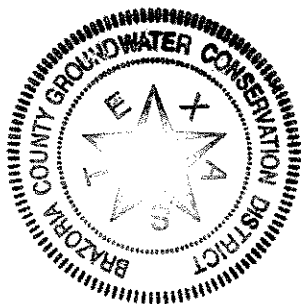
DISCUSS MEETING SCHEDULE

The Board concurred to hold a regular meeting on August 31, 2006, at the regularly scheduled time and location.

Mr. Balcells and Mr. Pederson reported that a meeting of the Upper Gulf Coast Aquifer (GMA 14) Joint Planning Group is scheduled on August 22, 2006, at the Lone Star Groundwater Conservation District boardroom.

Upon a motion made by Director O'Day and seconded by Director Mikeska, the Board adjourned.

(SEAL)



A handwritten signature in cursive script, appearing to read "R. D. Fulmer", written over a horizontal line.

Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Rules of the Brazoria County Groundwater Conservation District	2
Order Establishing Fees, Charges, and Penalties	3
Order Calling Directors Election and Authorizing Joint Election with Brazoria County, Texas	3
Joint Election Agreement and Contract for Election Services	3