

MINUTES
EVERGREEN UNDERGROUND WATER CONSERVATION DISTRICT
March 31, 2017 – REGULARLY SCHEDULED BOARD MEETING

The Meeting of the Board of Directors of the Evergreen Underground Water Conservation District, pursuant to notice, at the District Office, 110 Wyoming Blvd., Pleasanton, Atascosa County, Texas.

Directors Present: Steve Snider, President
Clifton L. Stacy, Vice-President
Blaine Schorp, Secretary/ Treasurer
Diane Savage
Jay Troell
Frank Kruciak
Larry Fox

Directors Absent: Jason Peeler
Craig Nieschwietz

Employees Present: Russell Labus, General Manager
Melissa Gonzalez, District Secretary/Bookkeeper
Christopher McFarlane, Assistant Manager
Matthew Pope, Field Technician

Guests Present: Attached
Agenda: Attached.

Declaration of Quorum and Call to Order:

President Snider declared a quorum present and called the meeting to order at 09:07 a.m. The meeting was posted and filed as required by law.

Pledge of Allegiance.

Recess to Public Hearing

Public Hearing- Water Well Drilling and Production Permit Applications

a. Call to Order

President Snider called the Public Hearing to order at 9:07a.m.

The Board went into Executive Session at 9:08 a.m.

The Board returned from Executive Session at 9:30 a.m.

Attorney, Monique Norman stated that the Evergreen UWCD understands the concerns of the citizens in regards to the Sand Mining of Texas project and permit amendments. The Evergreen UWCD has submitted a comment letter to TCEQ but we have to follow our rules and Chapter 36 of the water code. A limited application is in front of us today which includes two wells that are only changing the use from agriculture to industrial. Mrs. Norman added that Chapter 36 of the water code is specific and says that we have to treat all beneficial uses, types of uses, and the locations of use all the same. Mrs. Norman mentioned that we have authority over quantity, limited authority over quality in conjunction with TCEQ but no authority over land use.

Public Comment:

Robert Salmon, Attorney for Not Just Dust, stated that they are here today to protest the permit amendments for change of intended use for Sand Mining of Texas. Mr. Salmon and the Not Just Dust group believe the board has the discretion to grant Not Just Dust as a group personally affected party status under rule 5.2 of the district's rules. Mr. Salmon mentioned that under rule 5.2 the board has discretion to take on one of these three actions. One, to grant Not Just Dust affected party status and contested case hearing on the permit amendments and its personal affects on the group. Second, in the alternative, provide a referral to SOAH for determination to Not Just Dust status as an affected party. Third, if the board is unwilling to do any of the last two options, apply certain qualifications to the permit as amended that will require the reissuance of such upon the use of water within the districts jurisdiction for purposes involving the use of flocculants. Mr. Salmon said that the Not Just Dust group is concerned that these flocculants will in time contaminate groundwater and asks that the Evergreen board consider one of these three options mentioned.

Russell Wilson, President of Not Just Dust mentioned that he is concerned about the impact on the community's environment and the water quality of the area. Mr. Wilson stated that Preferred Sands will be using flocculants but they have not revealed that information at this time. Mr. Wilson said that Not Just Dust as a group wants an environmental impact study, a hydrological study, a water conservation plan, a drought contingency plan, flow testing and monitoring, and on site monitor wells. Mr. Wilson said that they are wanting to know what will the ponds be lined with and what chemicals are going to be used in this operation and that they cannot get direct answers from Preferred Sands. Mr. Wilson called out the names of the citizens who feel they will be directly affected by this sand mining project.

Larry Bartek mentioned that his concern is that the frac sand manufacturing is new to the area as well as new to the state of Texas. Mr. Bartek feels that the sand mining plant will negatively affect the property, lifestyle, and the groundwater around the surrounding areas. Mr. Bartek stated that this water resource must be protected as far as quality and quantity and respectfully challenged members of the board to do their job to conserve, preserve, and protect the groundwater resource.

Janice Jones mentioned that she feels the effects of the mine will be devastating to the quality of life that surrounds it. Mrs. Jones said that it is imperative that the responsible placement of these facilities not be over the sensitive recharge zone.

Oscar Korus said that he is concerned that if this mine comes in, the lay of the land will be 90 feet lower than it is now and affect the flood plain. Mr. Korus asked if there are any studies that have been done to see if this kind of operation can affect the ecosystem and recharge zone, and if not, if there can be studies to make sure that this operation will not have any detrimental affects to the recharge zone and the aquifer.

b. Drilling/Production Permit Applications:

The Board was presented with one drilling and one production permit application from Carson W. Foster (Drilling Permit#141169, Production Permit#PA00427) for a new well to be located in Atascosa County. Director Fox moved to approve the drilling and production permit. Director Troell seconded the motion and there being no further discussion the motion carried unanimously.

c. Permit Amendments:

The Board was presented with two permit amendments from Sand Mining of Texas, LLC (Permit #PA00416, Permit #P00417) in Atascosa County. Permits will be amended from Irrigation to Industrial use. Director Stacy motioned to change the amendment to a reclassification of the two permits from Irrigation to Industrial use and for a Notice Provision to be added to the permits. Attorney, Monique Norman will draw up a Notice Provision to attach to the permits and to be signed by the Permittee. Director Savage seconded the motion. Director Troell voted against the motion, and there being no further discussion the motion passed.

d. Adjourn.

President Snider declared the Public Hearing adjourned at 10:49 a.m.

Reconvene to Meeting.

(Agenda Item #11 was moved up to Item #3)

Discussion on Environmental Impact Study Relating to the Sand Mining of Texas Operations in Atascosa County:

General Manger, Russell Labus asked Director Fox to speak since he was the one who asked for this to be on the agenda.

Director Fox stated that Preferred Sands applied for a General Permit with TCEQ and not an Industrial Permit, which would require that Preferred Sands do an Environmental Impact Study. Director Fox said as an Evergreen representative for Atascosa County he is against this project because of its location since it will be over the recharge zone. Director Fox mentioned that it is part of our responsibility to protect the groundwater and when Preferred Sands starts using flocculants and chemicals there is a possibility our groundwater may be contaminated. Director Fox suggested that we conduct an Environmental Impact Study to protect our water source especially since that area is very sensitive.

Attorney, Monique Norman stated that the Evergreen staff will develop a monitoring plan and establish baseline water quality values around the property. Once Preferred Sands starts their processes Evergreen will figure how often we will need to monitor and if there is a notification of change of process, such as using chemicals, then the monitoring will be more frequent. Mrs. Norman mentioned that until we get a better picture of the processes and timing it will be premature to know anything else but the baseline at the moment. Mrs. Norman said that the Evergreen staff will be working under the direction of Paul Bertetti with Southwest Research Institute.

Production Permit Renewals:

None.

Public Comments, Requests or Discussion by the Public, Limited to 5 Minutes Concerning Agenda Items or Other District Business:

None.

Minutes of the February 24, 2017 Board of Directors' Meeting:

The minutes of the February 24th meeting were presented to the Board. Director Kruciak moved to approve the minutes with minor correction. Director Schorp seconded the motion, and there being no further discussion the motion carried unanimously.

Approval of Report of Bills Paid, Deposits, and Financial Statements for February 2017:

The report of bills paid, deposits, and financial statements for February was presented to the Board. Director Stacy moved to receive and file the report. Director Schorp seconded the motion, and there being no further discussion the motion carried unanimously.

2015/2016 Annual Audit by Eric Ede & Company, LLC:

Mr. Ede presented the 2015-2016 audit to the board and reported an unmodified opinion which is the best opinion that can be received.

Accept Certification of Unopposed Candidates:

Director Schorp moved to accept the Certification of Unopposed Candidates. Director Savage seconded the motion, and there being no further discussion the motion carried unanimously.

Resolution Numbers R03312017-01 and R03312017-02 Canceling the Elections for Frio and Wilson Counties:

Director Troell moved to receive and file Resolution Numbers R03312017-01 and R03312017-02 Canceling the Elections for Frio and Wilson Counties. Director Fox seconded the motion, and there being no further discussion the motion carried unanimously.

Approve the Allocation of Additional Funds for the Southwest Research Institute Contract with the Evergreen UWCD:

Director Savage made the motion to approve an additional \$40,000.00 to the Southwest Research Institute contract. Director Fox seconded the motion, and there being no further discussion the motion carried unanimously.

Set Date and Time for the Scholarship Committee to Meet and Choose Essay Winners:

The Scholarship Committee agreed to meet on Wednesday, April 19, 2017 at 10:00 a.m.

Staff Report on District Activities:

- **Meetings and Conferences Attended and Schedule of Upcoming Meetings:**

General Manager, Russell Labus mentioned that he attended the TAGD Legislative Committee Meeting, a Water Well Training Seminar hosted by TDLR and the Texas A&M AgriLife Extension Service, and along with Chris McFarlane and Matthew Pope, he attended the Not Just Dust Meeting in Poteet. Mr. Labus said the Chris McFarlane and Matthew Pope met with Encana Oil & Gas and that the STWMA meeting was canceled and will be rescheduled for a later date.

- **Monitor Well Report and Water Sampling Activity:**

Christopher McFarlane said that the water levels in Wilson and Karnes Counties have either gone up or have stayed the same.

Matthew Pope said that the water levels in Atascosa and Frio Counties are pretty consistent and the only fluctuations are near high producing wells.

Consider and Take Appropriate Action on Items to be Placed on the Next Agenda:

No Action.

Set Date and Time for the Next Board Meeting:

The Board agreed to set the next meeting date for Friday, April 28, 2017 at 09:00 a.m. at the District Office in Pleasanton, TX 78064.

Adjourn:

There being no further business to come before the Board, President Snider declared the meeting adjourned at 11:40 a.m.



Steve Snider, President

ATTEST:



Blaine Schorp, Secretary/Treasurer