

UPPER TRINITY GROUNDWATER CONSERVATION DISTRICT

MONDAY, SEPTEMBER 19, 2016

MINUTES OF MEETINGS OF THE BOARD OF DIRECTORS

INTRODUCTORY MATTERS

1. Welcome guests and members of the public. The meeting convened at 5:00 p.m.
2. Roll call; establish a quorum; call meeting to order; declare it open to the public.
Directors Present: Tim Watts, Mike Berkley, Tracy Mesler, Mike Massey, and Billy Stout
Directors Absent: Dan Caudle, Richard English and Don Majka
3. Pledges of allegiance to the flags.

REGULAR BOARD MEETING

The Board may discuss, consider, and take appropriate action, including expenditure of funds as necessary or appropriate, on any item listed on this agenda:

1. Public comment was made during the General Counsel's Report.
2. Director Massey moved to approve the Consent Agenda, including minutes from Board meeting on August 15, 2016; bank statement ending August 31, 2016, and current financial reports of the District; approve payment of all bills/invoices received through September 19, 2016; reimburse staff for invoices/bills paid on behalf of the District through September 19, 2016; the Investment Report was pulled for further discussion. Director Watts seconded the motion. The motion passed unanimously.
3. The Investment Report was pulled from the Consent Agenda for further discussion. Director Berkley moved to add Texas Exchange Bank in Fort Worth to the list of approved financial institutions. Director Massey seconded the motion. The motion passed unanimously.
4. Director Massey moved to approve the Annual Report for year ending December 31, 2015 with two minor revisions. Director Berkley seconded the motion. The motion passed unanimously.
5. Discussion ensued regarding proposed Desired Future Conditions (DFCs) including direction for the District's representative to Groundwater Management Area 8 (GMA 8); no action was taken.
6. GM Shaw led the discussion regarding a recent spacing study performed by INTERA. Director Massey moved to adjust model results to show simulated impacts/drawdown for scenarios where pumping occurs 75%, 50%, 25% and 10% of the time in an invoiced amount not to exceed \$4,000. President Mesler seconded the motion. The motion passed unanimously.
7. **Management Report on Administrative and Operational Issues**
 - Maps of registered and monitoring wells are now on the District's website.
 - In October, the Well Monitoring committee will discuss installing data loggers in six wells.
 - GM Shaw recommended revising the Personnel Policy to reflect changes in overtime and flex time.

- Jillian North is no longer employed at the District; Jarod Briscoe's role has changed from Field Technician to Staff Geologist.

A. General Manager's report

- 1) Director Massey moved that Upper Trinity GCD offer a settlement to Mr. Jim Vangilder and Leonard Water Services which includes a first major violation of District Rules and a \$250 penalty to be paid by each party by the date of the next Regular Board Meeting. President Mesler seconded the motion. Directors Watts and Berkley opposed. Aye-3 Nay-2; the motion did not pass.

Director Massey moved that Upper Trinity GCD offer a settlement to Mr. Jim Vangilder and Leonard Water Services which includes a first major violation of District Rules, but assess no penalty to either party due to the specific circumstances outlined by staff. President Mesler seconded the motion. The motion passed unanimously.

- 2) In the next Regular Board Meeting, GM Shaw will recommend how to split costs of the submitted proposal from Dr. Terry McLendon regarding the use of his EDYS Model with other groundwater conservation districts.

B. In the report on delinquent customers of the District, Director Watts moved to authorize staff to offer a settlement listed below once they receive Water Production Report more than 90 days past the due date:

- For a first major violation - \$250 penalty and late fee of no more than 10% of water use fees due or \$25, whichever is greater;
- For a second major violation - \$500 penalty and late fee of no more than 20% of water use fees due or \$50, whichever is greater;
- For a third major violation - \$1,000 penalty and the late fee of no more than 40% of water use fees due or \$100, whichever is greater.

Once the penalties and fees have been paid, the Board can accept the settlement. At any time either party may choose to set a Show Cause Hearing. Director Berkley seconded the motion. The motion passed unanimously.

- 1) Director Watts moved that Upper Trinity GCD offer a settlement to Yes! Communities in Parker County which includes a first major violation of District Rules, a \$250 penalty and 10% late fee (\$953.98), for the 2009-2015 Water Production Reports, in addition to water production fees. Director Massey seconded the motion. The motion passed unanimously.
- 2) Director Massey moved that Upper Trinity GCD offer a settlement to Nabors Well Services in Parker County which includes a first major violation of District Rules, a \$250 penalty and \$25 late fee, for July-December 2015 Water Production Reports. Director Watts seconded the motion. The motion passed unanimously.
- 3) Director Massey moved that Upper Trinity GCD finds Tricycle Lane, a sister company of Burnco, has committed a first major violation of District Rules and hereby accept the payment of the penalty assessed, pursuant to District Rules, in the settlement offer as appropriate settlement, in lieu of litigation, for this violation. Director Berkley seconded the motion. The motion passed unanimously.

C. Public Information Act Requests.

- 1) The General Manager announced that Office Manager Ann Devenney is authorized to respond to requests under the Public Information Act in the absence of the General Manager.

D. Report on injection well applications filed with the Railroad Commission was submitted to the Board.

E. Well Registration and Groundwater Production Reports were submitted to the Board.

8. No budget amendments were necessary.

President Mesler called for a brief recess at 6:16 p.m. The board reconvened at 6:18 p.m.

9. Director Massey moved to renew Medical Coverage for District employees for 2017 including the Health Reimbursement Arrangement (HRA). Director Watts seconded the motion. The motion passed unanimously.
10. Attorney Brian Sledge participated in the discussion regarding the logistics of developing permanent rules. No action was taken. Guidance was given to staff and legal to bring a broad picture outline of how to proceed to the December meeting.
11. The Board acknowledged a 2016 Rate Change Letter from Sheila Gladstone with Lloyd Gosselink. No action was taken.
12. Kathy Chruscielski made Public Comment during the General Counsel's Report regarding Morning Star Ranch.

At 6:57 p.m., the Board went into Executive Session under Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, concerning attorney-client matters (§551.071).

President Mesler called the meeting back into open session at 7:33 p.m. and announced no action would be taken as a result of the executive session.

13. The next Regular Board meeting will be Monday, October 17, 2016, in the Springtown office at 5:00 p.m.
14. No new topics were added to those already mentioned.
15. President Mesler adjourned the meeting at 7:39 p.m.

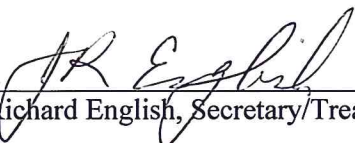
PASSED, APPROVED, AND ADOPTED BY THE BOARD OF DIRECTORS this

17 day of October, 2016.

Attest:



Tracy Mesler, President



Richard English, Secretary/Treasurer