

UPPER TRINITY GROUNDWATER CONSERVATION DISTRICT

MONDAY, DECEMBER 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 Public Hearing and Regular Board Meeting to order; declare them open to the public.
Directors Present: Tracy Mesler, Mike Massey, Richard English, Don Majka, and Dan Caudle
Directors Absent: Tim Watts, Mike Berkley, and Billy Stout
 3. Pledges of allegiance to the flags.
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PUBLIC HEARING

1. The District's legal counsel, Brian Sledge, swore in GM Shaw, Wade Oliver of Intera, Adnan Hiros, and Mark Patterson of Patterson Water Supply for the discussion regarding a new public water supply well application submitted by Patterson Water Supply to be located at a property located in the Hills of Briar Oaks subdivision, in Wise County. GM Shaw read a letter from Carter Hampton on behalf of his father B.J. Hampton into record; Mr. Hampton owns a piece of property to the east of the proposed well site and is objecting to the request for an exception to District Rules on the grounds that he fears it will affect his ability to access water below his property in the future. Director Massey moved approve the request for exception to District Rules, provided the well is completed according to the specifications described in the conditional approval letter from TCEQ. Director English seconded the motion. The motion passed unanimously.
 2. President Mesler adjourned the Public Hearing for Patterson Water Supply at 5:49 p.m.
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REGULAR BOARD MEETING

1. Other than those sworn in during the Public Hearing, there were no Public Comments made.
2. Director Massey moved to approve the Consent Agenda, including minutes from Board meeting on November 21, 2016; bank statement ending November 30, 2016, and current financial reports of the District; approve payment of all bills/invoices (including Director mileage expense reimbursements) received through December 19, 2016; reimburse staff for invoices/bills paid on behalf of the District through December 19, 2016; current investment report. Director Majka seconded the motion. The motion passed unanimously.
3. No items were pulled from the Consent Agenda for further discussion.
4. Wade Oliver from INTERA gave a brief update on activities performed on behalf of the District. No action was taken. Wade stated that he believes the final tool should be ready by March.
5. General Counsel's Report was discussed in Executive Session.

6. **Management Report on Administrative and Operational Issues:** The General Manager and staff will brief the Board on the following and any other items included in the General Manager's written report, which may be discussed, considered, and acted upon by the Board, including authorizing the initiation of, managing, or resolving enforcement action or litigation where applicable.

A. General Manager's report

1) The District sustained theft of well monitoring mobile equipment and a flat tire/rim from the back of District vehicles. Staff filed a police report, but will not file a claim with the insurance company.

B. Director Massey moved to find that C&J Energy Services committed a 1st major violation of District Rules and hereby accepts 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 Majka seconded the motion. The motion passed unanimously.

C. Report on Education and Outreach activities; no action was taken.

D. Report on injection well applications filed with the Railroad Commission; no action was taken.

E. Well Registration and Groundwater Production reports; no action was taken.

7. Discussion regarding the development of District Rules was held in Executive Session.

8. Discussion regarding potential real estate investment, including but not limited to the approval of commercial contract for 1855 W. HWY 199, Springtown, TX was held in Executive Session.

9. Discussion regarding the adoption of 2017 Budget amendment(s), including but not limited to the addition of funds to the line item "Capital Expense--Real Estate Purchase & Development" and transferring funds from "Assigned Funds: Facilities/Building Fund" was held in Executive Session.

10. Director Majka moved to make the following amendments to the 2016 budget, which was recommended by staff:

- Move \$1,500 from Auto Fuel to Auto Maintenance
- Move \$400 from Exception Fee Expense to Credit Card Processing
- Move \$18,000 from Advertising to "Capital Expenses – Automobile"; rename to "Capital Expenses – Real Estate"
- Move \$25,000 from Hydrology/ Engineering to Legal Fees

Director Massey seconded the motion; motion passed unanimously.

11. The next Regular Board meeting will be Thursday, January 19, 2017, in the Springtown office at 5:00 p.m.

12. In addition to topics already mentioned, the Board may also discuss a real estate investment, including but not limited to assigning Board directors to a temporary Real Estate Committee.

At 5:58 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) and deliberation regarding real property (§551.072).

President Mesler called the meeting back into open session at 6:44 p.m.

8. Director English moved to approve the contract for the purchase of real property located at 1855 W. Highway 199, Springtown, TX, for the amount of \$270,000 plus closing costs and to adopt 'Resolution 16-008 Approval for General Manager to Acquire Real Property;' and sign the commercial contract on behalf of the District. Director Caudle seconded the motion. The motion passed unanimously.

9. Director Massey moved to approve the 2017 Budget amendments, including transferring \$297,370.00 from "Assigned Funds: Facilities/Building Fund" and adding \$300,000.00 to the line item "Capital Expense--Real Estate Purchase & Development." Director Majka seconded the motion. The motion passed unanimously.

13. President Mesler adjourned the meeting at 6:56 p.m.

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

19 day of January, 2018. *pm*

Attest:

Tracy R. Mesler

Tracy Mesler, President

Richard English

Richard English, Secretary/Treasurer