

UPPER TRINITY GROUNDWATER CONSERVATION DISTRICT
MONDAY, APRIL 16, 2018
MINUTES OF MEETINGS
OF THE
BOARD OF DIRECTORS

REGULAR BOARD MEETING

1. Welcome guests and members of the public. The meeting convened at 5:00 p.m.
2. Roll call; establish a quorum; call Board Meeting to order; declare it open to the public.
Directors Present: Tracy Mesler, Mike Massey, Shannon Nave, Don Majka, Brent Wilson, Tim Watts and Mike Berkley
Director Absent: Richard English
3. Pledges of allegiance to the flags were recited.
4. No public comments were made.
5. Director Massey moved to approve the Consent Agenda, including minutes from the Public Hearing and Regular Board Meeting on March 19, 2018; approve the bank statement ending March 31, 2018, and current financial reports of the District; approve payment of all bills/invoices received through April 16, 2018; and reimbursements for expenses incurred on behalf of the District through April 16, 2018. Director Majka seconded the motion. The motion passed unanimously.
6. No items were pulled from the Consent Agenda for further discussion.
7. Director Watts moved to approve the quarterly Investment Report as presented. Director Nave seconded the motion. The motion passed unanimously.
8. In the discussion regarding the development of the District's new office facility, the Board gave GM Shaw a directive to plan a ribbon cutting/grand opening.
9. **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
 - B. Report on delinquent customers of the District and take any necessary action for collection of delinquent fees.
 - 1) Director Massey moved to authorize the General Manager to offer a settlement to the Abraxas Corporation regarding its failure to report water use and make payment of the fees associated with said water use from two wells that have been in operation since prior to the creation of the District. The settlement included: two major violations, payment of fees associated with water production from the two wells as reported for years 2015, 2016 and 2017; submittal of production data from the two wells for 2009, 2010, 2011, 2012, 2013 and 2014 and the payment of fees associated with that production (failure to submit this production data will result in the District taking an average of production for years 2015-2017 and applying that average to all years from 2009-2014); and payment of a late fee penalty of 10% of water use fees due for each reporting period. Director Majka seconded the motion. The motion passed unanimously. Additionally, the Board directed the District's legal counsel to draft a settlement agreement for the owner of the Abraxas Corporation's signature and to

contact the owner of the Abraxas Corporation to inform them that if they fail to agree to the terms set forth above by close of business on April 27, 2018, the District will begin to take action to file suit against Abraxas.

- 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.
10. President Mesler provided a document outlining his appointments to existing committees. No action was taken.
 11. Director Massey moved to adopt Resolution 18-006 Designating Persons Authorized to Disburse Funds by Check. Director Majka seconded the motion. The motion passed unanimously.
 12. Director Majka moved to transfer \$140,000 from "Assigned Funds: Facilities/Building Fund" to the budget expenses line item "Capital Expenses: Property Development". Director Watts seconded the motion. The motion passed unanimously.
 13. Discussion regarding the development of District Rules was held in executive session. The Board directed GM Shaw and Attorney Brian Sledge to begin working on the District's permanent rules.

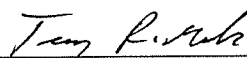
At 5:54 p.m., the Board went into Executive Session under Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, concerning attorney-client matters (§551.071).

President Mesler called the Regular Board Meeting back into open session at 8:18 p.m. No action was taken as a result of the Executive Session.

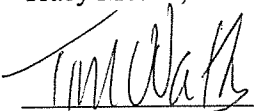
14. Attorney Brian Sledge of SledgeLaw Group gave his updates on pertinent legal issues and developments impacting the District since the last Regular Board Meeting in executive session.
15. The next Public Hearing and Regular Board Meeting are scheduled for Monday, May 21 at the District's office at 4:00 p.m; they shall immediately follow an Open House and ribbon-cutting ceremony.
16. No new business was placed on the next meeting agenda.
17. President Mesler adjourned the meeting at 8:19 p.m.

PASSED, APPROVED, AND ADOPTED BY THE BOARD OF DIRECTORS this 21 day of May, 2018.

Attest:



Tracy Mesler, President



Tim Watts, Secretary/Treasurer