

UPPER TRINITY GROUNDWATER CONSERVATION DISTRICT
MONDAY, JULY 16, 2018
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 Board Meeting to order; declare them open to the public.

Directors Present: Tim Watts, Tracy Mesler, Mike Massey, Don Majka, Richard English, Shannon Nave, Brent Wilson and Mike Berkley

Director Absent: None
3. Pledges of allegiance to the flags were recited.

PUBLIC HEARING

1. Matt Van Hattem, of Collier Consulting represented Aqua Texas, Nick Schneider, Frank Turbeville, Lisa Dunaway, Glenn Garner, and Tana Schneider represented themselves in the discussion regarding one new well application and one application for exception to spacing requirements submitted by Aqua Texas, for the purpose of providing additional water to the Highland Hills subdivision, in Wise County. The board and staff heard and answered several questions from the public regarding the applications.

At 5:51 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 Public Hearing back into open session at 6:35 p.m.

Director Watts moved to approve the new well application and application for exception to spacing requirements with the following conditions: (1) once selected, the well drilling contractor must complete and sign the portion of the applications related to well driller; (2) the applicant must submit a copy of TCEQ's preliminary approval related to the design of the well; (3) the applicant must provide any geophysical/electric logs completed in relation to the proposed well; and (4) the applicant agrees to enter into an agreement with the District to allow for the ongoing measurement of water levels in the well, including but not limited to the installation of a device to fulfill that requirement. Director Wilson seconded the motion. Aye-2 Nay-6; the motion failed.

Director Massey moved to approve the new well application and application for exception to spacing requirements with the following conditions: (1) once selected, the well drilling contractor must complete and sign the portion of the application related to well driller; (2) the applicant must submit a copy of TCEQ's preliminary approval related to the design of the well; (3) the applicant is required to complete geophysical/electric logs related to the well and provide them to the District; (4) the applicant agrees to enter into an agreement with the District to allow for the ongoing measurement of water levels in the well, including but not limited to the installation of a device to fulfill that requirement; and (5) the well is completed into the Trinity (Twin Mountains) formation. Director Majka seconded the motion. The motion passed Aye-7 Nay-1.

2. President Mesler adjourned the Public Hearing for Aqua Texas at 6:40 p.m.


REGULAR BOARD MEETING

1. Public comments were made during the Public Hearing and in agenda item 5.
2. Director Massey moved to approve the Consent Agenda, including minutes from the Public Hearing and Regular Board Meeting on June 18, 2018; approve the bank statement ending June 29, 2018, and current financial reports of the District; approve payment of all bills/invoices received through July 16, 2018; and reimbursements for expenses incurred on behalf of the District through July 16, 2018 (including mileage reimbursements for Director Massey \$331.68). Director Berkley seconded the motion. The motion passed unanimously.
3. No items were pulled from the Consent Agenda for further discussion.
4. Kimberly Knox of Boucher, Morgan and Young presented the District's 2017 Financial Report. Director Massey moved to approve the Annual Financial Report for the year ended December 31, 2017 and authorize staff and Ms. Knox to add language to page 19, section F explaining that although 2017 resulted in a deficit budget, the funds to cover the deficit were taken from District investments and the cause of the deficit was the purchase of property and the construction of a new office facility. Director Majka seconded the motion. The motion passed unanimously.
5. Don Allen represented Lackland Fairview LLC in the discussion regarding a new well application submitted by Lackland Fairview LLC., to provide water to the initial phase of a proposed subdivision in Wise County. Director Massey moved to approve the new well application with the following conditions: (1) the applicant is required to provide all geophysical/electric logs related to the well to the District; (2) the applicant agrees to enter into an agreement with the District to allow for the ongoing measurement of water levels in the well, including but not limited to the installation of a device to fulfill that requirement; (3) once selected, the well drilling contractor must complete and sign the portion of the application related to well driller; and (4) the applicant must submit a copy of TCEQ's preliminary approval related to the design of the well. Director Majka seconded the motion. The motion passed unanimously.
6. Director Berkley moved to approve a request for a 120-day extension, submitted by Dale White, to drill an approved exempt replacement well. Director Nave seconded the motion. The motion passed unanimously.
7. Director Berkley moved to offer a settlement to Traci M. Lee in lieu of litigation or further action to require the plugging of the water well at 198 Middle Rd., Azle, TX in Parker County. The settlement includes: a first major violation of District Rules, a \$1,000 penalty, submittal of a signed exception filing fee form, submittal of the \$50 exception filing fee and submittal of fully completed "Consent to Request for Exception to Upper Trinity Groundwater Conservation District Spacing Rules" form signed by all three of the landowners within 150 feet of the location of the well. If the settlement offer is not accepted by August 3, 2018, a Show Cause Hearing will be set on August 20, 2018. Director Massey seconded the motion. Aye-6 Nay-2; the motion passed.
8. Director Massey moved to authorize GM Shaw or President Mesler to sign the Amendment and Reinstatement of Interlocal Agreement from the TWCA Risk Management Fund (the Fund). Director Berkley seconded the motion. The motion passed unanimously.
9. Director Majka moved to approve quarterly Investment Report as presented. Director English seconded the motion. The motion passed unanimously.
10. **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.

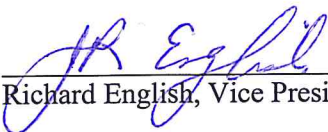
- A. General Manager's report
 - 1) Director Massey moved to authorize GM Shaw to enter into an agreement with a company to process electronic payments, such as credit cards, electronic checks etc., for the payment of District fees and penalties. Director Berkley seconded the motion. The motion passed unanimously.
 - B. Report on delinquent customers of the District and take any necessary action for collection of delinquent fees.
 - 1) Update on Horseshoe Bend Water Works was given in Executive Session.
 - 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.
11. Attorney Brian Sledge of SledgeLaw Group provided updates on pertinent legal issues and developments impacting the District since the last Regular Board Meeting in executive session.
12. Discussion regarding the development of District Rules was held in the executive session.
- At 7:39 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 9:15 p.m. No action was taken as a result of the Executive Session.
- Director Majka left at 9:15 p.m.
13. The next Regular Board Meeting is scheduled for Monday, August 20, 2018 at the District's office at 5:00 p.m.
14. No new business was placed on the next meeting agenda.
15. President Mesler adjourned the meeting at 9:16 p.m.

PASSED, APPROVED, AND ADOPTED BY THE BOARD OF DIRECTORS this 20 day of August, 2018.

Attest:



 Tracy Mesler, President



 Richard English, Vice President