

UPPER TRINITY GROUNDWATER CONSERVATION DISTRICT

MONDAY, APRIL 18, 2016

MINUTES OF MEETING OF THE BOARD OF DIRECTORS

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. Welcome guests and members of the public. The meeting convened at 5:00 p.m.
2. Roll call; establish a quorum; call Regular Board Meeting to order; declare the board meeting open to the public.
Directors Present: Dan Caudle, Mike Berkley, Tracy Mesler, Mike Massey, Don Majka, and Tim Watts
Directors Absent: Richard English and Billy Stout
3. Pledges of allegiance to the flags.
4. Public comments were made during agenda item 7.
5. Director Massey moved to approve the consent agenda, including minutes from the Board meeting on March 21, 2016; current financial reports of the District; payment of bills/invoices received through April 18, 2016; and reimbursements to staff for invoices/bills paid on behalf of the District through April 18, 2016. Director Majka seconded the motion. The motion carried unanimously.
6. The bank statement ending March 31, 2016 was pulled from the consent agenda for consideration at the next Regular Board meeting.

At 5:03 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 5:50 p.m. and announced no action would be taken as a result of the executive session.

7. Cary Mellema, Mike Welch, Bryan Morgan, Regi Young, and Michelle Villafranca commented in the discussion regarding two new well applications located in the Aurora Vista subdivision in Wise County, including how the District handles new well applications for land that was platted or was otherwise lawfully configured, prior to January 1, 2009. Director Watts moved to approve the applications as they were submitted based on past interpretations of current Temporary Rules of the District and because the Aurora Vista subdivision was platted prior to January 1, 2009. The approval of the applications is based on the facts that were presented to the Board, including irrigation-only use which includes that the wells will not be used to fill a pool and applied-for gallons per minute. Furthermore, GM Shaw will assist the applicants in the placement of the wells, ensuring they meet the 50 foot setback requirements from the property lines. Director Majka seconded the motion. The motion carried unanimously.
8. Director Massey moved to approve INTERA to carry out the work set forth in the proposal and to authorize GM Shaw or President Mesler to sign any necessary documents relating to INTERA,

Inc's proposal for a study to analyze the aquifers in the District Boundaries for spacing requirements, in an amount not to exceed \$24,500. Director Berkley seconded the motion. The motion carried unanimously.

President Mesler called for a brief recess at 6:33 p.m. The board reconvened at 6:40 p.m.

9. GM Shaw rehearsed his draft of the presentation for the proposed DFCs public hearings. Directors provided comments, but no motion was made.

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.

- GM Shaw reported on two possible violations of District rules relating to the failure to properly meter, report water usage and pay associated fees for potentially non-exempt wells. The Board directed the GM to try to bring both parties into compliance or if those attempts are unsuccessful, to set a show cause hearing at a future date.
- Several well owners in the District have removed meters from their non-exempt water wells before filing for approval to change the use classification to exempt. Director Massey moved to authorize GM Shaw to offer settlements in the amount of \$250.00 for the first major violation, \$500.00 for the second major violation, \$1,000.00 for the third major violation; each non-exempt water well found without a water meter is considered committing a major violation of the District's Temporary Rules. Director Caudle seconded the motion. The motion carried unanimously.

A. General Manager's report

- 1) Director Massey moved to refund Sauder Land Holdings II for water usage fees totaling \$1,387.30, for groundwater produced in 13SA2, 14SA2 and 15SA2 for Exempt use. Director Caudle seconded the motion. The motion carried unanimously.
- 2) Discussion regarding the potential purchase of real estate for a new office site was held in Executive Session.
- 3) Director Caudle moved to accept the Education Committee's recommendation regarding the use of the District's educational trailer outside of District Boundaries. The committee's recommendation allowed for the use of the District's educational trailer in counties adjacent to the District at no charge and to seek reimbursement based on state mileage reimbursement rates for vehicle and trailer use. All events would require GM approval, and would be prioritized by in- or extra-District locations. Director Berkley seconded the motion. The motion carried unanimously.
- 4) Director Massey moved to appoint Administrative Assistant Laina Furlong as the Records Retention Officer for the District. Director Majka seconded the motion. The motion carried unanimously.

B. Director Massey moved to authorize GM Shaw to sign the engagement letter from Boucher, Morgan and Young dated March 17, 2016 to audit the financial statements of activities for fiscal year ended December 31, 2015, including expenses not to exceed \$19,500. Director Watts seconded the motion. The motion carried unanimously.

C. Report on delinquent customers of the District; no action was taken for collection of overdue water usage fees.

D. Public Information Act Requests

E. Report on injection well applications filed with the Railroad Commission

F. Well Registration and Groundwater Production reports

11. Brian Sledge, the District's legal counsel, briefed the Board on pertinent legal issues and developments impacting the District since the last regular Board meeting, and legal counsel's activities on behalf of the District, including: well monitoring activities; groundwater-related legislative activities; and joint planning and desired future conditions development activities on behalf of the District.
12. Director Massey moved to approve the Investment Officer's Quarterly report as presented; no recommendations were made. Director Majka seconded the motion. The motion carried unanimously.
13. No budget amendments were necessary.
14. A public hearing and the next Regular Board meeting will be May 16, 2016, at the Hood County Courthouse at 5:00 p.m.
15. No new business was placed on the next meeting agenda.

President Mesler called for a brief recess at 6:44 p.m. The board reconvened at 6:51 p.m.

At 7:45 p.m., the Board went into Executive Session under Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, deliberation regarding real property (§551.072).

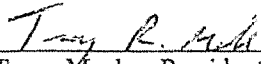
President Mesler called the meeting back into open session at 8:14 p.m. and announced no action would be taken as a result of the executive session.

10. A. 2) Director Majka moved to authorize GM Shaw to secure a real estate agent and enter into negotiations to purchase real estate not to exceed an amount as discussed in the executive session. Director Caudle seconded the motion. The motion carried unanimously.
16. President Mesler adjourned the meeting at 8:15 p.m.

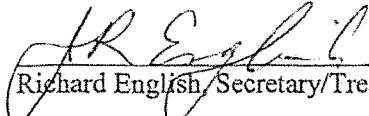
PASSED, APPROVED, AND ADOPTED BY THE BOARD OF DIRECTORS this

20 day of June, 2016.

Attest:



Tracy Mesler, President



Richard English, Secretary/Treasurer