

UPPER TRINITY GROUNDWATER CONSERVATION DISTRICT
MONDAY, JULY 19, 2021
MINUTES OF MEETINGS
OF THE
BOARD OF DIRECTORS

INTRODUCTORY MATTERS

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 Public Hearing and Board Meeting to order; declare the hearing and board meeting open to the public.

Directors Present: Don Majka, Tim Watts, Tracy Mesler, Mike Berkley, Jarrod Reynolds, and Richard English
Directors Absent: Shannon Nave and Brent Wilson
3. Public comment was made where mentioned below.

PUBLIC HEARING

1. General Manager Shaw presented a report and recommendations to the Board regarding the following applications for permits, permit amendments, and/or requests for exceptions to the District's water well spacing or minimum tract size requirements.

GM Shaw presented the background, specifics, impact analysis results, and recommendations for the following application:
Applicant/Owner: Cresson Real Estate, LLC — 16801 FM 2920, Tomball, TX 77377
Type of Application: Operating Permit and Exception to Minimum Well Spacing Requirements
Location of well or proposed well: 2250 N Cresson Hwy, Cresson, TX 76035
Requested Permit Volume: 11,530,000 gallons/year
Description of Request: Cresson Real Estate, LLC is seeking an Operating Permit to drill and operate a commercial well on its property in Hood County in order to provide water for pressure treating lumber. The applicant is also seeking an exception to the District's water well spacing requirements under District Rule 4.7, as the proposed well location fails to meet the required spacing from the nearest property line (1,000 ft.) and the minimum spacing from other registered wells (3,250 ft.).
2. GM Shaw presented the background, specifics, and impact analysis results for the proposed project; UTGCD Report 21-002 was made available to the Board and the public prior to the hearing. Kerry Graham with Sauder Management took part in the discussion and submitted questions regarding the applications. Director English made a motion to approve the Application for Operating Permit and Application for Exception to Spacing Requirements submitted by Cresson Real Estate, LLC as follows:
 - Operating Permit in the amount of 11,528,283 gallons per year;
 - Exception to minimum well and property line spacing with the following stipulations:
 1. The applicant is required to complete some form of geophysical/electric/gamma log of the borehole and provide those logs to the District; and
 2. The applicant agrees to enter into an agreement with the District to allow for the ongoing measurement of water levels in the well.

Director Berkley seconded the motion. Aye-5 Nay-0. Director Reynolds abstained. The motion passed.

3. President Mesler adjourned the Public Hearing at 5:21 p.m.

REGULAR BOARD MEETING

1. Director Majka moved to approve the Consent Agenda, including minutes from the Regular Board meeting on June 21, 2021; approve bank statement ending June 30, 2021, and current financial reports of the District; approve payment of bills/invoices received through July 19, 2021; and reimbursements for expenses incurred on behalf of the District through July 19, 2021. Director Reynolds seconded the motion. The motion passed unanimously.
2. No items were pulled from consent agenda for further discussion.
3. Kimberly Knox-Lewis of Boucher, Morgan and Young presented the District's 2020 Financial Report. Director Berkley moved to approve the Annual Financial Report for the year ended December 31, 2020. Director Majka seconded the motion. The motion passed unanimously.
4. Director Watts moved to approve the quarterly Investment Report as presented. Director Reynolds seconded the motion. The motion passed unanimously.
5. Board took the following action to elect District officers to serve two-year terms ending in July 2023:
Director Berkley moved to nominate Tracy Mesler to serve as President, Richard English to serve as Vice President, and Tim Watts to serve as Secretary/Treasurer. President Mesler moved that nominations cease, and the directors be elected by acclamation. Director Reynolds seconded the motion. Motion carried unanimously.
Director Watts Moved to elect Directors Shannon Nave, Mike Berkley, Jarrod Reynolds, Donald Majka, and Brent Wilson to serve as Assistant Secretaries. Director English seconded the motion. Motion carried unanimously.
6. Director Watts moved to adopt Resolution 21-002 Designating Persons Authorized to Disburse Funds by Check, Draft Order, or Other Instrument on Behalf of the District. Director Reynolds seconded the motion. The motion carried unanimously.
7. Director Watts moved to approve the following requests for an extension to drill approved water wells:
A. Well ID 14464 for Jenna Brown in Hood County
Director Reynolds seconded the motion. The motion passed unanimously.
8. Discussion regarding the following potential violations of District Rules; take action as necessary.
A. Director Majka moved to find that Doug Kinsey of Alpha Omega Water Well committed a second major violation of District rules related to the well drilled at a location on CR 3390 near Paradise in Wise County. In lieu of litigation, the Board authorized a settlement of: (1) \$500 penalty fee for the 2nd major violation; (2) submittal of a well registration for the new well along with the \$600 registration fee and the \$100 well report which shall be forfeited; and (3) requirement to plug the existing well (Well ID 8855) by July 31, 2021. Director English seconded the motion. The motion passed unanimously.
B. Brian Walden participated in the discussion regarding the potential violation of District Rules. Director Berkley moved to find that Brian Walden of Walden Drilling committed a first major violation of District Rules for multiple wells drilled in violation of District spacing rules throughout the District. As part of the Motion, Mr. Walden has until September 20, 2021, to correct all the wells currently in violation of District rules. Otherwise, the Board may take further action. Director Reynolds seconded the motion. The motion passed unanimously.
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 was submitted to the Board of Directors in advance of the Regular Board meeting. General Manager Shaw will consider options for repairing the driveway to the District office.
- B. Discussion regarding delinquent customers of the District; no action was taken.
- 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. No budget amendments were necessary.

11. Attorney Brian Sledge of SledgeLaw Group submitted his legal analysis to the Board of Directors in advance of the Regular Board meeting; no action was taken.

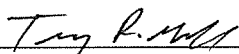
12. The next Regular Board meeting is scheduled for Monday, August 16, 2021, at 5:00 p.m. at the District's office and via online videoconference/teleconference.

13. In the next Regular Board meeting, President Mesler will announce committee assignments.

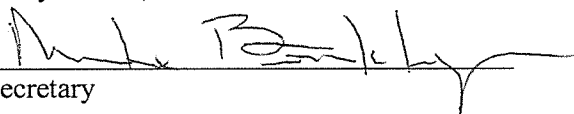
14. President Mesler adjourned the meeting at 6:15 p.m.

PASSED, APPROVED, AND ADOPTED BY THE BOARD OF DIRECTORS this 16 day of August 2021.

Attest:



Tracy Mesler, President



Secretary