

UPPER TRINITY GROUNDWATER CONSERVATION DISTRICT
THURSDAY, SEPTEMBER 19, 2022
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: Jarrod Reynolds, Tracy Mesler, Shannon Nave, Mike Berkley, Tim Watts, Don Majka and Richard English

Director Absent: Brent Wilson
3. Pledges of allegiance to the flags.
4. Public comment was made where noted 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.
 - A. **Applicant/Owner:** Bear View Properties, L.P. — 1250 Santa Fe Dr, Weatherford, TX 76086
Type of Application: Operating Permit
Location of well or proposed well: Various locations within La Madera subdivision
Requested Permit Volume: 13,412,000 gallons/year
General Manager's Recommendation: 13,412,000 gallons/year

Description of Request: Bear View Properties, L.P. is seeking an operating permit in order to drill operate six existing commercial wells to supply water for the water feature located in La Madera subdivision.
 - B. **Applicant/Owner:** Peaster ISD — PO Box 129, Peaster, TX, 76485
Type of Application: Operating Permit
Location of well or proposed well: Harwell Lake Rd.
Requested Permit Volume: 3,000,000 gallons/year
General Manager's Recommendation: 3,000,000 gallons/year

Description of Request: Peaster ISD is seeking an operating permit in order to drill and operate one new public water supply well to supply water for the new intermediate school on the property. The proposed well meets all of the District's well spacing requirements.
 - C. **Applicant/Owner:** Top-Way Quarry Properties, LLC – 12775 N. Saginaw Blvd, Fort Worth, TX, 76179
Type of Application: Operating Permit
Location of well or proposed well: 136 PR 4918, Rhome, TX, 76078
Requested Permit Volume: 29,000,000 gallons/year
General Manager's Recommendation: 29,000,000 gallons/year

Description of Request: Top-Way Quarry Properties, LLC seeking an operating permit in order to drill and operate

one new commercial well to supply water for sand mining operations on the property. The proposed well meets all of the District's well spacing requirements.

D. Applicant/Owner: Sky Family Investments, LLC

Type of Application: Operating Permit

Location of well or proposed well: 7311 FM 1886, #100, Azle, TX, 76020

Requested Permit Volume: 657,000 gallons/year

General Manager's Recommendation: 657,000 gallons/year

Description of Request: Sky Family Investments, LLC is seeking an operating permit in order to drill two new wells and operate four commercial wells to supply water for cabins on the property. The proposed wells meet all of the District's well spacing requirements.

E. Applicant/Owner: Jeffery and Patsy Skinner – PO Box 353, Nocona, TX, 76255

Type of Application: Operating Permit

Location of well or proposed well: PR 472, Nocona, TX, 76255

Requested Permit Volume: 3,613,370 gallons/year

General Manager's Recommendation: 3,612,370 gallons/year

Description of Request: Jeffery and Patsy Skinner are seeking an operating permit in order to operate two existing commercial wells to supply water for oil and gas operations.

2. Discuss, consider, and possible action by the Board to approve or deny, in whole or in part, the applications for permits, permit amendments, and/or requests for exceptions to the District's water well spacing or minimum tract size requirements set forth above in this agenda.
 - A. GM Shaw presented his recommendations for the project proposed by Bear View Properties, L.P. Director Watts made a motion to approve the Application for Operating Permit 196-P-OP, as presented, in the amount of 13,412,000 gallons per year. Director Nave seconded the motion. Motion passed unanimously.
 - B. GM Shaw presented his recommendations for the project proposed by Peaster ISD. Director Nave made a motion to approve Operating Permit 053-P-OP, as presented, in the amount of 3,000,000 gallons per year. Director Majka seconded the motion. Motion passed unanimously.
 - C. GM Shaw presented his recommendations for the project proposed by Top-Way Quarry Properties, LLC. Director English made a motion to approve Operating Permit 193-W-OP, as presented, in the amount of 29,000,000 gallons per year. Director Reynolds seconded the motion. Motion passed unanimously.
 - D. GM Shaw presented his recommendations for the project proposed by Sky Family Investments, LLC. Director Nave made a motion to approve Operating Permit 197-P-OP, as presented, in the amount of 657,000 gallons per year. Approval is contingent upon the Sky Family Investments, LLC accepting and fulfilling the terms of the settlement offer outlined in agenda item 3. B. Director Watts seconded the motion. Motion passed unanimously.
 - E. GM Shaw presented his recommendations for the project proposed by Jeffery and Patsy Skinner. Director Reynolds made a motion to approve Operating Permit 046-M-OP, as presented, in the amount of 3,612,370 gallons per year. Director Majka seconded the motion. Motion passed unanimously.
3. President Mesler adjourned the Public Hearing at 5:25 p.m.

REGULAR BOARD MEETING

1. Director Majka moved to approve the Consent Agenda, including:
 - A. Approval of minutes from Public Hearing and Regular Board Meeting on July 18, 2022.
 - B. Approval of bank statements ending July 29, 2022 and August 31, 2022, and current financial reports of the District.
 - C. Approval of Investment Report.
 - D. Payment of bills/invoices received through September 19, 2022.
 - E. Reimbursements for expenses incurred on behalf of the District through September 19, 2022.
 - F. Approval of Request for an Extension Applications submitted through September 19, 2022.

Director Berkley seconded the motion. Motion passed unanimously.

2. No items were pulled from consent agenda for further discussion.
3. Discussion regarding the following potential violations of District Rules; take action as necessary.
 - A. Nancy Foust commented in the discussion regarding Well ID 12671 at 201 Twin Creek Dr., Azle, TX in Parker Co. owned by Jack Burgess. Director Nave moved to continue this discussion in the next Regular Board meeting. Director Majka seconded the motion. Motion passed unanimously.
 - B. Bryan Dubeansky commented in the discussion regarding Well IDs 13797 & 14973 at 7311 Hwy 1886, Azle, TX in Parker Co. owned by Sky Family Investments. Director Watts moved to offer a settlement, in lieu of litigation, to Sky Family Investments, LLC which should include the following: (1) 1st major violation for failure to submit accurate groundwater production reports and pay associated fees for 2021 second reporting period and 2022 first reporting period; (2) provide estimate, to the satisfaction of the GM, of groundwater produced during 2021 second reporting period and 2022 first reporting period and pay the associated fees with a 25% late penalty; (3) 2nd major violation of District Rules for failure to obtain a permit; (4) \$1,000 penalty fee associated with the 2nd major violation; and (5) owner agrees to enter into agreement with the District for the ongoing measurement of water levels in at least one of the wells on the property. Director Nave seconded the motion. Motion passed unanimously.
 - C. In the discussion regarding Well ID 723 located on Bear Creek Road near Aledo, TX in Parker Co. owned by Bark-Ko Land Company, Director Nave moved to offer Bark-Ko Land LLC a settlement offer, in lieu of litigation, to include (1) a first major violation of District rules for failure to permit a well that does not qualify for an exemption under Rule 3.1, and (2) a \$1,000 dollar penalty associated with the first major violation. Director Reynolds seconded the motion. Motion passed unanimously.
4. Discussion regarding the following requests to drill a replacement well at a location greater than 100 feet from the well being replaced; take action as necessary.
 - A. Director English moved to approve the request to drill Well ID 17912 at 3114 Springtime St., Granbury, TX owned by Roy Hickey Jr. Director Berkley seconded the motion. The motion passed unanimously.
 - B. Director Majka moved to approve the request to drill Well ID 18416 at 269 Amanda Way, Decatur, TX owned by Bobby and Beverly Duck. Director Nave seconded the motion. The motion passed unanimously.
5. Kimberly Knox-Lewis of Boucher, Morgan and Young presented the District's 2021 Financial Report. Director Berkley moved to approve the Annual Financial Report for the year ended December 31, 2021. Director Majka seconded the motion. The motion passed unanimously.
6. Director English moved to approve the Annual Report for year ending December 31, 2021 as presented. Director Berkley seconded the motion. The motion passed unanimously.
7. Director Berkley moved to accept the proposal for renewal of Medical Coverage for District employees for 2023 including the Health Reimbursement Arrangement (HRA) as presented. Director Nave seconded the motion. The motion passed unanimously.
8. Director Nave moved to approve the recommendations regarding staff compensation from the Policy and Personnel Committee and the General Manager and to direct the General Manager to prepare a draft 2023 Budget based on those recommendations. Additionally, the motion included the approval of the Employment Agreement with the General Manager and authorized the Board President to execute that agreement on behalf of the District. Director Reynolds seconded the motion. The motion passed unanimously.

President Mesler called for a brief recess at 6:00 p.m. The Board returned at 6:11 p.m.

9. Director Majka moved to adopt Resolution 22-002 Establishing an Ongoing Rainwater Harvesting Grant Program. Director Nave seconded the motion. The motion passed unanimously.
10. Director Nave moved to adopt Resolution 22-003 Setting Water Use and Transport and Administrative Fees. Director

Berkley seconded the motion. The motion passed unanimously.


11. **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.
 - 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.
12. Director Nave moved to adopt 2022 budget amendments, as presented by staff:
- Move \$250,000 from Assigned Funds: Facilities/Building Fund to Capital Expenses: Property Development
 - Move \$2,000 from Auto Maintenance to Auto Fuel
 - Move \$6,000 from Monitor Well Program to Credit Card Processing
 - Move \$5,000 from Miscellaneous Expense-Other to Telephone
- Director Watts seconded the motion. The motion passed unanimously.
13. Attorney Brian Sledge of SledgeLaw Group briefed the Board on groundwater-related legislative and joint planning activities impacting the District since the last regular Board meeting; no action was taken.
14. The next Regular Board meeting is scheduled for Monday, October 17, 2022, at 5:00 p.m. at the District's office.
15. The next Regular Board meeting agenda may include an update from the Monitoring Well Committee.
16. President Mesler adjourned the meeting at 7:16 p.m.

PASSED, APPROVED, AND ADOPTED BY THE BOARD OF DIRECTORS this 17 day of October 2022.

Attest:



Tracy Mesler, President


Secretary