

# UPPER TRINITY GROUNDWATER CONSERVATION DISTRICT

THURSDAY, OCTOBER 19, 2023

MINUTES OF MEETINGS

OF THE

BOARD OF DIRECTORS

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## 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 Regular Board Meeting to order; declare the Hearing and Meeting open to the public.

Directors Present: Brent Wilson, Tracy Mesler, Shannon Nave (arrived at 5:03 p.m.), Jarrod Reynolds, Don Majka, and Mike Berkley

Director Absent: Tim Watts and Bob Lusk

3. Pledges of allegiance to the flags.
4. Public comments were made where noted below.

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## PUBLIC HEARING

1. Receive any public comments, requests to contest, and the General Manager's report and recommendations regarding the applications for Operating Permits, Operating Permit Amendments, and Exception to Spacing Requirements submitted for the systems described in the Notice of Hearing for today's hearing ("the Hearing Notice"), which was posted separately prior to October 9, 2023, in accordance with the District Rules and which is incorporated herein by reference:

**A. Applicant/Owner:** Chico Production Corp. — PO Box 550, Bowie, TX 76230

**Type of Application:** Operating Permit

**System ID:** 099-M

**Location of well or proposed well:** Various locations along Red Bird Lane, Bowie, TX

**Requested Permit Volume:** 10,000,000 gallons/year

**General Manager's Recommendation:** 10,000,000 gallons/year

**Description of Request:** Chico Production Corp is seeking an operating permit in order to provide water for oil and gas operations near the property.

**B. Applicant/Owner:** Red River Authority of Texas — PO Box 240, Wichita Falls, TX 76307

**Type of Application:** Operating Permit

**System ID:** 011-M

**Location of well or proposed well:** Crenshaw Rd, Ringgold, TX

**Requested Permit Volume:** 3,652,000 gallons/year

**General Manager's Recommendation:** 3,652,000 gallons/year

**Description of Request:** Red River Authority of Texas is seeking an operating permit in order to obtain additional annual water allocation for an existing public system.

**C. Continuation of Hearing for the applications related to Permit IDs 007-W-OP, 011-H-OP, and 014-P-OP Submitted by Aqua TX and described in the Notice of Hearing for the September 21 hearing ("the Hearing Notice"), which was posted prior to September 11, 2023.**

2. General Manager Shaw presented background information and his recommendations for the related to the

permit applications:

- A. Director Berkley made a motion to approve the General Manager's recommendation, as presented, for Operating Permit 099-M-OP submitted by Chico Production Corp. in the amount of 10,000,000 gallons per year. Director Reynolds seconded the motion. Motion passed unanimously.
  - B. Director Wilson made a motion to approve the General Manager's recommendation, as presented, for Operating Permit 011-M-OP submitted by Red River Authority of Texas in the amount of 3,652,000 gallons per year with a reservation to revisit the Permit during the first quarter of 2025 if the applicant has not demonstrated, to the satisfaction of the Board, that the issues causing the excessive waste of groundwater have been resolved. Director Majka seconded the motion. Motion passed unanimously.
  - C. Director Majka moved to continue the Hearing for Operating Permits 007-W-OP, 011-H-OP, and 014-P-OP submitted by Aqua TX and described in the Notice of Hearing for the September 21 hearing, until November 16 at 5:00 p.m.. Director Nave seconded the motion. Motion passed unanimously.
3. President Mesler adjourned the Public Hearing at 5:22 p.m.

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### REGULAR BOARD MEETING

1. Director Berkley moved to approve the Consent Agenda, including:
  - A. Approval of minutes from the Regular Board Meeting and Public Hearings on September 21, 2023.
  - B. Approval of bank statement ending September 29, 2023, and current financial reports of the District.
  - C. Payment of bills/invoices received through October 19, 2023.
  - D. Reimbursements for expenses incurred on behalf of the District through October 19, 2023 including the addition of a mileage reimbursement submitted by Director Majka.
  - E. Approval of Request for an Extension Applications submitted through October 19, 2023.Director Majka seconded the motion. Motion passed unanimously.
2. No items were pulled from the consent agenda for further discussion.
3. Director Reynolds moved approve the quarterly Investment Report as presented. Director Berkley seconded the motion. The motion passed unanimously.
4. Director Reynolds moved to approve the Annual Report for the year ending December 31, 2022 as presented. Director Wilson seconded the motion. The motion passed unanimously.
5. Kris Mowery participated in the discussion regarding potential violations of District Rules by Well ID 19659 owned by Kris Mowery and drilled by Robert Hankins, in Montague County. Director Wilson moved to offer Mr. Mowery, in lieu of litigation, a settlement to include 1) a first major violation for intentionally or knowingly submitting inaccurate and untruthful information on District forms (Rule 3.1(d)); 2) \$250 penalty associated with the first major violation and immediate revocation of the Registration for Well ID 19659; 3) a second major violation for failure to timely meter a well when required (Rule 8.1); 4) \$500 penalty associated with the second major violation; 5) a third major violation for failure to permit a well that does not qualify for an exemption under Rule 3.1 (Rule 2.9); 6) \$1,000 penalty associated with the third major violation; 7) a requirement to enter into an agreement with the District for the ongoing measurement of water levels in the well; 8) requirement to submit an estimate of all water produced by Well ID 19659, to the satisfaction of the General Manager; and 9) payment of the water-use fees associated with that production. Once the Registration for Well ID 19659 has been revoked, all production from the well must immediately cease until a new administratively complete Registration (and Permit, if necessary) has been approved by the District. Director Majka seconded the motion. The motion passed unanimously.

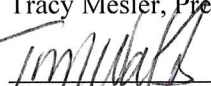


6. Director Berkley moved to approve the Compliance order, for System ID 170-P, submitted by Raykkar LLC as presented in the amount of 566,960 gallons/year to expire on December 31, 2024. Additionally, as a stipulation of the Compliance Order, the applicant must enter into an agreement for the ongoing measurement of water levels in all wells included in System 170-P. Director Nave seconded the motion. The motion passed unanimously.
7. Discussion regarding the development of fiscal year 2024 Draft Budget will continue during the next Regular Board meeting.
8. **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.
9. Director Berkley moved to adopt 2023 budget amendments, as presented by staff:
  - Move \$2,500.00 from Office Expense: "Equipment Repair & Maintenance" to Office Expense: "Kitchen Supplies"
  - Move \$500.00 from Payroll Expenses: "Payroll Expenses - Other" to Payroll Expenses: "Workman's Compensation"Director Reynolds seconded the motion. The motion passed unanimously.
10. The December 2023 Board Meeting will be held December 11 at the District Office, in Springtown, TX; the time of the meeting will be decided at a later date.
11. District General Counsel from SledgeLaw Group gave no updates regarding legal activities related to the District.
12. The next Hearing and Regular Board meeting are scheduled for Thursday, November 16, 2023, at 5:00 p.m. at the District's office.
13. New business placed on the next meeting agenda was mentioned above.
14. President Mesler adjourned the meeting at 6:43 p.m.

PASSED, APPROVED, AND ADOPTED BY THE BOARD OF DIRECTORS this 16 day of November 2023.

Attest:

  
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Tracy Mesler, President

  
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Tim Watts, Secretary