

**MINUTES OF THE BOARD OF DIRECTORS' PUBLIC MEETING
NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT**

TUESDAY, JULY 8, 2014

**COLLIN COUNTY ADMINISTRATIVE BUILDING
4TH FLOOR COMMISSIONERS COURT ROOM
2300 BLOOMDALE RD
MCKINNEY, TX 75071**

Members Present: Thomas Smith, Ronny Young, Philip Sanders, Chris Boyd, Dan Collins, Eddy Daniel, Evan Groeschel, and Ron Sellman

Members Absent: Kenny Klement

Staff: Drew Satterwhite, Debi Atkins, Carolyn Bennett, Wayne Parkman and Carmen Catterson

Visitors: Kristen Fancher, Sledge Fancher, PLLC
James Beach, LBG Guyton
Dianne Helms, Senator Estes Office
Mike Keester, LBG Guyton
Keith King, The Weekly News of Cooke County
Neal Welch, City of Sanger
Pete Schulmeyer, Collier Consulting
Carl Deaton, Hankins, Eastup, Deaton , Tonn & Seay

1. Pledge of Allegiance and Invocation

Secretary/Treasurer Young led the Pledge of Allegiance and provided the invocation.

2. Call to order, establish quorum; declare meeting open to the public

President Smith called the public meeting to order at 12:07 PM. All Board members were present except Board Member Klement.

3. Public Comment

No public comment received.

4. Approval of Minutes from the May 13, 2014, public hearing and board meeting

Board Member Daniel motioned to approve the Minutes from the May 13, 2014, public hearing and board meeting. The motion was seconded by Secretary/Treasurer Young. Board Member Groeschel noted that the date on the cover of the minutes was incorrect. The motion passed unanimously with the date correction, with Board Member Klement absent.

5. Consider and act upon approval of invoices and reimbursements.

This invoice resolution includes two months due to the missed meeting in June. The reimbursements included payment to the City of Blue Ridge. They submitted inaccurate readings and requested we not cash their check. However, by the time the request was made the check was already cashed and we had to reimburse them. Myrick Development had provided an incorrect multiplier and a reimbursement needed to be made to account for an overpayment.

Board Member Daniel motioned to approve the invoices as presented for a total cost of \$131,162.95. The motion was seconded by Board Member Sellman and passed unanimously with Board Member Klement absent.

6. a. Budget and Finance Committee

1) Receive Monthly Financial Information

Mr. Satterwhite reviewed the monthly financial information with the Board. The financial information only reflects the first quarter billings. A budget amendment for the repayment to the counties and extra legal fees will be requested later in the year.

The staff has been working with non-compliant well drillers and has worked with Mrs. Fancher to send letters. The staff intends to begin working with the non-compliant well owners promptly.

2) Consider and act upon 2013 audit

Carl Deaton with Hankins, Eastup, Deaton, Tonn, and Seay presented a summary of the 2013 audit. They provided a clean opinion. Page 27 includes a detail of the revenues and expenditures of 2013 compared to 2012. The revenues were within \$500 between the two years. The repayment to the counties added to the expenditures and the fund balance increased by \$333,000. Mr. Deaton recommended a few minor changes to the financial practices, but had no real concerns.

Secretary/Treasurer Young motioned to approve and accept the 2013 audit as presented. The motion was seconded by Board Member Boyd and passed unanimously with Board Member Klement absent.

b. Investment Committee

No report received

c. Rules and Bylaws Committee

No report received

d. Groundwater Monitoring and Database Committee

No report received

e. Policy and Personnel Committee

No report received

f. Conservation and Public Awareness Committee

No report received

g. Management Plan Committee

No report received.

7. Update and possible action on the Northern Trinity/Woodbine Aquifer GAM Overhaul Project and the development of proposed Desired Future Conditions (DFCs)

Mrs. Fancher provided a brief statement on the GAM update and the DFCs from a legal standpoint. The DFCs must be legally defensible. Most likely all Groundwater Management Areas will be petitioned and the Texas Water Development Board (TWDB) would determine whether the DFCs are reasonable. This record would also assist in the future with permitting decisions based on the DFCs adopted in 2016. The rules development process will begin after the DFCs are adopted in 2016. The rules and management plan will need to be finalized soon after to meet statutory requirements.

Some of the DFC development will happen behind the scenes with the input of the DFC committee, legal counsel and consultants. This will involve each groundwater district contacting other districts to discuss possible adjustments to the DFCs. After the DFCs are developed, the District will need to develop a summary report following the 90 day public comment period.

8. Update and possible action regarding the process for the development of Desired Future Conditions (DFCs) including the consideration and possible approval of consulting services

No discussion was held on this topic.

9. Consider and discuss support for the Northern Trinity/Woodbine Aquifer GAM Overhaul Project Predictive Simulations

Mr. Satterwhite recommended that the Board provide support for Runs 2 and 3 as presented by Mr. Beach and recommended by legal counsel.

Vice President Sanders motioned to support Runs 2 and 3 as presented by Mr. Beach and recommended by legal counsel. The motion was seconded by Secretary/Treasurer Young and passed unanimously with Board Member Klement absent.

10. General Manager's Report

Mr. Satterwhite provided a summary of additional wells registered with the District. He commented that the budget committee would need to meet at the end of the month. The District has been undergoing a State Audit, which has turned into a very complicated process.

Mrs. Fancher reported that in spring she discussed with the Board on groundwater ownership and takings cases. The District participated in an Amicus Brief on this matter, which was very well received. The brief focused on encouraging the Supreme Court to focus on all applicable matters, such as all aspects of Chapter 36 of the Texas Water Code. The Board requested a copy of the brief be circulated.

11. Open Forum / discussion of new business for future meeting agendas

President Smith commented that in the future the Board will be considering a great deal of information. He recommended encouraging exempt well owners to register their wells. The staff stated that they had drafted an article for the newspaper to encourage registration and that several wells had been registered in order to participate in the water monitoring study being conducted by Dr. Hildenbrand.

Board Member Collins commented that the District has approximately 1,200 registered wells, but the GAM shows approximately 3,000 wells. The staff agreed that there were most likely that many unregistered exempt wells. Board Member Collins then asked Mrs. Fancher to provide an expectation of legal fees that would be incurred in the event petitions are filed in 2016.

The next meeting was scheduled for August 12 in the Collin County Administrative Building. The agenda will include approval of the Temporary Rules, policies, and the 2014 budget.


12. Adjourn public meeting

The public meeting adjourned at 12:40 PM.

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Recording Secretary



Secretary-Treasurer