

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

TUESDAY APRIL 9, 2019

**MUSTANG SUD ADMINISTRATIVE OFFICES
7985 FM 2931
AUBREY, TEXAS**

Members Present: Ronny Young, Allen Knight, Maurice Schwanke, Evan Groeschel, Chris Boyd, Joe Helmberger, David Flusche, and Thomas Smith

Members Absent: Ron Sellman

Staff: Paul Sigle, Wayne Parkman, Carolyn Bennett, Theda Anderson, and Velma Starks

Visitors: Kristen Fancher, Fancher Legal
Peter M. Schulmeyer, Collier Consulting
Matt Van Hatten, Collier Consulting
Zach Oasts, Texas A&M AgriLife

Permit Hearing

The Permit Hearing will begin at 10:00 a.m.

Notice is hereby given that the Board of Directors of the North Texas Groundwater Conservation District ("District") will conduct a permit hearing on the following Production Permit Applications:

Agenda:

1. Call to Order; establish quorum; declare hearing open to the public; introduction of Board.

President Ronny Young called the Permit Hearing to order at 10 a.m.

2. Review the Production Permit Applications of:

Applicant: Prosper Independent School District, 605 E. 7th Street, Prosper, TX 75078

Location of Well: 15828 Coit Road, Frisco, TX 75035; Latitude: 33°12'22.98"N Longitude:

96°46'14.82"W; on the west side of Coit Road in Frisco between Prestwick Hollow Drive and Jacksboro Lane

Purpose of Use: Irrigation

Requested Amount of Use: 10,000,000 (10 million) gallons per year

Production Capacity of Well: 150 gallons per minute

Aquifer: Paluxy Aquifer (Trinity Aquifer)

Paul Sigle, Groundwater Technical Lead reviewed the application with the Board. The Board held a detailed discussion with many questions and concerns expressed. The amount of water requested was questioned. Paul Sigle, Groundwater Technical Lead, and Kristen Fancher, Legal Counsel, explained that the permits will be examined in the future to determine the actual usage and that the permitted amount can be adjusted in the future. Board Member Joe Helmberger made the motion to approve the permit with revisions (revise to change signatory to District General Manager per the rules). Board Member Thomas Smith seconded the motion. Motion passed unanimously.

Applicant: Aqua Texas, Inc., 9450 Silver Creek Road, Fort Worth, TX 76108

Location of Well: Latitude: 33°5'36.12"N Longitude: 97°23'19.01"W; about 750 feet Northeast of the intersection of FM 407 and South County Line Road near Justin

Purpose of Use: Municipal/Public Water System

Requested Amount of Use: 15,900,000 (15.9 million) gallons per year

Production Capacity of Well: 130 gallons per minute

Aquifer: Twin Mountains Aquifer (Trinity Aquifer)

Paul Sigle, Groundwater Technical Lead reviewed the application with the Board. Kristen Fancher, Legal Counsel, swore in Matt Van Hatten and Peter Schulmeyer of Collier Consulting for their testimony. The Board held a detailed discussion with questions and concerns expressed. The water is to be used for homes and irrigation for a park area within a subdivision. This is not in any city limits at this time. The irrigation usage could be cut in times of need for residential use. Kristen Fancher informed the Board that legislature currently does not have domestic water prioritized over irrigation in terms of groundwater production. Board Member Allen Knight made the motion to approve the application. Board Member Thomas Smith seconded the motion. Motion passed unanimously.

3. Public Comment on the Production Permit Applications (verbal comments limited to three (3) minutes each).

There were no public comments regarding the Production Permit Applications.

4. Consider and act upon the Production Permit Applications, including designation of parties and/or granting or denying the Production Permit Applications in whole or in part, as applicable.

5. Adjourn or continue permit hearing.

Board Meeting

1. Pledge of Allegiance and Invocation

President Ronny Young led the group in the Pledge of Allegiance and Board Member Thomas Smith provided the invocation.

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

President Young called the meeting to order 10:20 a.m., established a quorum was present, and

declared the meeting open to the public.

3. Public Comment

There were no public comments.

4. Consider and act upon approval of the minutes from the February 12, 2019 board meeting

Motion was made by Evan Groeschel to approve the minutes of the February 12, 2019 meeting. The motion was seconded by Chris Boyd, and passed unanimously.

5. Consider and act upon approval of invoices and reimbursements

After review and brief discussion Allen Knight made the motion to approve Resolution No. 2019-04-01. Thomas Smith seconded the motion. Motion passed unanimously.

6. Receive reports from the following Committees*:

a. Budget and Finance Committee

1) Receive Monthly Financial Information

President Ronny Young reviewed the financial information with the Board. The Board questioned the Strittmatter receivable amount. The request was made that all AR Liens be placed in one line item for liens. A detailed discussion was held by the Board regarding issues created by the Strittmatter situation. The Board asked if the District could let the landowner know that a driller has issues with compliance history. Kristen Fancher stated that the District could send a letter to the landowner related to past compliance history. The Board asked if the District could place a list on the website showing all parties for which the District holds liens, so everybody with liens shows up.

b. Investment Committee

1) Receive Quarterly Investment Report

Board President Ronny Young reviewed the Quarterly Investment Report with the Board.

c. Management Plan Committee

1) Receive Annual Report on Management Plan

Carolyn Bennett reviewed the Annual Report on Management Plan with the Board.

2) Receive Quarterly Report

Board President Ronny Young reviewed the Quarterly Report with the Board.

d. Legislative Committee

1) Receive Update on Legislation of Interest

Kristen Fancher, Legal Counsel, updated the Board on Legislation of Interest. A discussion was held regarding water rights being treated differently than mineral oil and gas rights. Legislature is considering special language to address recovery of attorney fees for those parties winning against Groundwater Conservation Districts.

7. Update and possible action regarding the process for the development of Desired Future Conditions (DFCs).

Kristen Fancher updated the Board on the DFC process – Drew Satterwhite, Joe Cooper and Dirk Aaron have been serving on a committee in contracting with WSP for the next round of the DFC process. The contract has been negotiated down to under \$100,000, and James Beach is to provide an update by Friday on the negotiations for this contract.

8. Consider and act upon approval of Interlocal Agreement with Groundwater Management Area 8 districts for funding of next round of joint planning.

Kristen Fancher, Legal Counsel, provided background information on the proposed interlocal agreement, which is similar to the interlocal agreement entered into for the GAM overhaul. The intention is to have all funding districts involved, with all absorbing any deficiencies. The contract is now at the amount of \$99,920, allowing for only one model run. If the District approves the document, it will be sent to the other 9 funding districts, with their respective attorneys reviewing the document. If these changes are consistent with the terms of the agreement, District staff and general counsel will recommend signing. Board Member Chris Boyd made the motion to authorize the District Counsel to administer and General Manager to sign the Interlocal Agreement Regarding Groundwater Management Area 8 Funding for Development of Desired Future Conditions Joint Planning, subject to administrative non-substantive changes. Board Member Maurice Schwanke seconded the motion. The motion passed unanimously.

9. Consider and act upon compliance and enforcement activities for violations of District's Rules.

Kristen Fancher, Legal Counsel, stated she has contacted 440 Ranch, but has not received a response.

10. General Manager's Report: The General Manager will update the board on operational, educational and other activities of the District.

a. Management Plan Update

Paul Sigle, Groundwater Technical Lead, informed the Board that General Manager Drew Satterwhite has begun updating the District's Management Plan. The Texas Water Development Board has requested the District look at a new tool introduced by the TWDB staff to look at subsidence risks.

b. Monitoring Well Update

Paul Sigle, Groundwater Technical Lead, informed the Board he is meeting with the City of Valley View tonight to provide a presentation on the District's Monitoring Well Program. Several letters have been mailed to water providers requesting use of wells for the Program, and seven have been received back, with 10 wells total.

c. Municipal Designation Setting in City of Frisco

Paul Sigle, Groundwater Technical Lead, informed the Board he met with Frisco staff and representatives from Hudson Industries and discussed the property located at 100 Hudson Drive, Frisco, Texas and the possible designation. An industrial facility was located there in the

past, from which drums leaked solvents into the Austin aquifer. The City of Frisco is developing an ordinance, which will be forwarded to the Texas Commission on Environmental Quality for approval. Paul Sigle stated the contamination has been removed, and the plume is shrinking. Kristen Fancher stated the information will need to be in the District database, so that the area in which a well may not be drilled for potable water will be available.

d. Database Development Update

Paul Sigle, Groundwater Technical Lead, informed the Board the District staff and consultants are still working through issues in the database.

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

The Board requested that a future meeting agenda contain an item to allow the Technical Lead to sign permit applications, changing the designation from General Manager to District staff. Kristen Fancher informed the Board this may be adjusted in July when the District reviews the rules.

15. Adjourn public meeting

Board President Ronny Young declared the meeting adjourned at 11:01 a.m.

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Recording Secretary



Secretary-Treasurer