

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

TUESDAY MARCH 13, 2018

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

Members Present: Allen Knight, Ronny Young, Joe Helmberger, Thomas Smith (arrived at 10:15 a.m.), David Flusche (arrived at 11:00 a.m.), Maurice Schwanke, and Ron Sellman

Members Absent: Evan Groeschel and Chris Boyd

Staff: Drew Satterwhite, Paul Sigle, Allen Burks, Theda Anderson, Carolyn Bennett, and Velma Starks

Visitors: Kristen Fancher, Fancher Law Firm
Pete Schulmeyer, Collier Consulting
Neal Welch, City of Sanger, Director Public Works

1. Pledge of Allegiance and Invocation

President Ronny Young led the group in the Pledge of Allegiance and provided the invocation.

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

President Young called the meeting to order 10:09 a.m., established a quorum was present, and declared the meeting open to the public.

President Young presented Philip Sanders with service appreciation plaque and thanked him for his service on the board.

3. Administer Oath of Office

Carolyn Bennett administered the Oath of Office to new Board Member Maurice Schwanke.

New Board Member David Flusche arrived at 11:00 a.m. and was sworn in by Carolyn Bennett.

4. Public Comment

There were no citizens present requesting to appear before the Board of Director for public comment.

5. Consider and act upon approval of the minutes from the January 9, 2018 board meeting

Motion was made by Joe Helmberger to approve the minutes of the January 9, 2018 meeting. The motion was seconded by Allen Knight, and passed unanimously.

6. Consider and act upon approval of invoices and reimbursements

After review and brief discussion Joe Helmberger made the motion to approve Resolution No. 2018-03-13-1. Ron Sellman seconded the motion. Motion passed unanimously.

7. Receive reports from the following Committees*:

a. Budget and Finance Committee

1) Receive Monthly Financial Information

General Manager Drew Satterwhite reviewed the financial information with the Board.

b. Investment Committee

No Report

c. Groundwater Monitoring and Database Committee

General Manager Drew Satterwhite reported things are going well, they are rolling out modules that are being reviewed.

d. Management Plan Committee

1) Receive Annual Report

The report was presented to the Board. The Board requested that they have an opportunity to review it further and that it be placed on a next agenda to address any comments.

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

General Manager Drew Satterwhite updated the Board that all 11 Districts have had their public meetings. The next GMA-8 meeting will probably be scheduled in May or June.

9. Consider and act upon Well Monitoring Agreement.

General Manager Drew Satterwhite reported that the Management Plan states the District will establish additional monitoring wells. District Field Technicians have taken over the annual monitoring of the TWDB monitoring wells. There are 30 monitoring wells at this time. Public Water Systems will be addressed initially in the research for additional wells for monitoring. Private well owners may be asked in some areas. Thomas Smith made the motion to obtain monitoring wells and to accept the agreement drafted by District staff, with the District attorney reviewing the document. Joe Helmberger seconded the motion. Motion passed unanimously.

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

a. Hydrous Americas Cable Park, LLC

General Manager Drew Satterwhite reported that Hydrous Americas Cable Park, LLC is out of

compliance (1) failure to submit production reports and (2) failure to make payments. Kristen Fancher, Legal Counsel advised the Board that each violation was a \$500 dollar fine. Allen Knight made the motion to proceed with the enforcement of two violations at \$500 each for a total of \$1000.00 fine. Thomas Smith seconded the motion. Motion passed unanimously.

11. General Manager's Report: The General Manager will update the Board on operational, educational and other activities of the District.
 - a. Update on oil and gas and disposal/injection well monitoring activities with the Railroad Commission of Texas

General Manager Drew Satterwhite informed the Board that additional information is being sought on one of the wells

The Rules Committee decided at their meeting that an actual test would be beneficial to the District in regards to spacing requirements. They decided that Lake Kiowa's wells would be used for a pumping test.

General Manager Drew Satterwhite did a presentation about the District's overall purpose at a conference for engineers, which was hosted by Kimley-Horn.

General Manager Satterwhite reported to the Board that the District has a total of 2113 well registrations, with 32 since January 2018.

12. Receive presentation regarding permanent rules development.
 - a. Consider and act upon action items for rules development

Kristen Fancher, Legal Counsel provided a presentation addressing permanent rules. The Board discussed the presentation and then made motions on the various segments or tabled them.

Thomas Smith made the motion to take out the blanket exemption for DL&P, and get to Chapter 36 exemption levels with the exception of the 10 acre requirement. Allen Knight seconded the motion. Motion passed unanimously.

Thomas Smith made the motion for the spacing waivers to be sent by the party requesting to drill a well closer than allowed by the District Rules to registered well owners within a given radius for spacing. Waivers and mailing documentation are to be reviewed by District staff. Maurice Schwanke seconded the motion. Motion passed unanimously. The variance will be required to be placed in the Deed Records.

Allen Knight made the motion remove flushing from reporting and production fee exemptions. Ron Sellman seconded the motion. Motion passed unanimously.

The Board decided on the Historic Use Backup Data to pull more data on the five top producers, using 2010, before acting on the issue.

The Board decided to revisit the Historic use Claims Deadline at a later date.

