

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

TUESDAY, SEPTEMBER 13, 2016

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

Members Present: Eddy Daniel, Chris Boyd, Evan Groeschel, Thomas Smith, Ron Sellman, Kenny Klement, and Ronny Young

Members Absent: Joseph Helmberger and Philip Sanders

Staff: Drew Satterwhite, Debi Atkins, Velma Starks, Carolyn Bennett, Scott Perry

Visitors: Peter M. Schulmeyer, Collier Consulting
Neal Welch, City of Sanger
Axel and May Haubold, Bed Rock Ranch

1. President Daniel 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 Daniel called the meeting to order at 10:03am, established a quorum was present, and declared the meeting open to the public.
3. Public comment
There were no citizens present requesting to appear before the Board of Directors for public comment.
4. Presentation of Plaque of Appreciation to former Board President – Thomas Smith
President Daniel presented a plaque expressing appreciation to Thomas Smith, former Board President, recognizing his service as President from July 2013 – July 2015. President Daniel expressed the Board's appreciation for Mr. Smith's service as President during this time.
5. Consider and act upon approval of Minutes from the July 19, 2016 board meeting
Motion was made by Ronny Young and seconded by Evan Groeschel to approve the Minutes from the July 19, 2016 board meeting. Motion passed unanimously.
6. Consider and act upon approval of invoices and reimbursements.
After a brief discussion, Ron Sellman made the motion to approve Resolution 2016-09-13-01. Thomas Smith seconded the motion. Motion passed unanimously.

Kenney Klement arrived the meeting at 10:09 am.

President Daniel discussed the billing from Sledge Law Firm for services rendered by Sledge Law firm, and their role as liaison for the District for legislative and state agency rulemaking issues. After discussion, it was the consensus of the Board to continue to continue utilizing Sledge Law for representation at legislative hearings, interim hearings and to comment on state rulemaking as deemed necessary by the Board President and/or General Manager. President Daniel and General Manager Satterwhite will continue to monitor the services provided and will bring any matters necessary for discussion to the Board.

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

1) Earmark Reserve Fund Allocations

President Daniel stated Drew was requested by the Board to research uses of reserve funds to set as fund balance allocations.

General Manager Satterwhite presented and discussed several possible future uses for reserve funds. President Daniel requested General Manager Satterwhite to provide the Board with a listing by email so the Board Members may prioritize the potential uses. The prioritization would ultimately be brought back to the Board for a vote. The Board would like to have an established priority list prior to beginning next year's budget and rate planning process.

c. Rules and Bylaws Committee

President Daniel informed the Board he and General Manager Satterwhite are keeping a listing of items for consideration of being included in the Rules during the next update process.

d. Groundwater Monitoring and Database Committee

No report.

e. Policy and Personnel Committee

No report.

f. Conservation and Public Awareness Committee

No report.

g. Management Plan Committee

No report.

h. Desired Future Condition Committee

No report.

8. Consider and act upon authorizing LBG Guyton Associates to prepare a Technical Memo for Model Run 10 on behalf of Groundwater Management Area 8

President Daniel discussed the need to approve the preparation of a Technical Memo for Model Run 10 by LBG Guyton. Thomas Smith made a motion to approve authorization for LBG Guyton to prepare the Technical Memo for Model Run 10. The motion was seconded by Ronny Young and passed unanimously.

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

President Daniel stated the next GMA-8 meeting is scheduled for Thursday, September 29. At the next meeting, the GMA 8 representatives will be presenting their Summary Reports, considering authorization of the Run 10 Technical Memorandum, and consider authorizing Bill Mullican to begin working on the final Explanatory Report. The only known outstanding issue is that one GMA 8 member has requested that the DFC be expressed as outcrop and sub-crop.

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

President Daniel adjourned the Board into closed executive session under Section 551.071 of the Government Code (consultation with attorney) to discuss enforcement issues at 11:04am.

The Board reconvened in Regular Session at 11:28am. President Daniel stated no action was taken on any items discussed during Executive Session.

Thomas Smith made a motion to consider setting fines for multiple violations for Strittmatter Irrigation and Supply for submitting false information in the well completion form, failure to timely meter a well, and Failure to submit accurate water production report at \$10,000 per violation, for a total of \$30,000, to be paid within 15 working days. Thomas Smith stated that the amounts were the result of multiple violations that have been assessed to Strittmatter Irrigation and Supply. Ronny Young seconded the motion. Ronny Young stated he felt capping the penalties at \$15,000 would be more appropriate, or \$5,000 per violation. Discussion ensued regarding the number of times Strittmatter Irrigation and Supply has been out of compliance, including previous violations and fines assessed prior to the current set of violations. Evan Groeschel moved to amend the current motion, to cap the violation penalties at \$15,000, or \$5,000 per violation. Ron Sellman seconded the motion to amend the current motion. The motion passed to amend the first motion to \$15,000 for all three violations, with six Board Members voting yes one voting no. The Board then voted on the amended motion, to set the total penalties at \$15,000 for multiple violations for Strittmatter Irrigation and Supply, consistent with the District's rules and Enforcement Policy/Civil Penalty Schedule, the District's enabling act, and Chapter 36 of the Texas Water Code, and to provide a deadline of fifteen (15) business days for payment of the penalties. The amended motion passed, with six Board Members voting yes and one voting no.

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

General Manager Satterwhite reviewed well reports for wells drilled during past 2 months with the Board. Mr. Satterwhite stated District staff attended a presentation last week by TDLR. RFQs are out for a new geodatabase. The website is currently being updated. The Investment Committee will be utilized soon to provide direction on the District's investments.

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

President Daniel asked if there were any items of discussion requested by the Board for future agendas.

13. Adjourn public meeting

President Daniel declared the meeting adjourned at 11:41 a.m.

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Carolyn Bennett
Recording Secretary

Sam Jones
Secretary-Treasurer