

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

**TUESDAY FEBRUARY 12, 2019**

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

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

Members Absent: Joe Helmberger

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

Visitors: Kristen Fancher, Fancher Legal  
Wes Spruiell, THI Water Well  
Dollie Speights, interested citizen

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**Public Hearing**

**Agenda:**

1. Call to Order, declare hearing open to the public, and take roll.

President Ronny Young called the meeting to order at 10 a.m., declared hearing open to the public and took roll.

2. Conduct Show Cause hearing under Rule 9.6 on the following for alleged violations of District Rules, discuss, consider, receive testimony, and take appropriate action, including without limitation authorizing the District to initiate a civil lawsuit to enforce compliance with the District Rules, including recovery of civil penalties, costs, and attorney's fees, and all other appropriate legal and equitable relief.

A. 440 Ranch, 4381 South Highway 377, Aubrey, Texas 76227

No 440 Ranch representative was present. The following letter was received and General Manager Drew Satterwhite read the letter into the record as follows:

"Please let this letter serve as a response for your show cause order scheduled for February 12, 2019. I am 82 years old and there is a good chance I can not appear. However, I will do my best to answer your questions in this writing. We totally cooperated with your organization even to the point of furnishing electric bills and allowing them to test the well. We called many companies to buy a counter to go on the well, none of these companies agreed to do it. There is no such entity as 440 Ranch. We had explained this at one time. The ranch was owned by a

Texas C-corp, Robarosa Corp. Robarosa Corp. was in dire straits financially, it had to file bankruptcy. When it filed bankruptcy, we totally dismantled the well, even to the point to having CoServe remove the meter. As far as I know the well is still dismantled. The Chapter 11 Bankruptcy was not successful. The first lean holder, foreclosed on the ranch. The name of the company that has the ranch now is (SEE BELOW) After the ranch was foreclosed I moved off the ranch. I can assure you, The Robarosa Corp. and I am broke. The IRS has hit me with over \$100,000 in tax liens. If I can be of further assistance in this matter, I would be happy to do so.

Gail Cooper

Jose Martinez; SWE Homes, LP  
6101 Southwest Fwy., Suite 400  
Houston, TX 77057  
Phone: ( 713)-231-1157  
[josem@swhomes.com](mailto:josem@swhomes.com) ”

General Manager Drew Satterwhite reported that the 440 Ranch owes a \$1,500 fine from last year. After a detailed discussion the Board decided that legal action to be taken would be to place lien on property if the well is not brought into compliance. The Board discussed contacting the foreclosure bank with a 60 day notice to pay the fees, and bring the well into compliance. If the District decides to proceed with a lawsuit for the \$1,500 fine, attorney fees, additional fees for remaining out of compliance and 2 years usage fees would need to be added to the fine.

Board Member Thomas Smith made the motion that the Board present an offer to the present owner and foreclosure bank with the opportunity to 1) bring the well into compliance and operational within 60 days, provided there is a pump down hole, or 2) have the well capped. The motion includes the authority for the Board President and General Manager to require that the bank spend up to \$5,000.00 in this effort to bring the well into compliance as authorized under the District's Civil Penalty & Enforcement Policy in the rules. If unsuccessful in this undertaking, authorization is also provided for General Counsel to move forward with the standard lawsuit procedures to then file a lien on the property. Board Member David Flusche seconded the motion. Motion passed unanimously.

3. Adjourn or continue show cause hearing.

President Ronny Young adjourned the show cause hearing at 10:18 a.m.

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### **Board Meeting**

The regular Board Meeting will begin at 10:05 a.m. or upon the adjournment of the above-noticed Public Hearing, whichever is later.

#### **Agenda:**

1. Pledge of Allegiance and Invocation

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

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

President Young called the meeting to order 10:18 a.m., established a quorum was present, and declared the meeting open to the public.

3. Public Comment

Mr. Wes Spruiell informed the Board that he was there to answer any questions the Board might have for THI Well Water.

4. Consider and act upon approval of the minutes from the December 11, 2018 board meeting

Motion was made by Ron Sellman to approve the minutes of the December 11, 2018 meeting. The motion was seconded by Evan Groeschel. Board Member Thomas Smith abstained. Motion passed.

5. Consider and act upon approval of invoices and reimbursements

After review and brief discussion Thomas Smith made the motion to approve Resolution No. 2019-01-12-01. Ron Sellman seconded the motion. Motion passed unanimously.

6. 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) Receive Quarterly Investment Report

General Manager Drew Satterwhite presented the Quarterly Investment Report to the Board. The investment strategies approved by the Board are being followed.

c. Management Plan Committee

1) Receive Quarterly Report

General Manager Drew Satterwhite presented the Quarterly Report to the Board. As of December 31, 2,375 wells were registered in the District and a total of 684 inspections had been made.

7. Discussion and possible action on amendments to the District Hydrogeological Report requirements.

General Manager Drew Satterwhite informed the Board the Permanent Rules state an applicant submitting an application for a permit to drill a well capable of producing 200 gpm or more is required to provide a Hydrogeological Report. The amendments to the report being presented

would also require that a water analysis be provided. The District staff researched and found that the Texas A&M AgriLife Extension has a comprehensive sampling program that is reasonable in costs. The analysis performed and associated costs are found in the table below:

<b>1. Routine Analysis (R) (201)</b> (Conductivity, pH, Na, Ca, Mg, K, CO <sub>3</sub> <sup>2-</sup> , HCO <sub>3</sub> <sup>-</sup> , SO <sub>4</sub> <sup>2-</sup> , Cl <sup>-</sup> , P, B, Nitrate-N, Hardness, and SAR)	<b>\$25 per sample</b>
<b>2. R + Metals (202)</b> In addition to Routine Analysis includes: (Zn, Fe, Cu, and Mn)	<b>\$40 per sample</b>
<b>3. R + Titrate of Drip Irrigation (203)</b>	<b>\$33 per sample</b>
<b>4. R + Metals + Titrate for Drip Irrigation (204)</b>	<b>\$47 per sample</b>
<b>5. R + Metals + Heavy metals and Fluoride (205)</b> In addition to test number 2, Includes As, Ba, Cr, Cd, F, Ni, Pb.	<b>\$75 per sample</b>
<b>Hardcopy mailed to address listed above</b>	<b>\$2 per invoice</b>

Based upon the table above, the staff recommended requiring all constituents listed in Test #2 be submitted for non-PWS wells producing 200 gpm or more. The applicant could be given Texas A&M AgriLife Extension as an option for performing the analysis. The report would be submitted with the registration.

Board Member Thomas Smith made the motion to make the amendments to the requirements as presented by staff. Board Member Maurice Schwanke seconded the motion. Motion passed unanimously.

8. Discussion and possible action on the creation of a Legislative Committee and any authorizations the Board may want to provide in relation to this Committee.

General Manager Drew Satterwhite apprised the Board that during the last Board meeting the suggestion was made to create a Legislative Committee. The Board discussed creating a committee with the ability to deal with emergency legislative situations, approving up to \$5,000.00 to be expended in legal fees for legislative issues, subsequently bringing the matters to the Board. The Committee was created with Chris Boyd, Ronny Young, and Maurice Schwanke appointed as members.

Board Member Thomas Smith made the motion to create the committee with the ability to deal with emergency legislative situations, authorizing up to \$5,000 to be expended in legal fees and subsequently bringing the matters to the Board. Chris Boyd seconded the motion. Motion passed unanimously.

9. Consider and act upon ordering Brochures for the District's Well Monitoring Program.

General Manager Drew Satterwhite stated the District is in the process of expanding the Well Monitoring Program. The District staff has put together a letter and agreement to be sent to Public Water Systems, outlining wells identified in their system, which are possible candidates for the District's monitoring program. A brochure detailing the program has been developed, which would be sent with the letter and agreement to the Public Water Systems. The Field

Technicians would also carry the brochures with them to pass out during their inspections. The Board discussed the brochures and the amount necessary to accomplish the desired results in obtaining wells for the monitoring program. The Board concluded that 500 brochures would be sufficient for this effort.

Board Member David Flusche made the motion to purchase 500 brochures. Board Member Allen Knight seconded the motion. Motion passed unanimously.

10. Consider and act upon authorizing purchase of District flow meter calibration services.

General Manager Drew Satterwhite reminded the Board NTGCD and RRGCD partnered and purchased a flow meter for the testing of water wells several years ago. As of January 1, 2019, new spacing rules have been implemented which are based on a formula with the variable being the well's production capacity. The new spacing regulations place an added importance on production capacity and it is in the District's best interest to be able to verify meter accuracy. TCEQ does require a public water system to calibrate their meters every three (3) years. Cost for this calibration/verification would be split 50/50; the District's share would be \$300.

Board Member Thomas Smith made the motion to test the meter at a cost of \$300. If a purchase is necessary, additional authorization is provided to the General Manager and Board President to make decisions on purchases up to \$5,000, informing the Board at a later meeting. Maurice Schwanke seconded the motion. Motion passed unanimously.

11. Consider and act upon procedure for completion deadlines on applications submitted under Temporary Rules.

General Manager Drew Satterwhite provided background information for the Board regarding applications submitted prior to adoption of the Permanent Rules. Under the Temporary Rules an applicant had 240 days to drill and complete a well, with an option for an additional 240 day extension. The applicant was also required to commence drilling within 180 days. Under the Permanent Rules an applicant of a non-Public Water System well has 240 days to commence, drill and complete a well with the option of an additional 240-day extension. A Public Water System applicant has 365 days to commence, drill and complete a well with the option of 2 additional 365-day extensions. The Board discussed applications received prior to implementation of the Permanent Rules and that it should fall under the old rules.

Board Member Thomas Smith made the motion that for the deadline purposes, the permanent rule deadlines will apply providing a longer time-frame to commence and complete wells. Ron Sellman seconded the motion. Motion passed unanimously.

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

General Manager Drew Satterwhite reported that GMA 8 met and selected WSP along with Blanton & Associates, Inc. as the consultants to perform professional services related to the DFC process. James Beach is the Senior Supervising Hydrogeologist. The Committee that was formed has reviewed a scope from WSP. NTGCD serves as the administrative district and

requested that an interlocal agreement be created between the GMA 8 districts to share in the consultant costs. Plans are for GMA 8 to schedule a meeting in April or May.

- 13. Consider and act upon compliance and enforcement activities for violations of District’s Rules.
  - a. THI (Prosper ISD well) Fine

General Manager Drew Satterwhite informed the Board that THI realized that they were in violation of District Rules in drilling a well without registering, and reported the violation to the District. THI paid the \$500 fine for this violation and therefore no other action was needed.

- 14. General Manager’s Report: The General Manager will update the Board on operational, educational and other activities of the District.
  - a. Rule Implementation update

General Manager Drew Satterwhite reported letters informing water well drillers and non-exempt well owners of the changes effective January 1, 2019 in adopting the District’s Permanent Rules have been mailed. Updated forms have been created and posted on the websites. The first pre-application meeting was has taken place.

- b. Interlocal Agreement with GMA 8

General Manager Drew Satterwhite previously reported on the Interlocal Agreement.

- c. Recognize Paul Sigle for earning his Master’s Degree in Engineering

General Manager Drew Satterwhite informed the Board that Paul earned his Master’s Degree in Engineering from the University of Arkansas.

- 15. Open forum/discussion of new business for future meetings

Board expressed appreciation to Mustang SUD for allowing the use of their facilities.

- 17. Adjourn public meeting

President Young declared the meeting adjourned at 11:13 a.m.

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Velma Starks  
Recording Secretary

  
Secretary-Treasurer