

**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**

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

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 ”

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.

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

