

# UPPER TRINITY GROUNDWATER CONSERVATION DISTRICT

MONDAY, NOVEMBER 14, 2011

## MINUTES OF MEETINGS OF THE BOARD OF DIRECTORS

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### REGULAR BOARD MEETING

DISCUSS, CONSIDER, AND TAKE APPROPRIATE ACTION, INCLUDING EXPENDITURE OF FUNDS AS NECESSARY OR APPROPRIATE, ON THE FOLLOWING AGENDA ITEMS:

1. Welcome guests and members of the public.  
The meeting convened at 5:10 PM.
2. Roll call, establish a quorum, declare the board meeting open to the public.

Directors Present:

Dan Caudle, Robert Marlett, Mike Massey, Tracy Mesler, Ross Mueller, JoRuth Sandel, and Tim Watts

President Massey declared a quorum was present and called the meeting to order.

3. Consent Agenda:

Each of these items is recommended by the Staff and approval thereof will be strictly on the basis of the Staff recommendations. Approval of the Consent Agenda authorizes the General Manager or his designee to implement each item in accordance with the Staff recommendations. The consent agenda will be approved as a block. Any Board member that has questions regarding any item on the consent agenda may have the item pulled and considered as a regular item on the agenda. Any items so pulled for separate discussion will be considered as the first items following approval of the consent agenda.

- A. Approval of minutes from Board meeting on October 17, 2011.
- B. Approval of bank statement ending October 31, 2011, and current financial report of the District.

Director Mesler asked about the Pinnacle Bank statement compared to the Investment Report. A note should be added to each month's reports clarifying the cleared/uncleared balances. President Massey asked about six accounts in arrears on the Customer Balance Summary. President Massey suggested the General Manager report on all accounts that are in arrears at the next meeting of the Board.

The following comments were made regarding the Profit & Loss Budget Performance:

- Advertising and Public Relations line items were to be combined per previous Board action and such action has not been taken by staff as of this date.
- Board previously amended the 2011 Budget to fund line item Bank Service Charge and such action has not been taken by staff as of this date.
- The following four line items were not created by Board action and the related expenses should be placed in appropriate line items existing in the 2011 Budget:
  - Office Expense - Other
  - Operations - Other
  - Other Costs-Sales Tax

- Travel and Training - Other
  - Kitchen Beverages is over budget and must be amended
- C. Payment of bills/ invoices received through November 14, 2011.  
The following items were added to the Unpaid Bills Summary:
  - Director Marlett reimbursement \$155.40
  - Director Mueller reimbursement \$83.25
  - Director Caudle reimbursement \$128.76
  - Director Massey reimbursement \$163.43
  - Total of Unpaid Bills Summary is \$10,138.02
- D. Reimburse General Manager, Office Manager and/or Director of Field Operations for invoices/ bills paid on behalf of the District through November 14, 2011.

Director Mesler moved to adopt the consent agenda with the additions as listed; the motion was seconded by Director Sandel. Motion carried unanimously.

4. Any items from consent agenda that were pulled for further discussion.  
No items were pulled from the consent agenda for further discussion.
5. Intera presentation regarding well interference analysis tool available to assist District in future water management decisions.  
Dr. Steve Young of Intera presented a new tool that may interest the District. Several questions followed, but no action was made.

6. Committee Reports and Charges.

A. Policy & Personnel Committee:

- (i) Committee report on recommendations for changes to District's Personnel Policy regarding benefits and employee probationary period.

A revised Personnel Policy was distributed to the Board. It includes revisions to the Retirement and Weapons policies. The policy now complies with decisions made in Resolution #11-002 "Amending the District's Personnel Policy Manual."

- (ii) Action as necessary on recommendations from committee based on its report provided under Agenda Item 6.A. (i).

Director Marlett moved to adopt Resolution #11-002 as it was presented. Director Mesler seconded; the motion carried unanimously.

7. General Manager's report: The General Manager will brief the Board on the following items, which may be discussed, considered, and acted upon by the Board, including authorizing the initiation of, managing, or resolving enforcement action or litigation where applicable.

A. Report on failure of containment pond resulting in major loss of stored groundwater in Montague County by one or more oil & gas producers.

General Manager reported the attorney's advice regarding the pit and the meter on the well. It is a major violation of District rules to fail to timely meter a well. Board recommended setting a Show Cause Hearing to discuss metering and unpaid water use. Staff is directed to mail a letter summoning Canan Operating to a Show Cause Hearing to be held December 19, 2011 at 5:00pm in the District's Springtown office.

B. Report on failure of Texas H2O to pay water use fees due the District for water production reported for the period of January 1, 2011 thru June 30, 2011; payment was due the District on September 1, 2011.

Texas H2O has allegedly committed their second major violation of District rules for failing to timely pay water usage fees. Their water usage fees of \$13,423.91 are more than 60 days past due. Director

Mesler moved that Texas H2O be notified that they have committed a second major violation of District rules; failure to timely pay usage fees due the District and assess a penalty of \$500.00 for such second major violation plus assess a late fee of 10% of the outstanding balance which would be \$1,342.39 for being more than 60 days late, such penalties and late fees to be in addition to the outstanding balance of \$13,423.91. Furthermore, in the event that Texas H2O wishes to appeal this decision they may request a Show Cause Hearing to be held on December 19, 2011 at which time all available remedies as specified under the Temporary Rules of the District may be considered by the Board. Director Mueller seconded the motion. Motion carried unanimously.

C. Update on District administrative and operational matters.

Director Sandel submitted her Certificates of Course Completion for Open Meetings Act and Public Information Act.

8. Review line item expenditures and adopt budget amendment(s) as necessary.

The Board considered amending the budget to move \$500 from Supplies to line item Kitchen Beverages. Director Mesler moved to amend the budget as discussed. Director Marlett seconded. Motion carried unanimously.

9. Public comment.

No public comment.

10. Determine time and place for next meeting.

Next regular board meeting is scheduled for December 19, 2011 at 5:00 PM in the Springtown office.

11. New business to be placed on the next meeting agenda.

No new business was discussed.

12. Adjourn board meeting.

The meeting adjourned at 6:45 PM.

PASSED, APPROVED, AND ADOPTED BY THE BOARD OF DIRECTORS this

19<sup>th</sup> day of DECEMBER, 2011.

Attest:

Mike Massey  
Mike Massey, President

Tim Watts  
Tim Watts, Secretary / Treasurer