

UPPER TRINITY GROUNDWATER CONSERVATION DISTRICT

MONDAY, DECEMBER 19, 2011

MINUTES OF MEETINGS OF THE BOARD OF DIRECTORS

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 5:03 PM.
2. Roll call, establish a quorum, declare the board meeting open to the public.

Directors Present:

Mike Berkley, Dan Caudle, Robert Marlett (arrived at 5:09 PM), Mike Massey, Tracy Mesler, Ross Mueller, and Tim Watts

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

SHOW CAUSE HEARING

3. Conduct Show Cause Hearing regarding Mr. Jess Lewellyn Sr. and/or Mr. Jess Lewellyn Jr., Texas H2O, Inc., 550 N. Walnut Creek Drive, Suite 100, Mansfield, Texas 76063 for alleged second major violation of District Rules; failing to timely pay usage fees.
4. Discuss, consider, and take appropriate action regarding the testimony received under item 3, to include authorizing President and or General Manager to hire appropriate legal counsel to initiate a civil lawsuit in this matter to enforce compliance with the District Rules, including recovery of civil penalties, costs, and attorneys' fees, and all other appropriate legal and equitable relief.
5. Adjourn or continue Show Cause Hearing.

President Massey declared that the Show Cause Hearing could not be held because staff had failed to provide proper notice of the hearing as required under District Rule 9.6 to the effected parties.

Director Mesler moved to set the Show Cause Hearing for January 23, 2012 and directed staff to mail out another letter to the effected parties by December 21. Director Watts seconded. The motion carried unanimously.

REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS

DISCUSS, CONSIDER, AND TAKE APPROPRIATE ACTION ON THE FOLLOWING
AGENDA ITEMS:

6. 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 Seminar on November 11, 2011 and Board meeting on November 14, 2011.
- B. Approval of bank statement ending November 30, 2011, and current financial report of the District through December 19, 2011.
- President Massey requested that the General Manager submit the P&L Budget with newly created accounts to Finance Committee Chairman, Director Berkley. Finance Committee will determine if it is appropriate to change or rearrange the accounts. General Manager attempted to clarify his reasons for recommending the changes.
 - Revenues for Profit & Loss Budget Performance do not match revenues on Income by Customer Summary. There is a \$30,000 difference, which may be due to cash vs. accrual reporting. Staff to verify accuracy.
 - Director Watts asked about a recent bill from Lloyd Gosselink. The charge is a regular legal expense to work on the resolution that President Massey distributed, called "Resolution Establishing Administrative Procedures for Groundwater Management Area 8." The fee is divided among the districts that are working on the two projects.
 - General Manager moved \$200,000 from the Pinnacle Bank checking and \$47,386.24 from the FNB-Granbury checking to purchase a \$247,386.24 certificate of deposit at FNB-Granbury. There was some discussion about investing more money in at least two other depositories.
- C. Payment of bills/invoices received through December 19, 2011.
The following items were added to the Unpaid Bills Summary:
- Director Mesler reimbursement \$210.55
 - Director Mueller reimbursement \$27.75
- D. Reimburse General Manager, Office Manager and or Director of Field Operations for invoices/ bills paid on behalf of the District through December 19, 2011.

Director Mesler moved to approve the consent agenda with the two additions as recorded. Director Watts seconded the motion. The motion passed unanimously.

7. Any items from consent agenda that were pulled for further discussion.
- No items were pulled from the consent agenda for further discussion.
8. Adopt meeting dates for Regular Board Meetings of UTGCD Board of Directors for 2012.
- Board reviewed the "Proposed 2012 UTGCD Regular Board Meeting Schedule." Meetings are on Mondays before the third Tuesday of each month, unless that Monday falls on a holiday. Dates

coincide with other groundwater conservation districts to split legal counsel's travel costs, if needed. Director Marlett moved to adopt the 2012 Regular Board meeting dates as January 23, February 27, March 19, April 16, May 21, June 18, July 16, August 20, September 17, October 15, November 26, and December 17. Director Berkley seconded. The motion carried unanimously.

9. Committee Reports and Charges.

A. Policy & Personnel Committee:

- (i) Committee report regarding recommendation for General Manager's salary for 2012.

At 5:22 PM, Board entered an Executive Session to discuss personnel matters.

At 6:11 PM, Board reconvened for open session. No action was taken.

- (ii) Action as necessary on recommendations from committee based on its report provided under Agenda Item 9.A. (i).

- Director Caudle moved to set the General Manager's salary for 2012 at \$82,250. Director Berkley seconded; the motion carried unanimously.

B. Finance Committee:

- (i) Committee report regarding amount budgeted for staff salaries for 2012.

- There was some discussion about General Manager's recommendation for 2012 salaries and how they fit in the budget. The request to hire a sixth staff member has been approved, but not funded. Once a person is found to fill the part-time position, the General Manager must approach the Board to fund the position. Director Mesler recommended the General Manager move forward to create a job description and salary. General Manager has the authority to hire a qualified candidate, without waiting on funding.

- (ii) Action as necessary on recommendation(s) from committee based on its report provided under Agenda Item 9.B. (i).

10. 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 settlement agreement reached with Canan Operating Co. regarding alleged major violation of District rules; failure to timely meter a non-exempt water well.

- Canan has agreed to the settlement offer made by the General Manager and has submitted payment per the settlement agreement. Director Mesler moved to find that Canan Operating has committed its first major violation of District rules, failing to timely meter a water well, and that the penalty for the first major violation is \$250 to be added to the settlement for the pumped water which is accepted in the amount of \$2,220.51. Director Marlett seconded the motion. The motion carried unanimously.

B. Report on all delinquent customers of the District.

- For those customers who have a small debit on their account, President Massey recommended the staff give a credit on their next invoice. Rio Brazos Water Supply Corporation promised to mail a check; their invoice is nine months overdue. The Board considered charging a 10% penalty, but chose not to take action due to extenuating circumstances. The last remaining delinquent customer is Texas H2O; they will be addressed in the next Board Meeting.

C. Request for carry-over of vacation time for staff members.

- The Board reviewed the "PTO Report 12-19-11." Field Technician has vacation time scheduled in January 2012. General Manager plans to take vacation time in December 2011 and January 2012. Vacation time is limited to 40 hours, unless approved by the General Manager. Director Mesler

moved to authorize General Manager to authorize carry-over vacation time for staff members as required. Additionally, the Board will authorize the General Manager to carry over 80 hours of unused vacation time. Director Berkley seconded the motion. The motion carried unanimously.

- D. Request from staff for District to provide additional insurance coverage for family members.
- The Board reviewed “Monthly costs for additional insurance coverage.” Several Texas counties do not contribute to health insurance expenses for their employees’ families. However, some groundwater conservation districts do contribute to health coverage for dependents. Board recommended discussing this topic during budget discussions for 2013.
- E. Report on alterations to website effecting available information.
- President Massey could not find Board meeting dates on the District’s website. Staff should compare the previous website to the current website to make sure all the information is currently available online. Staff must post the check register online, rather than accrual reporting.
- F. Update on District administrative and operational matters.
- George Conley, Parker County Commissioner, consulted with General Manager on the issue that TCEQ reported five contaminated wells near Weatherford airport. Contamination is most likely due to gasoline storage leaks.
 - General Manager distributed the USGS proposal for Board review. The report measures water level, temperature, specific conductance, and more.

At 6:42 PM, the Board took a 10-minute recess.

At 6:53 PM, the Board re-convened in open session.

11. Adoption of required Resolution to Participate in Texas County & District Retirement System including authorizing Board President to sign necessary document(s).
- On September 19, the Board voted on retirement issues, but neglected to indicate whether the Board wanted the 20- or 30-year term to allow staff to retire regardless of their age, or regardless of the Rule of 75. The 30-year term required contribution rate is 4.07% per month, which is subject to annual adjustment. The 20-year term contribution rate is 4.15%. The District’s legal counsel reviewed the documents and recommended the 30-year term. Director Mesler moved to adopt the 30 years of service resolution and authorized the Board President to sign the document. Director Berkley seconded the motion. The motion carried unanimously.
12. Approve signing document entitled Acknowledgment of Conditions Governing Texas County & District Retirement System Participation revised 2011 as required by Texas County & District Retirement System.
- Director Mesler moved that all directors should sign the document entitled “Acknowledgment of Conditions Governing Texas County & District Retirement System Participation.” Director Caudle seconded the motion. The motion carried unanimously.
13. Distribute Intra Team proposal for Update of the Northern Trinity/Woodbine Groundwater Availability Model.
- Intra solicited a highly qualified team to work on the project as outlined in the proposal. No other proposals have been submitted, and no other proposals are expected. This project is estimated to cost approximately \$1,866,000, which was less than anticipated. This document will soon be presented to GMA8. Other groundwater conservation districts will be invited to participate. If additional counties participate, they will be able to help pay for the additional costs. President Massey expects to have more information at the next Regular Board Meeting. The four GCD’s expected to participate are Prairielands, Upper Trinity, Northern Trinity and North Texas. Expenditures in the proposal are prorated over the next three years. There were some questions about participation, legal involvement, timing and infrastructure. Director Mesler moved to authorize President Massey and Director Berkley to secure outside legal counsel regarding the proposal. Director Caudle seconded. Motion carried unanimously.
14. Review line item expenditures and adopt budget amendment(s) as necessary.

Director Marlett moved to make the following budget amendments:

- Transfer \$370.00 from Employee Medical Insurance and split into two categories:
 - \$116.00 to Insurance – Liability, D and O.
 - \$254.00 to Office Liability.
- Transfer \$500 from GMA8 Contribution to Other Costs-Sales Tax
- Combine Advertising/Public Relations into one account

Director Mueller seconded the motion. Motion carried unanimously.

15. Public comment.

- Joe Cooper of the Middle Trinity Groundwater Conservation District introduced himself and gave a brief explanation of his District's history. He praised our General Manager's expertise about oil and gas drilling. In turn, President Massey thanked him for helping our District.

16. Determine time and place for next meeting.

- Next board meeting is scheduled for January 23, 2012 in the Springtown office at 5:00 PM.

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

- No new business was determined.

18. Adjourn board meeting.

- The meeting adjourned at 7:26 PM.

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

23RD day of JANUARY, 2012.

Attest:

Mike Massey
Mike Massey, President

Tim Watts
Tim Watts, Secretary / Treasurer