

Minutes

for
the
3:00 PM
July 20, 2021

PERMIT HEARING on OPERATING PERMITS
and
Regular Board Meeting
of the
BOARD OF DIRECTORS
of the

NORTHERN TRINITY GROUNDWATER CONSERVATION DISTRICT
1100 Circle Drive, Suite 300 Fort Worth, Texas 76119

IN-PERSON MEETING LOCATION:
Board Room located at 1100 Circle Drive, Fort Worth, TX 76119

PERMIT HEARING on OPERATING PERMITS

Notice is hereby given that the Board of Directors of the Northern Trinity Groundwater Conservation District (District) will hold a Permit Hearing and may discuss, consider, and take all necessary action regarding the subject matters of the hearing, including but not limited to approving the applications listed below.

AGENDA:

1. Call to order; establish a quorum; declare meeting open to the public; introduction of Board.

Vice President Cozart called the Permit Hearing to order and opened the Hearing to the Public at 3:02 P.M. A quorum was established.

Directors Present: Vice President Cozart, Secretary Merritt, Director Petterson

Directors Absent: President Laughlin and Director Haster

Staff Present: General Manager Bob Patterson; Corey Jones and Laura Schumacher

Ty Embrey, attorney with Lloyd Gosselink representing the District and James Muela, attorney with Lloyd Gosselink were present at the meeting.

Members of the Public in attendance:

- Representing Viridian MMD- Chris Conner
- Representing Barco Well Service and TM Sweetgrass- Jason Flynt, driller & A. Rodriguez
- Representing Boucher Morgan and Young – Kimberly Knox-Lewis
- Richard Schiller, Tarrant County

2. Review the Operating Permit Application(s) of:

Applicant: TM Sweetgrass, LLC_Well 3

Location of Well: 801 Blue Mound Road E Haslet, TX 76052

Latitude: 32°57' 18.85" N Longitude: -97°19' 51.21" W

District Registration Number: N-2021-0142

Purpose of Use: Construction Water

Requested Amount of Use Annually: 19,139,230 gallons

Production Capacity of Well: 74 gallons per minute

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Vice President Cozart requested the GM to review the permit information for TM Sweetgrass. The GM reviewed the permit information with the Board including the definition of construction water as the requested usage on the permit. GM discussed the permit water usages with the Board.

3. Public Comment on the Operating Permit Application(s).

Jason Flynt, owner of Barco Drilling addressed Board questions concerning the water use as noted on the permit. The permit owner described the water being used for construction which after the construction is completed, would be used for irrigation of the site. Mr. Flynt address the question of the proposed new well being drilled in the Trinity. The drilling will go to the Trinity to achieve the requested gpm.

VP Cozart called for additional questions.

VP Cozart closed the public comment on the Operating Permit Application for TM Sweetgrass.

4. Consider and act upon the Operating Permit Application(s), including designation of parties and/or granting or denying the Operating Permit Application(s) in whole or in part, as applicable.

Vice President Cozart called for motion to accept the Operating Permit Application for TM Sweetgrass as presented. VP called for a motion to accept.

Director Petterson made the motion to approve the Operating Permit Application for TM Sweetgrass. Secretary Merritt seconded the motion. The vote was unanimous to grant the operating permit for TM Sweetgrass, LLC_Well 3 as submitted.

5. Adjourn or continue permit hearing.

VP Cozart adjourned the permit hearing at 3:14 PM.

Regular Board Meeting

The Regular Board Meeting will begin upon adjournment of the above noticed Public Hearing.

All interested parties are invited to attend.

The Board may consider, discuss, and take action, including expending funds, on any of the following agenda items:

AGENDA:

1. Call to order; establish a quorum; and declare meeting open to the public.

Vice President Cozart called the Regular Board meeting to order and opened the meeting to the Public at 3:14 P.M. A quorum was established.

Directors Present: Vice President Cozart, Secretary Merritt, Director Petterson

Directors Absent: President Laughlin and Director Haster

Staff Present: General Manager Bob Patterson; Corey Jones and Laura Schumacher

Ty Embrey, attorney with Lloyd Gosselink representing the District and James Muela, attorney with Lloyd Gosselink were present at the meeting.

Members of the Public in attendance:

Representing Viridian MMD- Chris Conner

Representing Boucher Morgan and Young – Kimberly Knox-Lewis

Richard Schiller, Tarrant County with Commissioner Fickes office

General Manager introduced Riylee Heath. She is working with the District Staff as an administrative assistant.

2. Public Comment.

No additional public comment.

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 for 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 June 16, 2021.
- B. Approval of Current Budget Performance - Operating and Investment account statements.
- C. Payment of bills/invoices received.
- D. Reimburse General Manager, Field Tech, and/or Office Manager for invoices/bills paid on behalf of the District.

Vice President Cozart asked if anyone wanted to pull an item from the Consent Agenda.

No items were pulled.

Vice President Cozart called a motion to accept the Consent Agenda as presented.

Director Petterson made the motion to accept the Consent Agenda as presented. Secretary Merritt seconded the motion.

VP Cozart called for a vote. Vote was unanimous to accept the Consent Agenda as presented.

4. Any items from Consent Agenda that were pulled for further discussion.

No items were pulled from the Consent Agenda for further discussion.

5. Discussion regarding potential violations of District Rules by the following. Take action as necessary.

- Viridian Municipal Management District

No BOD discussion or action on the potential Viridian MMD violation. Director Petterson made the motion to table the potential violation for Viridian MMD until the next Board meeting. Secretary Merritt seconded the motion.

Unanimous vote to table the potential violation for Viridian Municipal Management District until the next Board meeting.

6. Presentation of "Draft" Audit for Board approval.

VP Cozart called on Kimberly Knox-Lewis with BMY to introduce the "Draft" Audit for 2020. Ms. Knox-Lewis reviewed the 2020.Draft Audit with the Board.

Ms. Knox-Lewis informed the Board the Independent Auditor's Report is the only deliverable to the Board therefore the remaining audit presentation is a compilation of information for management.

The District received an unqualified opinion which is the highest level of assurance the auditor is able to give which means the auditor found no uncorrected material misstatement in the financials.

The District had an increase of a total net operating income of around \$124,000 for 2020.

Ms. Knox-Lewis requested questions or comments from the Board on the financial statements or the audit process. VP Cozart ask her if she had any recommendation concerning the current office procedures.

Ms. Knox-Lewis recommended the Board formalize any employment arrangements with a formal employee agreement with each employee and the Board specifically approves Dr. Patterson's salary each year.

VP Cozart called for questions from the Board.

Director Petterson made the motion to accept the 2020.Audit as presented by Ms. Knox-Lewis of Boucher Morgan and Young, auditors. Secretary Merritt seconded the motion. Unanimous vote for motion to accept the 2020. Audit as presented by Ms. Knox-Lewis of Boucher Morgan and Young, auditors.

7. Board will consider and possibly act upon the January 1 through December 31, 2022 Operating Budget and Adopt Fee Rate Schedule for January 1 through December 31, 2022.
 - Adopt Resolution # 021-002 (Adopting 2022 Operating Budget)
 - Adopt Resolution # 021-003 (Ratifying adoption of Water Use Fee)

VP Cozart requested the GM introduce the proposed 2022 budget. GM reported financial highlights of the District Operating and Investment Accounts.

The GM presented the projected 2022 budget based on the current water use fee of 12.5 cents per thousand gallons. As projected the 2022 budget has a negative income / expense balance. The GM requested the Board to discuss and raise the Water Use Fee to 15 or 15.5 cents per thousand gallons to assist the District in balancing the projected 2022 budget.

VP Cozart brought to the Board's attention that the Board cannot approve Resolution #021-002 as presented if the water use fee is increased because the Resolution has an "Attachment A" 2022.Budget at 12.5 cents per thousand of water usage.

VP Cozart ask the General Manager for a recommendation for the Water Use Fee for the projected 2022.Budget.

General Manager recommended increasing the 2022 Water Use Fee to be 15.5 cents per thousand gallons. The GM reported to the Board that the District is not educating the public due to lack of funds.

The Board discussed the current fee rate of \$.125 per thousand gallons of water being adopted on October 1, 2012 and the District has a capped rate of \$.20 per thousand gallons of water. Additionally, the General Manager informed the Board the District's database needed updating and an administrative assistant was working 29 hours a week adding expenses to the budget.

VP Cozart ask the Board for additional discussion. Board discussed the difference in the 15 cent and the 15.5 cent increase projections.

Director Petterson made the motion to establish the Water Use Fee at 15 cents per thousand gallons of water. Motion died from lack of a second.

Secretary Merritt ask the GM what he projects the 2022 budget increases will be for the District. The GM reiterated as reported at the last meeting the District will be purchasing a new vehicle, hiring a new employee, and the need for a new office space. Director Petterson ask the GM for confirmation that the new budget had those items in it. GM confirmed the projected 2022.Budget did have the previously mention items. The updated database is not included in the projected budget.

Secretary Merritt made the motion to increase the water use fees from \$.125 per thousand to \$.155 per thousand gallons and ratifying Resolution #021-003 to show a water use fee rate of \$.155 per 1000 gallons of water produced during the period from January 1, 2022 and continuing thereafter until changed by the Board. Director Petterson seconded the motion. Unanimous vote to accept the motion.

After Board discussion, Director Petterson made a motion to table the Agenda Item to consider and possibly act upon the January 1 through December 31, 2022 Operating Budget and to table Resolution # 021-002 (Adopting 2022 Operating Budget). Secretary Merritt seconded the motion. Vote was unanimous to accept the motion.

VP Cozart instructed the GM to poll the Board and set a meeting before the end of August to review the budget with the newly adopted water use fee rate of \$.155.

8. G M Report

- **Hiring of Part-time Contract Employee**
 - Discussion with Sheila Gladstone
 - No more than 29 hours per week
- **Report on extended Legislative Session by Ty Embrey, Attorney**

Ty Embrey, attorney with Lloyd Gosselink updated the Board with the actions of the Legislative Session. He reported no items presented for the special session would affect Northern Trinity GCD.

- **Financial discussion with Mike Wilson, President of Chase Bank**
- **Report from GMA 8 meeting**

GM reported this meeting was cancelled.

9. Other Business / Setting of next meeting

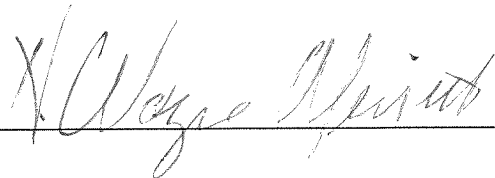
No other business. Next meeting was not set.

10. Adjourn.

Vice President Cozart adjourned the meeting at 4:11 PM.

PASSED, APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS this

25th day of August, 2021.

Attest: , Secretary of NTGCD Board