

MINUTES

for the
Tuesday, May 23, 2023, at 2:00 PM

Permit Hearing on Operating Permit, Operating Permit Amendment,
Grandfathered Use Permit and Grandfathered Use Permit Amendment
and

REGULAR BOARD MEETING

of the
BOARD OF DIRECTORS
for

NORTHERN TRINITY GROUNDWATER CONSERVATION DISTRICT

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

Permit Hearing

The Permit Hearing will begin at 2:00 P.M. All interested parties are invited to attend.

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 application(s) listed below.

Agenda:

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

President Laughlin called to order the May 23, 2023 Open Meeting for the Permit Hearings and Regular Meeting to order at 2:03 PM. A quorum was established, and the meeting was opened to the public.

Board Members present: President Laughlin
Vice President Cozart
Secretary Merritt
Director Gladbach

Board Member Absent: Director Haster

Staff Present: Corey Jones, General Manager
Hi Newby
Laura Schumacher

James Muela, Attorney for the District with Lloyd Gosselink
Kimberly Knox-Lewis, Auditor for the District with Boucher, Morgan, and Young (BMY)

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

Applicant: South Lake Park Services, Inc.

Location of Well: 3340 Southlake Park Dr, Southlake, TX 76092

N-2016-1087 - Latitude: 32.984528°N Longitude: -97.145667°W

Purpose of Use: PWS

Additional Amount Requested: 3,000,000 gallons (to be used in conjunction with Grandfathered Use Permit #25 approved for 9,000,000 gallons annually)

Total Maximum Authorized Production Amount: 12,000,000 gallons

Production Capacity of Well: 70 GPM

Aquifer: Paluxy

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

No public comment.

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

General Manager Jones introduced the additional usage request to Grandfathered Use Permit (GUP) # 25 for South Lake Park Services, Inc. The public water system is providing water to new homes subsequent to the GUP approval by the Board.

GM addressed questions by the Board relating to the requested amount of the Operating Permit.

President Laughlin called for a motion to approve the requested 3,000,000 Operating Permit for South Lake Park Services, Inc.

Vice President Cozart made the motion to grant the Operating Permit as presented for South Lake Park Services, Inc.

Director Gladbach seconded the motion.

President Laughlin called for a vote. Vote was unanimous to grant the Operating Permit to South Lake Park Services, Inc.

5. Review the Operating Permit Amendment Application(s) of:

Applicant: City of Euless

Location of Well System: Well 1- 2591 N. Main St. Well 2- 120 W. Fuller St.

Well 1-N-2019-0101 - Latitude: 32.873583°N Longitude: -97.083361°W

Well 2-N-2019-0102 - Latitude: 32.840306°N Longitude: -97.083472° W

Purpose of Use: PWS

Requested Amount of Use Annually for System: 730,000,000 gallons

Current Maximum Authorized Production Amount: 519,081,200 gallons

Production Capacity of Well: 1,000 GPM/per well

Aquifer: Twin Mountains

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6. Public Comment on the Operating Permit Amendment Application(s).

Mr. Major Jones with the City of Euless attended the meeting representing the City of Euless.

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

General Manager Jones introduced the Operating Permit Amendment Application to increase water usage and to combine two (2) permits into one Operating Permit.

President Laughlin called for a motion to approve the request from the City of Euless.

Vice President Cozart made the motion to approve the request and to amend the two (2) existing Operating Permits to one (1) Operating Permit as presented.

Director Gladbach seconded the motion.

President Laughlin called for a vote. Vote was unanimous to grant the amended Operating Permit to the City of Euless.

Agenda Items 8 through 10 were Postponed due to incomplete application requirements for Fuel City Haltom City.

- 8. Review the Grandfathered Use Permit Application(s) of:

Applicant: Fuel City Haltom City

Location of Well: 1715 Haltom Rd, Haltom City, TX 76117

Well 1-N-2016-1676 - Latitude: 32.783278°N Longitude: -97.274889°W

Well 2-N-2016-1677- Latitude: 32.782806°N Longitude: -97.275194° W

Purpose of Use: Commercial- Car Wash

Requested Amended Annual Production: 10,100,000 gallons

Production Capacity of Wells: 60 GPM/per well

Aquifer: Paluxy

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- 9. Public Comment on the Grandfathered Use Permit Application(s).

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

- 11. Review the Grandfathered Use Permit Amendment Application(s) of:

Applicant: Carlos J. Coll

Location of Well: 1401 Heritage Parkway, Mansfield, TX 76063

Permit # 68_N-2016-1529 - Latitude: 32.553528°N Longitude: -97.126222°W

Purpose of Use: Irrigation

Requested Amended Annual Production: 1,043,270 gallons

Current Maximum Authorized Production Amount: 486,120 gallons

Production Capacity of Wells: 25 GPM

Aquifer: Woodbine

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12. Public Comment on the Grandfathered Use Permit Amendment Application(s).

Mr. Carlos J Coll was in attendance to address the Board.

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

General Manager Jones advised the Board that the Grandfather Use Permit # 68 for 2022. Semi-Annual 2 over-pumped the approved usage.

Mr. Coll addressed the over-pumping with the Board and a request for an amendment to the approved pumping gallons.

President Laughlin made the motion to approve the amendment Grandfathered Use Permit request for Carolos Coll.

Director Gladbach seconded the motion.

President Laughlin called for a vote. Vote was unanimous to grant the amended permit request to Carlos Coll.

14. Adjourn or continue Permit hearing.

President Laughlin adjourned the Permit Hearing at 2:20 P.M.

Regular Board Meeting

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

Northern Trinity GCD Regular Board meeting was called to order at 2:20 P.M., a quorum was established, and the meeting was declared open to the Public by President Laughlin.

Board Members present: President Laughlin
 Vice President Cozart
 Secretary Merritt
 Director Gladbach

Board Member Absent: Director Haster

Staff Present: Corey Jones, General Manager
Hi Newby
Laura Schumacher

James Muela, Attorney for the District with Lloyd Gosselink
Kimberly Knox-Lewis, Auditor for the District with Boucher, Morgan and Young (BMY)

2. Public Comment.

No 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's 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 the Board meeting on March 29, 2023.
- B. Approval of Current Budget Performance - Operating and Investment account statements.
- C. Payment of bills/invoices received.
- D. Reimburse the General Manager, Field Tech, and/or Office Manager for invoices/bills paid on behalf of the District.

President Laughlin called for a motion to approve the Consent Agenda as presented.

Vice President Cozart made the motion to approve the Consent Agenda as presented.
Secretary Merritt seconded the motion.

The Board voted unanimously to accept the Consent Agenda as presented.

President Laughlin requested the Finance Committee consisting of Vice President Cozart and Secretary Merritt, to meet before the next meeting and present an update to the Board.

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

No items were pulled for further discussion.

5. Discuss, Consider and act on upon potential violations of District Rules by:
- Opportunity Fund, LLC/ Ron Sturgeon Real Estate, LP

President Laughlin requested General Manager Jones introduce the potential violations for RDS Opportunity Fund, LLC / Ron Sturgeon Real Estate, L.P.

General Manager informed the Board that the Owner operates capacity-exempted, non-exempt use, and non-exempt wells throughout Tarrant County.

Recently TCEQ deemed several of the capacity-exempt wells as public water supply wells, which by District Rules, required metering, reporting, and paying fees.

Garrett Davis with Ron Sturgeon Real Estate attended the meeting as the representative for Ron Sturgeon.

GM Jones informed the Board that the named entity had non-exempt unregistered wells, delinquent and erroneous Water Production Reports, and wells that were plumbed together to form a system with a capacity threshold total that make the system non-exempt regardless of usage.

General Manager recommended a First Major violation for failure to register wells as mandated by the District Rules and a Second Major Violation for failure to submit accurate Water Production Reports.

Board discussed the presented potential violation information.

President Laughlin called for a motion.

Vice President Cozart made the motion to levy a First Major Violation of \$500.00 and a Second Major Violation of \$1,000.00 as recommended by the General Manager.

Additionally, Ron Sturgeon Real Estate, LP, RDS Opportunity Fund, LLC, and other related entities must bring all groundwater wells located on various properties into compliance with the District's Rules, including but not limited to correctly registering all existing wells with the District, transferring well ownership to the current ownership entity and correctly reporting groundwater usage on a complete District form within 30 days.

Secretary Merritt seconded the motion for the First and Second Violations with monetary payments and additional action requirements within a 30-day period of May 23, 2023.

President Laughlin discussed with Garrett Davis, as the RDS representative, the consequences of not completing the action requirements related to compliance and permitting the wells. President Laughlin inquired if Mr. Sturgeon was aware of the penalty for a third violation, noting that a third violation results in the initiation of a civil suit, which Mr. Davis affirmed.

President Laughlin called for a Board vote. Vote was unanimous.

6. Discuss, Consider and act on 2022 NTGCD Draft Audit.

Kim Knox-Lewis with BMY presented the 2022 Audit to the Board. This year's format has a few changes from previous audit years.

Ms. Knox-Lewis discussed the changes in the accounting policy.

Board discussion was held, and President Laughlin called for a motion to accept the 2022 Audit as presented.

Vice President Cozart made the motion to accept the 2022 Audit as presented to the Board.

Secretary Merritt seconded the motion.

The Board voted unanimously to accept the 2022 Audit as presented.

7. Discuss, Consider and act on 2022 NTGCD Draft Annual Report.

GM Jones reviewed the 2022 Draft Annual Report, explaining that the approved 2022 Audit would be added to the Annual Report for publication. The General Manager recommended that the Board of Directors review and accept the 2022 Annual Report with the addition of the approved 2022 Audit.

President Laughlin called for a motion to accept the 2022 Annual Report.

Vice President Cozart made the motion to accept the 2022 Annual Report with the addition of the approved 2022 Audit.

Director Gladbach seconded the motion to accept the 2022 Annual Report.

President Laughlin called for a Board vote. Vote was unanimous.

8. Consider and possibly act on regulatory matters associated with Samantha Springs, LP

President Laughlin introduced Agenda Item 8.

President Laughlin called the Board into Executive Session at 3:00 P.M. in compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated for consultation concerning attorney-client matters (§551.071).

President Laughlin closed the Executive Session at 4:15 P.M. and reconvened the Regular Board Meeting at 4:15 P.M.

President Laughlin called for a motion for action on Agenda Item 8.

Vice President Cozart made the motion that staff and legal counsel prepare a counteroffer to legal representation for Samantha Springs, LP based on conversation by the Board of Directors in Executive Session.

Secretary Merritt seconded the motion.

President Laughlin called for a Board vote. Vote was unanimous.

9. G M Report

General Manager updated the Board of Directors on various aspects of his report.

- GMA 8 Cost Update-GM discussed the current cost for the Interlocal Agreement with North Texas GCD for GAM update project.
- Management Plan Update-GM informed the Board that the Management Plan was forwarded to TWDB for review.
- Viridian Permit Renewals-Viridian decreased usage requests by 13% for its Operating Permit renewal.
- Grandfathered Permit Notice-"Last day" Notice for Grandfathered Use Permit Applications reminder will be sent to all non-exempt water users currently reporting.

10. Board Reports

No action

11. Other Business / Setting of next meeting

Business for next meeting:

- Presentation of the 2024 Draft Budget for Board review.
- Discussion for Potential Rule Changes

Next meeting time scheduled for July 11, 2023 at 2:00 P.M.

12. Adjourn.

Meeting adjourned at 4:27 P.M.

PASSED, APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS this

___ 11th ___ day of ___ July ___ 2023.

Attest: , Secretary of NTGCD Board