

Date of Meeting: **January 28, 2021**  
Time of Meeting: **7:00 PM**  
Location: **First Baptist Church, Memphis**  
**121 S 8<sup>TH</sup> ST**  
**Memphis, TX 79245**



## **Regular Meeting Minutes**

Call Meeting to Order and Establish a Quorum – The meeting was called to order by Jerry at 7:11 PM.

Members Present: Jerry Lewis, President; Johnny Lindley, Vice-President; Mat Montgomery, Secretary/Treasurer, Curtis Scrivner; Matt Tarver; and Terry Canada. Danny Wischkaemper was also present but was resigning and participated only as a member of the public.

Staff Present: Lynn Smith, General Manager; Tasha McNeil, Notary

Professionals Present: Keith Good, Attorney for the District (by phone); Ellen Orr, Paralegal (by phone); Amy Bush, Hydrogeologist; Ray Brady, Professional Geoscientist

Public Present: Stacie Smith, Michael Souder

Opening Comments – Lynn called Keith Good and briefly introduced everyone in attendance. Keith asked that his agenda item be moved forward and that he would be available by phone for the duration of the meeting if the board had questions. The board was agreeable to that change.

Introduction of new District staff member- Chelsea Cannon – Lynn stated that Ms. Cannon was not able to attend the meeting due to a family health issue.

Receive letter of resignation from the Director of Precinct 3 – Danny Wischkaemper presented a resignation letter and stated that he had moved outside his precinct boundary. He further stated that he continued to support the work of the District and would be available if we needed anything. The board accepted his resignation by acclamation.

1. Swear in and take Oaths of Office for Directors of Precincts 1, 4, 5, and 7. – Ms. McNeil swore in the Directors for Precincts 1, 4, and 5, took their Officer Statements, and their Oaths of Office. The Director for Precinct 7 was not present and will be sworn in at a later date.
2. Elect Board Officers – Curtis made the motion to re-elect the same officers as the previous year. Terry seconded that motion, all ayes. Officers for 2021 are Jerry Lewis, President, Johnny Lindley, Vice-President, and Mat Montgomery, Secretary/Treasurer.
3. Consider and act on Minutes of October 1, 2020 – Matt Tarver moved to accept the minutes as written, Curtis seconded the motion, all ayes.
4. Consider and act on approval of October, November, and December Bills. Curtis moved to approve the bills of October, November, and December as presented, Terry seconded the motion, all ayes.
5. Consider and act on re-balancing District Budget as needed. Lynn presented the quarterly budget status and suggested that the bonding category be supplemented due to it being paid in early October rather than late September. Johnny made the motion to move \$1,000 from the Health Insurance category and put it in the Bonds category, Mat seconded the motion, all ayes.
6. Consider and act on Test Hole Permits: 531 – Nicky Watts, 532 – Matt Tarver, 533 – Circle TK Land and Cattle (Kelly Gaskin), 534 – Danny Davis, 535 - Elmer Keller, 536 - Michael Souder, 537 - Donald White, 538 – Ricky Poole – Mat moved to approve the Test Hole Permits, Terry seconded the motion, all ayes with Matt Tarver abstaining from discussion and vote.
7. Consider and act on Well Registrations: 760 – Robert Watts, 762 – Larry Henard, 763 – Nicky Watts, 764 – Michael Souder, 765 – Paul Fletcher, 766 – Jimmy Don Molloy, 769 – Ronda McGeehon, 772 – Simmons Family Trust, 774 – James Cobb – Johnny moved to approve the Well Registrations, Curtis seconded the motion, all ayes.

8. Consider and act on Well Permits - Lynn discussed the issues that had been addressed during staking of the Sharp location in downtown Quail and the complaints over the well drilling process that had occurred. He explained that the next well in that area might be formally contested and that the District would be prepared for that if it occurs. Matt moved to approve Well Permit 761 - Kerry Sharp, Curtis seconded the motion, all ayes. Terry moved to approve the well permits from the following applicants: 756 – Jake Neufeld, 758 - Joe Peters, 767 – Circle TK Land and Cattle (Kelly Gaskin), 768 – Circle TK Land and Cattle (Kelly Gaskin), 770 – Circle TK Land and Cattle (Kelly Gaskin), 771 – Circle TK Land and Cattle (Kelly Gaskin), and 773 – Robert Watts. Johnny seconded the motion, all ayes. Johnny moved to approve Well Permit 759 - Matt Tarver. Mat seconded the motion, all ayes with Matt Tarver abstaining from discussion and voting.
9. Discuss and act on appointing a Director to represent Precinct 3. Danny Wischkaemper and Jerry Lewis introduced Michael Souder to the Board as a potential Director for Precinct 3. It was noted that Reed Souder, Michael's father had served faithfully as a Director for the District for many years. After some discussion, Johnny moved to appoint Michael Souder to fill the vacant seat in Precinct 3, Mat seconded the motion, all ayes. Lynn suggested that Michael not take part in any actions as a Director until he was bonded and sworn which might take a few weeks to accomplish.
10. Manager's Report –Lynn Smith briefly discussed the status of production reporting and that Chelsea Cannon had been moved up to full-time. He reported that Kimber Bawcom and Chelsea had done the bulk of the water level measurements as well as completed the January rain gauge check since Troy was out due to sickness. He highlighted the steps taken to better track log deposits and refunds. Lynn reminded the Board that it is time to complete their annual cybersecurity training which could be done as a group or individually. Consensus was that the Board would do it individually like last year. He mentioned that the office now has a dropbox for submitting APRs and other forms that would be useful when staff are away from the office.
11. Discuss and act on the 2020 Auditor's Report. Lynn reported that the Auditor was not able to attend and will present his report at our next meeting.

12. Legal Comments -Keith Good reported on the potential effect SB152 might have on the District. (This item was moved to earlier in the Agenda and occurred right before approval on the Minutes from October per Keith's request.)
13. Hydrogeologist Report – Ray Brady and Amy Bush discussed their work over the past few months which primarily was focused on finishing the Seymour Pod 1 Study. The bulk of this presentation and discussion occurred in Agenda item 14.
14. Discuss results of Seymour Pod 1 Study and consider options to address water declines within the District potentially including rule-making steps to create production limits. – Amy presented the final results of their Seymour Pod 1 Study. Items discussed were: long-term versus short-term trends and their advantages and pitfalls, rainfall versus water production, analysis of current decline rate predicting the time various portions of the aquifer become impractical for non-exempt uses. She stated that a large portion of Pod 1 will reach that point within 20 years and that practically all of the western half of the Pod will reach that point in about 38 years. The Board had several questions and discussed the study results. Lynn presented hydrographs from the District's monitoring wells. The well in Pod 1 indicated a decline rate in 2020 that was about twice the rate delineated in the Pod 1 Study. He explained that the study did not include an analysis of this winter's water levels because they were not available at the time most of that work was done. He went on to explain that the study used a constant rate of decline but that there is reason to believe that the rate of decline is increasing with time rather than holding constant. He did caution that a single monitoring well was not sufficient data to firmly nail that down. Some discussion regarding the monitoring well in Pod 2 occurred and it was noted that the decline in that well also exceeded the DFC for Pod 2. Lynn presented several options for addressing the declines including restricting non-exempt water production on an acre foot per acre basis and adjusting well spacing and density Rules. He also suggested that several public meetings should be called before the District took those actions. There was some discussion about the negative impact of allowing the aquifer levels to drop beyond where irrigated agriculture was feasible. Ray pointed out that some people attending the public meetings might suggest changing the DFC but the financial implications of that were not good for either the producers or the taxing entities due to the decreased land valuation. After discussion, Terry moved to begin the rule-making process to address the declines including using production limits and starting with the public meetings. After further discussion, Curtis seconded the motion, all ayes with none opposed and none abstained.

15. Discuss status of APR submittals. Consider the possibility of District staff reading meters in the future including rule-making steps to allow for that. Lynn reported that 22% of the APRs have been submitted. He pointed out that more mistakes are cropping up each year and that every mistake costs two years of data before it is corrected. He suggested turning the meter reading back over to District staff but pointed out that it would require a rule change to accomplish.
16. Consider acting to provide notice to owners and sellers of the Senninger Flo-Wise series of water meters that the meters do not meet the standards for metering non-exempt water within the District and must be replaced. Lynn reported that the accuracy and reliability of the Senninger Flo-Wise series of flow meter did not meet the District's standards and asked the Board to prohibit their use. Most of them are present in the Turkey area and seem to fail because they can be modified directly by the producers or just as a result of a battery change or maybe due to lack of calibration. Terry moved and Mat seconded that the models not be allowed in the District, motion carried. Lynn stated that he would work with the installers and start notifying owners as time permitted. He thought use of the existing grant money to replace the non-approved meters would be acceptable, the Board agreed.
17. Review, consider, and act on compliance matters before the District, including, without limitation, violations leading to potential water quality issues, water wasting violations, and inoperable meter violations. No violations discussed.
18. Quarterly Investment Report – Lynn presented the report and stated that the finances are about where they should be at this time of year. The report was accepted by acclamation.
19. Review 2020 District Annual Report – Lynn briefly reviewed the District's Annual Report that had been mailed to the Directors prior to the meeting. He said that the public outreach program had been negatively impacted by COVID-19 restrictions. There was a significant increase in water quality analysis last year, one new rain gauge site was installed, and there was a slight increase in the number of water level measurements. New for this report, he showed a graph of permits over time which seems to correlate with the increasing production described in the Pod 1 Study.

20. Consider appointing a representative to the Collingsworth CAD Board. Lynn reported that the Chief Appraiser had requested that the District appoint a representative to the CAD Board. After some discussion, Terry was appointed to represent the District on the Collingsworth CAD Board by acclamation and he accepted that appointment.
21. Discuss and act on starting the process of replacing the oldest District vehicle. Lynn reported that the expenses associated with the red truck seemed to be getting out of hand and that Troy had suggested it was time to replace it. His plan was to move the white truck into the primary field role after a new vehicle arrives but that they would both be needed as field vehicles from time to time. It was suggested that the red truck should be sold by some bidding or auction process when we get to that point. Jerry made the motion to collect bids on an appropriate vehicle. Terry seconded the motion, all ayes.
22. Discuss and act on participating in a water conservation study at the Coffee East Farm. Lynn presented a request from Kenny Patterson with AgriLife to participate in a water conservation study. Lynn suggested replacing the old electronic meter with a more reliable model prior to starting the study and offered additional assistance with the understanding that the data would be fully available for use by the District. Kenny has not responded to the letter sent yet so Lynn wasn't sure if the study would move forward or not but wanted to be prepared to purchase a meter if it did. Johnny moved to participate in the study. Mat seconded, all ayes.
23. Discuss damages at the District office over the past few months and their resolution. Lynn discussed the roof leaks and broken door glass and said Oran was working on getting everything back in order. He said it might be another month or two before the board room was useable for meetings. Lynn also requested that the District provide paint and time to paint the office and suggested that the carpet either be removed or replaced. He believed painting was probably doable within the current budget. The Board was not opposed to painting and going with bare, sealed floors for a while.
24. Discuss constructing a rainwater harvesting system at the District office. Lynn explained that he originally thought this might involve spending money for installing gutters on the new, not yet installed roof but that Oran had agreed to install gutters as part of the roofing. He now thought we could do a rainwater harvesting demonstration project for practically free and had several ideas on what to use the water for. The Board liked the

idea of a demonstration project and also liked that it wouldn't involve much if any expense to build.

25. Discuss and act on review of General Manager. The Board briefly discussed the performance of the General Manager. Consensus was that Lynn was doing a good job. No corrective actions or complaints were put forward.

26. Other Business - None

27. Executive Session: Consultation with Attorney Regarding Attorney Client Matters exempt from open meetings pursuant to Texas Government Code §551.071 – No executive session was held.

28. Set Date and Time for the next Board Meeting – The next meeting will be held on March 4<sup>th</sup> in Wellington. Lynn will let everyone know about a specific location for that meeting.

29. Adjourn – At 10:37 PM, Terry moved to adjourn the meeting. Johnny seconded, all ayes.

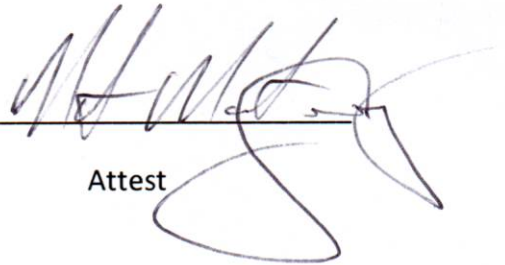
Checked by Lynn on 2/2/2021

Approved on 3-4-2021 by the Board of Directors



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Presiding Officer



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Attest