

AGENDA
RED RIVER GROUNDWATER CONSERVATION DISTRICT
PUBLIC HEARING
GREATER TEXOMA UTILITY AUTHORITY BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020
1:30 P.M., WEDNESDAY, JANUARY 18, 2012

Notice is hereby given that the Board of Directors of the Red River Groundwater Conservation District ("District") will hold a public hearing, accept public comment, and may discuss, consider, and take all necessary action regarding proposed revisions to the District's Bylaws on the 18th day of January, 2012, at 1:30 p.m. in the Greater Texoma Utility Authority Board Room, 5100 Airport Drive, Denison TX, 75020.

Agenda:

- I. Call to Order and introduction of Board
- II. Review draft Amended Bylaws
- II. Public Comment (verbal comments limited to three (3) minutes each; written comments may also be submitted for the Board's consideration).
- IV. Adjourn or continue public hearing on revised Bylaws.

This is to certify that I, Carmen Catterson, posted this agenda on the outdoor bulletin board of the Administrative Offices of the Greater Texoma Utility Authority, on the west side of the building, by 12:00 p.m. on December 28, 2011. I also provided this agenda to the County Clerks in Fannin and Grayson Counties with a request that it be posted.


Carmen Catterson

Sworn and subscribed to before me this 28 day of December 2011.



(S E A L)


Notary Public

PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THIS MEETING, AND WHO MAY NEED ASSISTANCE, ARE REQUESTED TO CONTACT CARMEN CATTERSON AT (800) 256-0935 TWO (2) WORKING DAYS PRIOR TO THE MEETING, SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.

BYLAWS

Red River Groundwater Conservation District Bylaws

Adopted ~~Amended~~ and Effective August 30, 2011

SECTION 1. DISTRICT CREATION AND PURPOSE; DEFINITIONS

1.1 Creation and Purpose

The Red River Groundwater Conservation District (the "District") was created by the 81st Texas Legislature under the authority of Section 59, Article XVI, of the Texas Constitution, and in accordance with Chapter 36 of the Texas Water Code ("Water Code"), by the Act of May 25, 2009, 81st Leg., R.S., ch. 884248, 2009 Tex. Gen. Laws 2313686, codified at TEX. SPEC. DIST. LOC. LAWS CODE ANN. ch. 88526 ("the District Act").

The District is a governmental agency and a body politic and corporate. The District was created to serve a public use and benefit, and is essential to accomplish the objectives set forth in Section 59, Article XVI, of the Texas Constitution. The District's boundaries are coextensive with the boundaries of Fannin and Grayson Counties, Texas, and all lands and other property within these boundaries will benefit from the works and projects that will be accomplished by the District.

1.2 Definitions

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- (a) "Water services district" means a district created under the authority of Section 59, Article XVI, or Section 52, Article III, Texas Constitution, with the authority to provide retail water service in the District.
- (b) "Water supply corporation" means a water supply corporation operating under Chapter 67, Water Code.

SECTION 2. BOARD OF DIRECTORS

2.1 Composition and Appointment; Terms of Office

- (a) The District is governed by a Board of Directors, which is comprised of seven appointed Directors, three from Fannin County and four from Grayson County. Directors shall serve staggered four-year terms, with the terms of three or four directors from each appointing county expiring on August 31 of each odd-

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numbered year. In accordance with the District Act, the Directors appointments shall be made appointed as follows:

- (1) for Fannin County: one Director shall be appointed by the Fannin County Commissioners Court at the discretion of the Commissioners Court;
- (2) one Director shall be appointed by the Fannin County Commissioners Court from a list of nominees submitted to the Commissioners Court by the governing bodies of the groundwater-producing municipalities in Fannin County;
- (3) and one Director shall be appointed by the Fannin County Commissioners Court from a list of nominees submitted to the Commissioners Court by the water services districts and water supply corporations that provide retail water service to customers in Fannin County, subject to the limitation provided by Subsection (b);
- (4) Director appointments shall be made as follows for Grayson County: two Directors shall be appointed by the governing body of the municipality in Grayson County with the largest annual production of groundwater by volume for the four years preceding the appointment;
- (5) one Director shall be jointly appointed by the governing bodies of the remaining municipalities in Grayson County other than the municipality described by Subsection (a)(4) of this section;
- (6) and one Director shall be jointly appointed by the governing boards of all water services districts and water supply corporations that provide retail water service to customers in Grayson County, subject to the limitation provided by Subsection (b).

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- (b) A water services district or water supply corporation in Grayson and Fannin Counties may not participate in the appointment of a director unless that district or corporation used groundwater produced from wells located within the district to provide retail water service in the district during the calendar year of the appointment or the calendar year preceding the appointment. The Board or General Manager may require evidence of eligibility to participate. A person or entity submitting a nomination under this subsection certifies under penalty of perjury through the submission of a nomination that it is qualified under this subsection. The General Manager shall provide notice to each entity thought to have used groundwater produced from wells located within the district to provide retail water service in the district during the calendar year of the appointment or the calendar year preceding the appointment, and such notice shall apprise each entity that by submitting a nomination, the entity certifies that it is qualified.

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- (c) To be eligible to serve as a Director, a person must be a registered voter in the appointing county and must qualify to serve as a Director in the manner provided by Section 36.055 of the Texas Water Code. A Director may serve multiple consecutive terms.

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- (d) Directors must be appointed not later than the second Monday in August of each odd-numbered year. Not later than the 60th day before the second Monday in August of each odd-numbered year, the District shall mail written notice to each entity authorized to make an appointment, along with the applicable appointment form or ballot.

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2.1.1. Procedural Overview: Appointment by Form and by Ballot

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- (a) The General Manager shall create official appointment forms that shall be provided by mail to each of the appointing bodies designated in Subsections (a)(1) through (4) of Section 2.1. By convention, these appointing bodies shall make their appointments "by form."

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- (b) The General Manager shall create official appointment ballots that will be provided to governing bodies or boards of directors responsible for jointly appointing a Director as an appointing body designated in Subsections (a)(5) and (6) of Section 2.1. By convention, these appointing bodies make their appointments "by ballot." The official ballot created by the General Manager shall be in the form of a write-in ballot, which shall not identify individual candidates or otherwise constrain the ability of a governing body or board of directors to freely designate any person as their choice for appointed Director.

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2.1.2. Appointment by Form

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- (a) Not later than 60 days before appointments are due, the General Manager shall by mail deliver an official appointment form to each appointing body, as designated in Subsection (a) of Section 2.1.1, that is entitled to make an appointment by form in that particular year. Each appointing body shall make its choice for its appointed Director according to its own procedures, and shall submit the name of its chosen appointment by completing the official form provided by the General Manager and returning the official appointment form to the General Manager by the established due date.

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- (b) Not later than 120 days before appointments are due, the General Manager shall by mail deliver a written notice to each entity that is authorized under Section 2.1 (a)(2) or (3) to nominate persons for Director. Such notice shall serve as a reminder to each entity that a list of nominees must be submitted to the commissioners court not later than the 30th day before the second Monday in August of each odd-numbered year ("the appointment deadline"). It shall be the responsibility of the individual entities authorized to nominate persons to compile a list of nominees and submit it to the commissioners court, or to individually submit such nominations. If the commissioners court does not receive a list of nominees by the 30th day before the appointment deadline, the commissioners court may appoint a Director to the position for which the list was not received at

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the discretion of the commissioners court. The commissioners court shall make its selection for Director in accordance with Subsection (a) of this Section.

- (c) As soon as practicable after appointment forms are due, the General Manager shall certify in writing to the Board that the appointments by form were submitted in accordance with Subsection (a) of this Section, and shall make a reasonable effort to verify that the appointed Directors are qualified to serve on the Board. Following certification and verification, the General Manager shall present the names of the newly appointed Directors to the Board for instatement. The General Manager is responsible for ensuring that the newly appointed Directors follow the requirements for the instatement of new Directors.

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2.1.3 Appointment by Ballot

- (a) Not later than 60 days before appointments are due, the General Manager shall by mail deliver official appointment ballots to the following governing bodies or boards of directors entitled to jointly appoint a Director in that particular year, as designated in Subsection (b) of Section 2.1.1:

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- (1) The governing body of each municipality in Grayson County other than the municipality in Grayson County with the largest annual production of groundwater by volume for the four years preceding the appointment. In accordance with its own procedures, each governing body shall complete the official appointment ballot with the name of their desired appointment for Director and return the completed ballot to the General Manager on or before the established due date for appointments.

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- (2) The governing board of each water services district and each water supply corporation that provides retail water service to customers in Grayson County, subject to the limitation in Subsection 2.1 (b). In accordance with its own procedures, each board shall complete the official appointment ballot with the name of their desired appointment for Director and return the completed ballot to the General Manager on or before the established due date for appointments.

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- (b) As soon as practicable after appointment ballots are due, the General Manager shall:

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- (1) Determine the individual with the greatest number of ballots in his or her favor submitted according to Subsection (a)(1) of this Section. This individual is the appointed Director selected by the appointing body designated in Subsection (a)(5) of Section 2.1.
- (2) Determine the individual with the greatest number of ballots in his or her favor submitted according to Subsection (a)(2) of this Section. This

individual is the appointed Director selected by the appointing body designated in Subsection (a)(6) of Section 2.1.

- (c) The General Manager shall certify his or her identification of the Directors appointed according to this Section, and that the appointed Directors are qualified to serve on the Board. Following certification and verification, the General Manager shall present the names of these newly appointed Directors to the Board for instatement. The General Manager is responsible for ensuring that the newly appointed Directors follow the requirements for the instatement of new Directors.
- (d) In the event that the ballots for an appointment produce a tie, the General Manager shall resubmit appointment ballots to the appropriate appointing bodies within 10 days of the determination by the General Manager that a tie has occurred. In order to break a tie, however, these appointment ballots shall set forth the candidates tied for the appointment and direct the governing bodies or boards of directors comprising the appointing body to select only from the listed candidates. The tie-breaking appointment ballots must be received by the General Manager by 5 p.m. on the 30th day after the date such ballots were mailed to the appointing bodies by the General Manager.

2.1.4 Miscellaneous Appointment Provisions

- (a) All appointment forms or ballots due to the General Manager must be received by 5 p.m. on the date those appointment forms or ballots are due; appointment forms or ballots received after this time are invalid. All appointment forms or ballots timely received by the General Manager in accordance with the procedures set forth in this Section cannot be retracted, altered, or otherwise amended after 5 p.m. of the date those appointment forms or ballots are due.
- (b) A Director appointed in accordance with the procedures set forth in this Section may only be removed in accordance with the laws of the State. The body responsible for a Director's appointment has no power to remove that Director during his or her term, except as provided under the laws of this State related to the removal of public officers generally. This does not affect the power of the appointing body to fill a vacancy in accordance with these Bylaws.
- (c) If any appointee does not fulfill the qualifications for a Director, then the vacancy procedures set forth in Section 2.2 of these Bylaws shall be followed to select another appointee. The vacancy procedures set forth in the District's Bylaws shall likewise be followed in the event that an appointing body fails or refuses to follow the procedures set forth in this section. Vacancy procedures will not be followed and the General Manager shall not refuse to certify an appointment by ballot, however, simply because any governing body or board entitled to jointly appoint a Director under Subsection (a) of Section 2.1.3 of these Bylaws fails or refuses to follow the procedures set forth herein; the appointment ballot of such a governing body or board is invalid.

- (d) Only appointments designated on completed, official forms or ballots provided by the General Manager will be honored.
- (e) The General Manager shall preserve ballots and related documents for not less than four years after the date of appointment. Thereafter, the General Manager may destroy such ballots and related documents in accordance with the District's adopted records retention schedule. Upon written request to the Board President by any Director of the Board of Directors as comprised prior to appointments or upon the Board President's own initiative, the Board as comprised prior to appointments shall review the appointments submitted and the certification of the General Manager at the next available Board meeting and may ratify or overrule such certification. A request under this subsection must occur prior to the instatement of newly appointed Directors pursuant to the General Manager's certification.

2.2 Terms of Office; Director Vacancies; Notification

~~Directors shall serve staggered four-year terms, with the terms of three or four directors from each appointing county expiring on August 31 of each odd-numbered year. Directors must be appointed not later than the second Monday in August of each odd-numbered year. Not later than the 60th day before the second Monday in August of each odd-numbered year, the District shall mail written notice to each entity authorized to make an appointment. Should a vacancy occur on the Board for any reason, the entity(ies) that appointed the Director who vacated the office shall appoint a person to fill the vacancy for the unexpired term in a manner that meets the representational requirements of The District Act and these Bylaws. Within thirty (30) days after any appointment of a Director, the District shall notify the Executive Director of the Texas Commission on Environmental Quality in accordance with Section 35.054(e), Water Code. A Director shall serve until the Director's successor has been qualified.~~

2.3 Sworn Statement; Bond; Oath of Office

As soon as practicable after a Director is appointed, the Director shall make the sworn statement prescribed by the Texas Constitution, take the oath of office, and execute a bond, as required by Section 36.055, Water Code. The District shall file the sworn statement, oath, and bond as prescribed in Section 36.055(d).

2.4 Officers

Each odd-numbered year at its regular August meeting, or at its next regular meeting if there is no August meeting, the Board shall meet and elect three Directors to serve as officers, whose titles shall be President, Vice-President, and Secretary/Treasurer. Officers shall be elected for terms of one year. Officers may serve multiple consecutive terms.

The President shall serve as the Board Chair, preside at all Board meetings, execute all documents on behalf of the District, and perform other duties prescribed by the Board.

The Vice-President shall act as the President in case of the absence or disability of the President, and perform other duties prescribed by the Board.

The Secretary/Treasurer shall be responsible for seeing that all records and books of the District are properly kept, according to the requirements of Sections 36.054(c) and 36.065, Water Code, shall attest the President's signature on all documents, and shall perform other duties prescribed by the Board.

The Board may appoint other Directors, the General Manager, or any employee as an Assistant Secretary to assist the Secretary/Treasurer, and any such person shall be entitled to certify as to the authenticity of any record of the District, including but not limited to all proceedings relating to bonds, contracts, or indebtedness of the District.

The Board shall fill vacant officer positions as needed to serve the remainder of the unexpired term of such vacant officer. A vacancy in the position of President/Board Chair must be filled by a Director from the same county. If the Board selects a Director who holds another office at the time of the vacancy to fill the unexpired term, the Board shall select another Director to serve the remainder of the unexpired term of such second officer.

2.5 Indemnification of Directors and Employees

The District may purchase and maintain insurance or bonding on behalf of any person who is a Director or employee of the District in any capacity or arising out of his status as such.

Each Director and employee is indemnified by the District against any liability imposed upon him and for any expense reasonably incurred by him in connection with any claim made against him, or any action, suit or proceeding to which he may be a party by reason of his being, or having been, a Director or employee, and against such sums as counsel selected by the Board shall deem reasonable payment made in settlement of any such claim, action, suit, or proceeding; provided, however, that no Director or employee shall be indemnified with respect to actual damages arising out of a cause of action for a willful act or omission, an act or omission constituting gross negligence or official misconduct, or with respect to matters for which such indemnification would be unlawful or against public policy. Any right of indemnification granted by this Section is in addition to and not in lieu of any other such right for which any Director or employee of the District may at any time be entitled under the laws of the State of Texas; and if any indemnification that would otherwise be granted by this Section is disallowed by any competent court or administrative body as illegal or against public policy, then any Director or employee with respect to whom such adjudication was made, and any other Director or employee, shall be indemnified to the fullest extent permitted by law or public policy, it being the express intent of the District to indemnify its Directors and

employees to the fullest extent possible in conformity with these Bylaws, all applicable laws and public policy. The indemnification provided herein shall inure to the benefit of the heirs, executors, and administrators of each Director and employee of the District.

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2.6 Conflicts of Interest

~~Directors shall, pursuant to the provisions of Chapters 171 and 176, Local Government Code, and the current District Code of Ethics, disclose any conflict of interest with matters pending before the Board, execute and file the appropriate disclosure affidavits and statements, and refrain from participation in any discussion or decision relating to such matters. A person who qualifies as a Director may participate in all votes relating to the business of the District, regardless of any common law doctrine or statutory prohibition related to conflicts of interest or incompatibility. Section 36.058, Texas Water Code, relating to conflicts of interest, does not apply to this District.~~

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2.7 Open Meetings and Public Information Training

Directors shall comply with the requirements for open meetings and public information training as provided by Sections 551.005 and 552.012, Government Code.

2.8 Fees of Office and Reimbursement of Expenses

Directors may not receive fees of office or other compensation for performing the duties of director. However, subject to approval of the Board, a director is entitled to reimbursement of actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the District. A position on the board shall not be considered a civil office of emolument for any purpose.

2.9 Decennial Review of District Representation

Not later than January 1, 2019, and every 10 years following that date, the Board shall complete a review of the adequacy of representation of water users on the Board based on groundwater production and use within the District. Not later than the 20th day following the date the review is complete, the Board shall submit the review and any recommendation the Board may have relating to the reapportionment of Directors or the representational structure of the Board to each member of the house of representatives and each member of the senate whose state legislative district includes territory in the district.

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SECTION 3. BOARD MEETINGS

3.1 Regular and Special Meetings of the Board

The Board shall schedule regular meetings at least quarterly as the Board may establish from time to time. At the request of the President or presiding officer, or by written request of at least three Directors, the Board shall hold special meetings. All Board meetings shall be held in accordance with the Open Meetings Act, Chapter 551, Texas Government Code. The Board President shall prepare and accept items for inclusion on the official agenda of all Board meetings subject to policies and rules adopted by the Board.

The Board may provide members of the public an opportunity to speak and may place reasonable limitations on such public comment, including time limitations, prohibiting unduly repetitious comments or improper conduct, and requiring persons wishing to provide comment to complete an information card. A registration form may be provided for this purpose. At the discretion of the President or presiding officer, the Board may seek public comment or ask questions of any person in attendance. Public comment at permit application hearings and rulemaking hearings shall be as provided in the District Rules.

To the extent necessary for orderly conduct of meetings at the discretion of the President, the guidelines of "Roberts Rules of Order Newly Revised," New Edition, by Henry M. Robert III, 10th Edition, 2000, or as amended, or other guidelines as preferred may be followed, insofar as such procedures do not conflict with the District Rules, orders or resolutions of the District, or state law.

3.2 Work Sessions

From time to time, a regular or special Board meeting, or portion thereof, may be designated as a Work Session for the Board and its employees to discuss and evaluate issues that may require lengthy presentations not generally possible during a regular Board meeting. Work Sessions are primarily for the benefit of the Board and employees, although they will be open to the public. During work sessions of the Board, no public comment will be heard, unless specifically requested by a Director and recognized by the President.

3.3 Quorum

(a) A quorum of the Board must be present to conduct District business. A quorum exists when four or more Directors are present. Unless otherwise expressly provided herein, a concurrence of a majority of the entire Board is required for transacting any business of the District. When the quorum is four Directors, all four Directors must vote in agreement for a motion to prevail.

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(b) A concurrence of not fewer than six Directors is required for transacting the following District business:

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(1) establishing or amending a groundwater production fee assessed by the District based on the amount of groundwater authorized by permit to be withdrawn from a well or on the amount of water actually withdrawn from a well;

(2) adopting the annual budget of the District; and

(3) granting or denying a permit or permit amendment for a well that is intended to produce water within the District which will be transported in

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any amount for use outside the boundaries of the District, except as provided by Subsection (c) of this Section.

(c) A concurrence of a majority of the Board is sufficient to grant or deny a permit or permit amendment submitted by a retail public utility that provides retail water service in the district and intends to:

(1) produce water from a well located within the District and inside the boundaries or a certificated service area of a retail public utility; and

(2) transport the water outside the District, so long as the water is used within the same certificated service area or boundary of the retail public utility.

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SECTION 4. COMMITTEES

4.1 Committees

The President may establish and appoint Directors and/or other persons for advisory committees for formulation of recommendations to the Board or for such other purposes as the President may designate. The President shall establish an audit or finance committee comprised only of Directors. The President shall select a person to serve as Chair of each committee. Each member of a committee shall have a single vote on any issue before the committee. Written proxy votes shall not be allowed. A meeting of a committee where less than a quorum of the Board is present is not subject to the provisions of the Open Meetings Act.

Committee members serve at the pleasure of the President. Committee membership is voluntary and without compensation or reimbursement, except for reimbursement of expenses of Directors as set forth under Section 2.8.

SECTION 5. EMPLOYEES

5.1 General Manager and Employees

The Board may employ or contract with a person to perform such services as General Manager for the District and set the General Manager's salary. A Director may not be employed as General Manager of the District. At least annually, the Board shall review the actions and performance of the General Manager to determine how the General Manager has fulfilled his responsibilities and whether additional responsibilities should be delegated to him.

5.2 Delegation of Authority

The General Manager shall be the chief administrative officer of the District and shall have full authority to manage and operate the affairs of the District, subject only to the direction given by the Board through policies, resolutions, and orders adopted by it. The General Manager, with the approval of the Board, may employ all persons necessary for the proper handling of the business and operations of the District and determine the compensation to be paid all employees other than the General Manager, subject to the constraints of the annual budget approved by the Board. The General Manager may delegate his administrative duties as may be necessary to effectively and expeditiously accomplish his duties, provided however, that no such delegation shall ever relieve him of responsibilities which are ultimately his under the District Act, District Rules, District Bylaws, or Board orders. In the absence of a General Manager, the President shall exercise all of the duties delegated to the General Manager.

SECTION 6. DISTRICT ADMINISTRATION

6.1 District Address:

The District's mailing and physical address is 5100 Airport Drive, Denison, Texas 75020. Such addresses may be changed by resolution of the Board.

6.2 Minutes and Records of the District

All documents, reports, records, taped recordings, and minutes of the District shall be available for public inspection in accordance with the Texas Public Information Act, Chapter 552, Texas Government Code. The preservation, storage, destruction, or other disposition of the District's records is subject to Chapter 201, Texas Government Code.

6.3 Office Hours

After an office has been established, the regular office hours of the District shall be determined by the Board. From time to time, circumstances may require the General Manager to modify these hours on a temporary basis. Operating hours, both regular and temporary, shall be posted on or near the front door to the District office. Permanent

changes in the District's regular office hours may be approved by the Board from time to time as needed or as may be appropriate.

6.4 Official Seal

The Board, by resolution, may adopt an official seal for the District to be used on official documents of the District.

SECTION 7. FINANCIAL

7.1 Contracts, Instruments, and Documents:

The Board may authorize the President or the General Manager to enter into any contract or to execute and deliver any instrument or document in the name of and on behalf of the District. All contracts shall be executed by either the President or the General Manager, attested by the Board Secretary/Treasurer, and, if deemed necessary by the Board or General Manager, approved by the District's legal counsel.

7.2 Loans

No loans shall be contracted on behalf of the District and no evidence of indebtedness shall be issued in its name unless authorized by the Board, executed by the President, and attested to by the Board Secretary/Treasurer.

7.3 Expenditures

The District's money may be disbursed only by check, draft, order, or other instrument, which shall be signed by at least two Directors unless the Board has authorized by resolution certain employees, or a combination of employees and Directors, to so sign.

7.4 Depositories

The Board shall name one or more banks to serve as depository for district funds and shall deposit such funds in accordance with Section 36.155, Water Code.

7.5 Investments

Funds of the District may be invested and reinvested in accordance with the provisions of the Public Funds Investment Act, Chapter 2256, Government Code, and in accordance with the investment policy of the District.

7.6 Annual Audit

The Board at the end of each fiscal year shall have prepared an audit of its affairs by an independent certified public accountant, which shall have no personal interest directly or indirectly in the fiscal affairs of the District and shall be experienced and qualified in the

accounting and auditing of public bodies. This audit shall be open to public inspection. The audit shall be performed in accordance with generally accepted auditing standards and shall satisfy all requirements imposed by Chapter 36, Texas Water Code. The District's auditors may undertake consulting services for the District in addition to their duties in connection with the annual audit.

7.7 Budget

Prior to the commencement of each fiscal year, the Board shall adopt an annual budget in accordance with Section 36.154, Water Code.

7.8 Taxes Prohibited; Assessment of Fees; Use of Revenue

The District may not impose a tax. The Board shall annually set groundwater production fees and other fees in accordance with the District Act and the Water Code. The District may use revenues generated from fees for any lawful purpose.

7.9 Fiscal Year

The District's fiscal year shall begin on the first day of January.

7.10 Purchasing

The Board shall have the right to purchase all materials, supplies, equipment, vehicles, and machinery needed by the District to perform its purposes. Expenditures to acquire goods or services valued at greater than five hundred dollars (\$500.00) require approval by the Board in advance. If the General Manager determines that an emergency acquisition must be made which requires an expenditure greater than five hundred dollars (\$500.00), he shall obtain verbal approval from the President. The transaction shall be presented to the Board for approval and validation at its next meeting. Expenditures of less than five hundred dollars (\$500.00) may be made by the President or General Manager without prior Board approval if the expenditure falls within the existing budget.

No expenditures shall be made that are not authorized by the budget. This requirement shall not, however, prevent the Board from amending the budget at the same time that it authorizes an expenditure, provided that funds are available from other budget categories or that reserve funds are available.

All purchases from \$500 to \$5000 shall require at least three verbal estimates, and all purchases between \$5,000 and \$50,000 shall require at least three written bids/quotes if the purchase is not from a sole-source vendor. Construction contracts and contracts for the acquisition of materials and machinery requiring the expenditure of \$50,000 or more must be purchased under formal competitive sealed bidding rules or other competitive procurement method as provided by law.

7.11 Bond Requirement

The Board shall require a Director, employee, or consultant who collects, pays, or handles any funds of the district to furnish good and sufficient bond as provided under Section 36.057(d), Water Code.

SECTION 8.0. BYLAWS

The Board may amend or repeal in whole or in part these Bylaws by a majority vote of the entire Board.

AGENDA
RED RIVER GROUNDWATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING
GREATER TEXOMA UTILITY AUTHORITY BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020
2:00 P.M., WEDNESDAY, JANUARY 18, 2012

Notice is hereby given that a meeting of the Board of Directors of the Red River Groundwater Conservation District will be held on the 18th day of January, 2012, at 2:00 p.m. in the Greater Texoma Utility Authority Board Room, 5100 Airport Drive, Denison TX, 75020, at which time the following items may be discussed, considered, and acted upon, including the expenditure of funds:

Agenda:

- I. Call to order, declare meeting open to the public, and take roll.
- II. Public Comment
- III. Consider approval of Minutes of December 14, 2011, board meeting
- IV. Review and approval of monthly invoices
- V. Receive update on the development of a Water Well Geodatabase and Web-Based Application
- VI. Discuss development of Management Plan and consider approval of a contract for hydrogeological services
- VII. Consider and act upon amended bylaws
- VIII. Receive and discuss letter from Tim Morris
- IX. General Manager's Report
- X. Open forum / discussion of new business for future meeting agendas
- XI. Adjourn

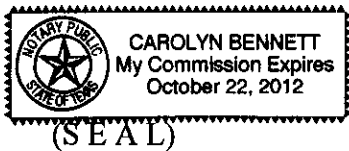
¹The Board may vote and/or act upon each of the items listed in this agenda.

²At any time during the meeting or work session and in compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, the Red River Groundwater Conservation District Board may meet in executive session on any of the above agenda items or other lawful items for consultation concerning attorney-client matters (§551.071); deliberation regarding real property (§551.072); deliberation regarding prospective gifts (§551.073); personnel matters (§551.074); and deliberation regarding security devices (§551.076). Any subject discussed in executive session may be subject to action during an open meeting.

This is to certify that I, Carmen Catterson, posted this agenda on the outdoor bulletin board of the Administrative Offices of the Greater Texoma Utility Authority, on the west side of the building, by 12:00 p.m. on December 28, 2011. I also provided this agenda to the County Clerks in Fannin and Grayson Counties with a request that it be posted.

Carmen Catterson
Carmen Catterson

Sworn and subscribed to before me this 28 day of December 2011.



Carolyn Bennett
Notary Public

PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THIS MEETING, AND WHO MAY NEED ASSISTANCE, ARE REQUESTED TO CONTACT CARMEN CATTERSON AT (903) 786-4433 TWO (2) WORKING DAYS PRIOR TO THE MEETING, SO THAT APPROPRIATE ARRANGEMENTS CAN BE MADE.

ATTACHMENT III – MINUTES

**MINUTES OF THE BOARD MEETING
RED RIVER GROUNDWATER CONSERVATION DISTRICT**

WEDNESDAY, DECEMBER 14, 2011

**AT THE GREATER TEXOMA UTILITY AUTHORITY
BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TX 75020**

Members Present:	George "Butch" Henderson, Don Wortham, David Gattis, Harold Latham, Don Morrison, Mark Patterson
Members Absent:	George Olson
Staff:	Jerry Chapman, Carolyn Bennett and Carmen Catterson
Visitors:	Alex Moser, AL Moser Drilling Co. Joey Rickman, City of Honey Grove

I. Call to order, declare meeting open to the public, and take roll.

President Henderson called the meeting to order at 2:00 PM. The board members introduced themselves and the manner of their appointment to the Board. All members except George Olson were present.

II. Public Comment

No comments received.

III. Consider approval of Minutes of October 19, 2011, board meeting

Board Member Morrison motioned to approve the Minutes of the October 19, 2011 board meeting. The motion was seconded by Secretary/Treasurer Wortham and passed unanimously.

IV. Review and approval of monthly invoices.

The only invoices received this month are from GTUA for October and November for a total of \$5,705.09. The supplementing documentation is reversed for the invoices.

Board Member Patterson motioned to approve the monthly invoices. The motion was seconded by board Member Gattis and passed unanimously.

V. Receive update on the development of a Water Well Geodatabase and Web-Based Application.

A memorandum from Adam Rose with Alan Plummer Associates, Inc. was provided. This firm was engaged by the District to develop the water well geodatabase and web-based application. The staff met with Mr. Rose on November 11th to discuss the system. This system will enable users to register their wells online, report their water production and pay fees. The system will be online by April 1, 2012 to begin registering wells. The report includes action items and the fields that will be included in the database. Mr. Chapman spoke with Mr. Rose today to encourage them to bill for all work completed through December 31st so the costs can be paid from the 2011 budget.

Mr. Chapman shared the staff's experience working with the North Texas GCD and the firm hired to create their system. The North Texas GCD has spent approximately \$136,000 on the system and has received a request for an additional \$24,000. The North Texas GCD well registration site also has many problems with the fundamental system.

Alan Plummer & Associates, Inc. is much better prepared to develop the site and has so far been very responsive. They have agreed to bill as much as possible for their current activities through the 2011 budget.

VI. Discuss development of Management Plan and consider approval of a contract for hydrogeological services.

One of the District's requirements is to develop a Management Plan to manage groundwater resources. The Texas Water Development Board (TWDB) has approximately 14 points that the District must address. Mr. Chapman stated that he is not an engineer or a hydrologist and recommends hiring a firm with more experience in groundwater matters. LBG-Guyton Associates is a well-known groundwater engineering firm. Dr. Bill Hutchison with LBG-Guyton Associates provided a proposal and cost estimate to provide the hydrogeological services. Dr. Hutchison's proposal addresses the required management goals and recommended methods of responding to these goals in the Management Plan, including providing estimated available groundwater based on desired future conditions.

Mr. Chapman reviewed the proposal with the Board and stressed the importance of working with the other eleven groundwater districts in Groundwater Management Area 8 (GMA 8). The District must have a final Management Plan in place by September 1, 2012. Dr. Hutchison will provide information to the Board by January 2012 for a work session in February to discuss options and then submit a draft plan to the TWDB in March or April. The TWDB has up to 90-days to approve the draft and then the Board would have to approve the draft and submit the final version to the TWDB in July or August.

Mr. Chapman recommends the Board discuss the Management Plan in January and have a work session in February. Board Member Morrison recommended changing the May 31, 2011 date to April 30, 2011. The Board will have to work quickly to approve the Management Plan and submit to the TWDB in April or May. The cost estimate is \$14,000, which is a very reasonable cost.

The Board took a brief break at 2:28 PM while Mr. Chapman called Dr. Hutchison to discuss the feasibility of adjusting the date to submit the report to the TWDB. The Board reconvened at 2:33 PM.

Board Member Morrison motioned to approve the contract with a date of March 31, 2011 to submit the report to the TWDB on Page 5. The motion was seconded by Board Member Latham and passed unanimously.

VII. Discuss bylaws and establishing a date for a public hearing for the approval of amended bylaws.

The initial bylaws were drafted by the staff when the District was first created. Brian Sledge, the District's legal counsel has reviewed them and made several changes. The Board discussed the changes to the bylaws. Board Member Gattis asked if the bylaws needed to reflect compensation for mileage expenses and Mr. Chapman responded that Section 2.8 reflects the District's policies on that matter. The staff recommended scheduling the public hearing for January.

Board Member Gattis motioned to hold the public hearing to amend the bylaws for immediately preceding the January 18, 2011 meeting. The motion was seconded by Secretary/Treasurer Wortham and passed unanimously.

VIII. Receive update on Groundwater Management Area 8 and representation on the Region C Water Planning Group

The last session of the Texas Legislature included a provision that each Regional Water Planning Group add a member to represent the GMAs in their boundaries. Each GMA was requested to provide a representative for each Water Planning Group. GMA 8 is within the boundaries for Regions B, C, G and K. The Red River GCD is inside Region C and submitted a nomination for Board Member Latham to represent GMA 8 on Region C. GMA 8 received three other nominations, but selected Board Member Latham to represent GMA 8 on the Region C Regional Water Planning Group. GMA 8 preferred Board Member Latham because of his practical experience in the water field.

GMA 8 is a parent organization that the District must work with all the other GCDs in the region. The District cannot establish desired future conditions without the assistance of 7 of the 12 GCDs in GMA 8.

IX. Consider and act upon renewal of agreement with Greater Texoma Utility Authority for 2012

Greater Texoma Utility Authority (GTUA) has provided administrative services to the District since 2010. The contract is similar to the one currently in effect, except that it is updated for current costs per employee and for updated activities.

Board Member Gattis motioned to approve the renewal of the agreement with GTUA. The motion was seconded by Board Member Latham and passed unanimously.

X. General Manager's Report

The District is currently operating under budget. Mr. Chapman reported that the drought is bringing a great deal of attention to groundwater. Friction is increasing between property owners and the oil and gas industry. The North Texas GCD has hired a field technician and he is locating many more wells than were anticipated. This will probably be true for this area as well.

XI. Open forum / discussion of new business for future meeting agendas

The January 18, 2012 meeting was scheduled for 2:00 PM with a public hearing beginning at 1:30 PM. The Board discussed including approval of the bylaws and development of the management plan at the meeting.

Mr. Moser addressed the Board and offered his assistance regarding developing the Management Plan and creating guidelines for the aquifers. His company has obtained substantial data over the past 20 years and he offered to provide that data to the District free of charge. The Board thanked Mr. Moser and Mr. Chapman expressed a need for monitoring well data that is currently being collected. Mr. Moser responded that he would begin recording additional data when he pulls pumps regarding static water level of the aquifer and pump rates.

Mr. Chapman encouraged Mr. Moser to attend meetings and to invite other well drillers. Mr. Moser responded that he did not intend to appear adversarial toward the District.

XII. Adjourn

Upon motion by Board Member Gattis seconded by Board Member Latham and passed unanimously, the Board adjourned at approximately 3:04 PM.

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Recording Secretary

Secretary-Treasurer

ATTACHMENT V – GEODATABASE UPDATE

Project Description

The project team met on November 11, 2011 to kick off the RRGCD GIS project. In attendance were:

Jerry Chapman – RRGCD
Carmen Catterson – RRGCD
Brian Besier – IT Nexus
Adam Rose – Alan Plummer

The purpose of the meeting was to define the data needs for the project and to review the project description. The items shown in blue denote the revisions discussed in the kick off meeting.

Design, develop, implement (including training), and maintain an online mapping application and accompanying geodatabase to assist with the registration and management of existing and future groundwater wells.

- I. Web Mapping User Interface Application to provide a split screen with approximately 60% of the screen dedicated to the interactive map and 40% displaying the textual search and data input screens to support the permitting process
- II. Map Display to allow the user to select the map services to be used for display and analysis (e.g., city limits, roads, etc.) using an XML file. Allow for the user to customize which layers will be available for display without custom programming. The following map navigation functions will be included in the permit BPM map display:
 - **Zoom In** - Click to zoom in
 - **Zoom Out** - Click to zoom out
 - **Pan**—Use directional arrows
 - **Zoom Previous**—Zoom to the previous extent
 - **Zoom Next**—Zoom to the next extent
 - **Zoom Slider**—Slider control to zoom in/out
 - **Base Map Slider**—Switch back ground view from map view to aerial photo view
 - **Map Table of Contents**—Display legend and allow users to turn on and off context layers – Available to RRGCD staff only
 - **Print Map**— Create an 8½" x 11" PDF map
 - **Zoom to Coordinates** — Type in longitude and latitude in DMS or DD and zoom to location
 - **Zoom to Address** — Type in an address to zoom to an approximate location

The following map content will be included in the application:

- Basemap – roads, water features etc,
- Cty limits
- Parcels
- Wells

- RRGCD Grid – RRGCD staff only

III. Well Permit Tools screen to contain all of the permitting functions which include:

Login—Users will be required to login to use the application. The following information will be collected:

- Username
- E-mail address
- Phone Number
- Password

Search—Search capabilities required by the application to be determined during the requirements workshop phase of the project. Searches will only be available to RRGCD staff. Capabilities could include:

- Search by well number
- Search by registrant
- Search by landowner
- Search by well owner
- Search by driller
- Responsible Party
- Status
- City
- Graphical search (user to draw a rectangle on the map to return all wells within the search area)

Well Buffering—Buffer the selected well by user defined distance (default distance is 100 feet) Available to RRCD staff only

- Show buffer are graphic on map
- Select wells located with buffer area
- Ability to clear buffer area and selected wells

Data Input—An input screen will be developed to support the following functions:

- Well registration
- Drilling permits
- Production permits
- Single-well meter reports (monthly)
- Multi-well meter reports (monthly)
- Transfer of well ownership
- Pumping test data
- Uploading of scanned documents (drilling logs, etc.)
- Users can identify proposed well locations by entering a longitude, latitude coordinate, or by using the Well Location Tool to allow the user to click a point on the map that represents the well location. Clicking a point on the map will also pre-populate the permit coordinate information, the property owner information (from appraiser data), and address information.
- Payment processing—implementation of a third-party “shopping cart” solution to handle final credit card and payment processing. This will reduce the level of effort to create the application and eliminate the security liability of collecting and storing payment account information. Well number will be included in the credit card

payment processing posting. A 'Pay by check' option will be implemented by allowing the user to print a form with well payment information (ie. payment stub) to be included in the mailed in check payment.

IV. Mobile User Interface to allow the user to access base map and well information in the field using an iPad tablet with 3G data connection. The following functions will be included in the mobile user interface:

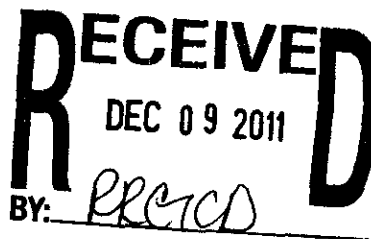
- **Zoom In**
- **Zoom Out**
- **Pan**
- **Search for well** – search by well number
- **GPS Navigation** – show user's current location on map
- **Add/Edit Unregistered well** —add unregistered well location and details to the database
- **Edit Registered well**—select a registered well and edit comments, details or location

ATTACHMENT VIII – LETTER FROM TIM MORRIS

MORRIS ENGINEERS

December 9, 2011

Jerry Chapman, General Manager
Greater Texoma Utility Authority
5100 Airport Drive
Denison, Texas 75020



Dear Jerry:

I have been thinking about how a groundwater district might be helpful to local groundwater users. Please allow me to share some thoughts with you. The intent of the State groundwater legislation is to regulate groundwater usage such that irreversible depletion does not occur. If the historical "right of capture" is to be infringed, then users should have some confidence that the technical basis for such infringement is reasonably valid. I hope this missive will shed some light on some of the technological issues relating to groundwater that may be somewhat obscure.

Our ground water aquifers, Woodbine and Trinity (Antlers), are confined aquifers that are separated and overlain by thick, almost impenetrable formations. The water in the aquifers is under fluid pressure. When a well is drilled into one of these aquifers, the water will rise in the well several hundred feet above the aquifer because of the fluid pressure. The height that the water rises is frequently called the "water table", "static level", or more properly, the "piezometric surface". When one speaks of drawdown in a confined aquifer, one is usually speaking of lowering the fluid pressure in a well. This drawdown does not mean that a portion of the confined aquifer is dewatered.

Naturally enough, water will flow in the aquifer from areas of high fluid pressure to areas of lower fluid pressure. When a well removes water from the aquifer, it creates an area of lower fluid pressure toward which water will flow.

To me, it is easier to understand groundwater in terms of "fluid pressure" than it is to relate to more common terms like "water level", "water table", or even "piezometric surface". The water level measurements that are made for groundwater are all measurements of the fluid pressure. The numerous reports that show historical changes in groundwater levels are all reflecting changes in the fluid pressure. The water levels reflected in groundwater computer models are fluid pressures.

Fluid pressure drives the movement of water in an aquifer; but changes in the fluid pressure do not indicate that a confined aquifer contains less water.

Historical observations of water levels in our aquifers show that the aquifer fluid pressure has declined with increased groundwater utilization. This decline in fluid pressure represents the amount of energy that is used to "push" the water through the sands in the aquifer formation to the points of withdrawal. Groundwater computer models attempt to correlate changes in fluid pressure with the movement of water into, through, and out of an aquifer. It is expected that there will be some determination of an acceptable residual fluid pressure for an aquifer. We technocrats hope to use the computer models to predict how the formation fluid pressure will change with changes in pumping.

I think local groundwater users will mainly be interested in how declining fluid pressure will affect their pumping costs and whether neighboring wells will affect the production of their own well. The regional groundwater models are not sufficiently refined to be very helpful with these concerns. Local models that use regional models to define boundary conditions can be made to study local conditions more closely; that is something you may want to explore.

Local effects can be examined quite easily using the traditional relationships developed by C. V. Theis about 1935. I did a desktop evaluation of a hypothetical Antlers formation well to get an insight into how the fluid pressure might change in a typical well. I assumed a 250 gpm well operating 10 hours per day and typical values for transmissivity and storativity. The Theis relationship suggests that the fluid pressure will drop about 24 feet a mile out after 10 years and about 31 feet after 100 years. The pumping level in the well will increase about 20 feet between the first year and the 20th year. The additional power cost at \$0.15 per Kw-Hr will be about \$700 per year.

After 10 to 20 years, fluid pressure changes in the well become so small that it will seem that the fluid pressure has approached a steady state. In other words, the character of the residual fluid pressure in the aquifer that results from well production will tend to stabilize as the capacity of the formation to transmit water nears the rate of pumping.

It can also be predicted that if the well ceases to pump, the fluid pressure will recover to regional levels in a short time, perhaps as quickly as a few months. This recovery phenomenon apparently occurred when Denton switched from groundwater to surface water; the Denton recovery is indicated by figures 24, 25 and 28 of TWDB Report 269. I don't know if there is data that reflects the rate of recovery.

Our estimates of groundwater movement in an aquifer depend on fluid pressure and on the parameters transmissivity and storativity. Transmissivity represents those aquifer characteristics that resist water movement. Storativity represents a capacity of the aquifer to yield or accept water and is related to changes in the fluid pressure. Our groundwater predictions are limited because very few tests have been made to determine of transmissivity and storativity values. Usually, we revert to values that we believe are characteristic of the area we are concerned about and argue that the range of values we use will not materially affect the prediction we are making. The ground water availability models that have been reported suffer from the same lack of data. Well pumping tests that use off-set monitor wells to measure the decline in fluid pressure are the accepted method for determining transmissivity and storativity.

It seems to me that a groundwater district would look toward the development of reliable data of this sort at a few representative locations.

The regional groundwater models are of general interest but they may not be readily adapted to conditions of more immediate local concern. What the models most need at this point is more measurements of local groundwater conditions on which to base their calibration. If the models are to remain viable, they must be continually up-dated and calibrated to observations of local conditions. Properly calibrated, the models can become predictive tools. I suppose a groundwater district would become actively involved in the collection and compilation of groundwater data that can be used to refine models. This same information can be used to improve predictions made by Theis methods. There is a lot of information generated by well tests that are of record at TCEQ and the Water Well Driller's Board.

I have reviewed two Modflow models of local groundwater. One was published by the Bureau of Economic Geology in 1996. The more recent is the TWDB report of 2004. What strikes me about both reports is that a large majority of the water classed as recharge leaves the aquifers near the ground surface in the formation outcrop. A comparatively small amount actually moves thru the aquifer to wells and other outflows down dip. This suggests that the capacity of the formation to transmit water under the influence of fluid pressure may be more significant than recharge in limiting well production.

I hope these comments are useful.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tim', with a horizontal line above it.

Timothy L. Morris, P.E.