

**MINUTES OF THE WORK SESSION AND BOARD MEETING
RED RIVER GROUNDWATER CONSERVATION DISTRICT**

WEDNESDAY, FEBRUARY 22, 2012

**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: Jonathan Cannon, Herald Democrat
Bill Hutchison, LBG Guyton Associates
Tim Morris, Morris Engineers
Bob Patterson, Upper Trinity GCD
Joey Rickman, City of Honey Grove
Melissa Rickman, City of Savoy

WORK SESSION

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

President Henderson called the work session to order at 12:00 PM. All members except George Olson were present.

II. Discuss development of Management Plan.

President Henderson explained that the Board was instructed to review the various Management Plans in Groundwater Management Area 8 (GMA 8). Board Member Latham expressed that he liked the Middle Trinity GCD plan the most because it was simple and straightforward. However, the North Texas GCD was too wordy and bulky. The Committee met on February 1st and developed a recommendation. Board Member Wortham commented that the Committee's recommendations were simple, straightforward, and as cost effective as possible. Board Member Morrison thanked the Committee for being economically conscious.

Mr. Chapman explained that he and Mrs. Catterson had discussed an additional tool for providing information to the public. The staff explained that Facebook and LinkedIn. The sites would enable the District to provide information to the public. This would not cost the District anything but

staff time, which would be extremely limited. Mr. Hutchison recommended not including the social networking in the Management Plan because of the difficulty in meeting objectives.

Board Member Gattis commented that there is a wide variety in complexity in plans, but some plans were very minimal and were approved by the Texas Water Development Board (TWDB).

Mr. Hutchison reviewed the Committee's recommendation. Numbers 3 and 5 will be considered not applicable, which makes them easy to address. The Board expressed a fondness for Middle Trinity GCD's plan. Middle Trinity GCD's plan addressed two of the three recommendations, so the language could be borrowed to expedite the process. Mr. Hutchison explained that after the meeting, he will draft a plan to send to the District before the meeting in March for consideration and submission to the TWDB for preapproval process. Board Member Gattis stated that he did not a large Management Plan, like the North Texas GCD. The Committee wanted the plan to be as minimal as possible, while still being relevant to the area.

Board Member Patterson clarified that by creating a minimal plan, the District is not limiting their activities, but they are preventing being obligated to perform at a maximum level. The TWDB audits several districts in the State each year. Mr. Hutchison explained that the TWDB requires the Management Plan to be time based and quantifiable. For example, on number 4, he recommended changing it to specify attending at least one Region C meeting each year.

The Board agreed with using the format of the Middle Trinity GCD plan and incorporating the Committee's recommendation. Board Member Latham asked about the Red River Alluvium and if it needed to be addressed in the Management Plan. Mr. Hutchison explained that the Red River Alluvium was not considered an aquifer and did not have Desired Future Conditions (DFCs) established. He stated that it is not required to be included, but could be included if the District feels it needs management. The Region C Water Plan includes numbers for formations that are not recognized by the State or by GMA 8.

The Board discussed the urgent water needs in the counties to the south and west of the District. GMA 8 is a joint planning group and has to approve all the DFCs inside its boundaries. The DFC process requires each district to determine its desired conditions of the aquifer in 50 years. The process requires the neighboring districts to work together to achieve a common goal. The MAG numbers are now just one of five tools to determine the amount of water available to permit.

Mr. Hutchison reviewed the Middle Trinity GCD plan and compared the Committee's recommendations to their plan. The Board discussed number 4 and agreed to remove the section on other surface water providers since it is unclear and covered by attending the Region C meetings. The Board reviewed the rainfall maps and discussed how often to update the maps.

The Board discussed the appendices and the information contained. The information was generated from the State Water Plan, which included projections for potential sources of water. The information is a goal, not actual information.

III. Adjourn Work Session

The Board adjourned the work session at approximately 1:16 PM and took a brief break.

BOARD MEETING

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

President Henderson called the meeting to order at 1:25 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 public comments received.

III. Consider approval of Minutes of January 18, 2012, board meeting

Board Member Gattis motioned to approve the Minutes of the January 18, 2012 board meeting. The motion was seconded by Board Member Patterson and passed unanimously.

IV. Review and approval of monthly invoices.

Board Member Gattis asked if the legal invoices would be more up to date and Mr. Chapman responded that legal counsel had agreed to be more punctual with invoices.

Board Member Gattis motioned to approve the monthly invoices. The motion was seconded by Secretary/Treasurer Wortham and passed unanimously.

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

Alan Plummer & Associates has been very responsive and the system is moving forward on schedule. Mrs. Catterson demonstrated the current site, which is not yet fully functioning, but is able to be viewed.

VI. Consider and act upon ASYST accounting and utility billing software

Mr. Chapman explained that financial information is currently being kept on the Authority's QuickBooks software. However, as wells are registered, the District will need to keep information on groundwater production and fees. This will currently have to be done manually between the web based application to the accounting department manually, causing double work. This will also be necessary for ownership information. This information needs to be as transferrable as possible to keep records up to date. The Authority encountered this situation with the North Texas GCD. The contractor initially stated they would recommend a system after a review. The Board decided to terminate that contract, and authorized the staff to enter into a contract with the USTI company for the ASYST software. This system is being utilized by area entities and can handle utility billing and accounting for the District.

Mrs. Atkins explained that the best aspect of the software is that the information from the geodatabase will be able to be exported into the accounting system. The system includes all information in one area. The system will track the transfer of well ownership to keep more accurate records. This will enable the staff to easily keep track of the different contact persons and the history of how the well has been handled.

Wells are not generally mentioned during title transfers, but the staff will work with the title companies and realtors to encourage transfer.

The program requires a license fee that is a one-time fee and a yearly support fee. The fees can be divided with the North Texas GCD. The license fee is approximately \$5,800 and the yearly support would be approximately \$1,100. The staff proposes to purchase a computer and establish the accounting system, which helps to separate the District from the Authority. The Authority backs up the software monthly off site and weekly onsite.

Mr. Chapman recommended an interlocal agreement between the two districts.

Board Member Gattis motioned to approve the ASYST accounting and utility billing software. The motion was seconded by Board Member Morrison and passed unanimously.

VII. Consider and act upon budget amendment

The District was very frugal in 2011 and a fund balance of \$44,000 remained. Mr. Chapman recommended that the Board amend the budget to use part of the fund balance to pay for the expenditure for the ASYST program and to purchase a computer and printer.

Board Member Gattis motioned to amend the 2012 budget to utilize the fund balance from the 2011 budget year to purchase a computer and printer for the field technician and the ASYST program. The motion was seconded by Board Member Morrison and passed unanimously.

VIII. Discuss development of Management Plan

Board Member Morrison expressed that the Committee did a fantastic job providing recommendations.

IX. Receive and discuss letter from Tim Morris

Last month, Mr. Morris submitted a letter the Board requested be placed back on the agenda, along with a new letter submitted by Mr. Morris. Mr. Morris explained the ramifications of requiring non-exempt wells to provide geotechnical data before drilling. The District needs to establish guidelines before April 1st. If the Board desires to establish those hydrogeologic requirements quickly, the Board needs to consider the guidelines quickly. Mr. Morris recommended changing the date to 2013. The Board discussed how the statute was created and whether to modify it. A 200 gallon per minute well will reduce the static water level a mile away by 10 feet every few months. This is based on a 10 hour on, 14 hour off cycle.

Dr. Patterson explained that in the Upper Trinity GCD, they have spacing requirements based on the well capacity. They based their information on hydrogeologic information collected by their hydrologist. He has used this system many times over with the oil and gas industry. They did not put the burden of proof on the well owner, but based on their schedule of spacing based on capacity. For variances, they have a study performed on a specific location by both their hydrogeologic firm and by the entity requesting the firm, then a public hearing is held and a vote taken based on the testimony.

The Board discussed adjusting the Temporary Rules to amend the well spacing to provide for information be provided by September 2014. This will be considered at a public hearing on March 21st. Between April 1, 2012 and September 1, 2014, non-exempt well owners will be required to provide adequate hydrogeologic data to prove

Board Member Gattis motion to amend Rule 4.2(e) and hold a public hearing on March 21st. The motion was seconded by Board Member Patterson and passed unanimously.

X. General Manager's Report

Mr. Chapman provided a report from the Senate Natural Resources Committee of goals for the 82nd Legislature. Mr. Chapman reviewed the document with the Board. Several items are of concern, including permitting groundwater and consolidating groundwater conservation districts. President Henderson expressed the need for the District to continue progressing to prevent the State from attempting to consolidate the District with another one. This is always expressed strongly at the GMA 8 meetings.

Mr. Chapman met with the Grayson County Ag Life group at the request of Robin McCoy, Senator Estes's assistant. He provided information to the Grayson County Extension Agent. It was well received and reported that he planned to schedule a work session for individual well owners in Fannin and Grayson Counties. The GMA 8 meeting will be February 29th in Cleburne and the Texas Alliance of Groundwater Districts meeting will be in March.

Mr. Chapman also reported that the District will need a field technician to be hired by April 1st. The North Texas GCD field technician will not be able to handle any additional workload, as he is engaged in field inspections daily. Mr. Chapman requested the Board approve the staff to advertise for the position. The Board requested a job description be emailed and the staff agreed. Mr. Chapman anticipated the position to be full-time, but agreed to try to find someone willing to start part-time.

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

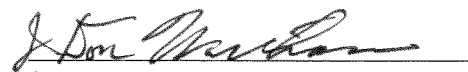
The next meeting and a public hearing will be held on March 21, 2012, with the public hearing beginning at 1:30 pm and the meeting at 2:00 pm. The agenda will include modification of Rule 4.2(e) of the Temporary Rules, an interlocal agreement with NTGCD and approving the management plan.

XII. Adjourn

Upon motion by Board Member Patterson seconded by Board Member Gattis and passed unanimously, the Board adjourned at approximately 2:38 PM.

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Recording Secretary


Secretary-Treasurer