

**RED RIVER
GROUNDWATER
CONSERVATION
DISTRICT**

BOARD MEETING

**BOARD ROOM
GREATER TEXOMA UTILITY AUTHORITY
5100 AIRPORT DRIVE
DENISON, TEXAS 75020**

**THURSDAY
JULY 13, 2017**

AGENDA
RED RIVER GROUNDWATER CONSERVATION DISTRICT
BOARD OF DIRECTORS BOARD MEETING
GREATER TEXOMA UTILITY AUTHORITY BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020
THURSDAY, JULY 13, 2017

Board Meeting

The Board Meeting will begin at 2:00 p.m.

The Board of Directors may discuss, consider, and take all necessary action, including expenditure of funds, regarding each of the agenda items below:

Agenda:

1. Call to order, declare meeting open to the public, and take roll
2. Public Comment
3. Consider and act upon approval of Minutes of June 22, 2017, Board Meeting
4. Review and approval of monthly invoices
5. Receive monthly financial information
6. Receive Quarterly Report
7. Receive Quarterly Investment Report
8. Consider and act upon 2018 Operating Budget and Adopt Rate Schedule
9. Appointment of a Nominating Committee for Election of Officers
10. Update and possible action regarding the process for the development of Desired Future Conditions (DFCs)
11. Consider and act upon compliance and enforcement activities for violations of District Rules
12. General Manager's report: The General Manager will update the Board on operational, educational and other activities of the District
13. Receive presentation from the District's Hydrogeologist and Legal Counsel regarding permanent rules development.
 - a. Consider and act upon action items for rules development

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

15. 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.

³Persons with disabilities who plan to attend this meeting, and who may need assistance, are requested to contact Velma Starks at (800) 256-0935 two (2) working days prior to the meeting, so that appropriate arrangements can be made.

⁴For questions regarding this notice, please contact Velma Starks at (800) 256-0935, at rrgcd@redrivergcd.org or at 5100 Airport Drive, Denison, TX 75020.

ATTACHMENT 3

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

THURSDAY, JUNE 22, 2017

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

Members Present: David Gattis, P.E., Mark Gibson, P.E., Harold Latham, Mark Newhouse, Mark Patterson, Don Wortham, PhD

Members Absent: William Purcell

Staff: Drew Satterwhite, P.E., Allen Burks, Carolyn Bennett, Wayne Parkman, Tasha Hamilton, Debi Atkins, and Velma Starks

Visitors: Kristen Fancher, Fancher Legal, PLLC
Kathryn Baecht, CORE
Alan Richard, CORE
Jarrett Tucker, CORE
Scott Lipsett, CORE
John Lavoman
Andy Reich, McClanahan and Holmes, LLP

Show Cause Hearing

Agenda:

1. Call to Order, declare hearing open to the public, and take roll.

Board President Mark Patterson called to Order, declared hearing open to the public, and took roll at 2:01 p.m.

2. Conduct Show Cause Hearing under Rule 9.6 on the following for alleged violations of District Rules; discuss, consider, receive testimony, and take appropriate action, including without limitation authorizing the District to initiate a civil lawsuit to enforce compliance with the District Rules, including recovery of civil penalties, costs, and attorney's fees, and all other appropriate legal and equitable relief:

A. Texas Rain Holding Co., Inc., 2401 Callender Rd., Suite 105, Mansfield, TX 76063 and 2004 Southwest Parkway Granbury, TX 76048

No one was present to represent Texas Rain Holding Co., Inc.

3. Adjourn or continue show cause hearing.

The Board went into Executive Session at 2:04

The Board reconvened into Regular Session at 2:23 and adjourned the Show Cause Hearing.

Board Meeting

The regular Board Meeting will begin at 2:15 p.m. or upon adjournment of the above noticed Show Cause Hearing, whichever is later.

The Board of Directors may discuss, consider, and take all necessary action, including expenditure of funds, regarding each of the agenda items below:

Agenda

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

President Patterson called the meeting to order at 2:25 p.m., established a quorum was present, and declared the meeting open to the public.

2. Public comment

Members of CORE were present requesting to appear before the Board of Directors for public comment. Members expressed their concerns regarding the impact that the sand mining is having on groundwater in Fannin County. Members wanted to know if the District had any jurisdiction over this situation and what the district was doing to investigate the situation.

General Manager Satterwhite informed the members of CORE that the District had contacted TCEQ who has jurisdiction and the TCEQ tests the sand mining water every 3 years.

Legal Counsel informed the group that they are talking with legislative members to see what can be done.

General Manager Satterwhite informed the group that at this time the sand mining company with a registered well is in compliance with District Rules.

3. Consider and act upon approval of Minutes from the April 20, 2017 board meeting

Board Member Gattis made a motion to approve the minutes of the April 20, 2017 meeting. Board Member Gibson seconded the motion and motion passed unanimously.

4. Review and approval of monthly invoices.

General Manager Satterwhite reviewed the monthly invoices with the Board of Directors. Board Member Gattis made a motion to approve liabilities. Board Member Newhouse seconded the motion. Motion passed unanimously.

5. Receive monthly financial information

General Manager Satterwhite discussed and reviewed the monthly financial information with the Board.

6. Appointment of a Budget Committee

The Board appointed Mark Newhouse, Mark Gibson, and Mark Patterson as the Budget Committee.

7. Consider and act upon 2016 Audit

Andy Reich of McClanahan and Holmes, LLP presented the Audit. Board Member Gattis made a motion to accept the Audit as presented. Board Member Wortham seconded the motion. Motion passed unanimously.

8. Update and possible action regarding the process for the development of Desired Future Conditions (DFCs)

General Manager Satterwhite informed the Board that everything has been sent to TWDB and we are waiting on their approval. He also informed the Board that Eddy Daniel has retired from NTGCD and as a result we have lost our GMA-8 President.

9. Consider and act upon compliance and enforcement activities for violations of District Rules

The Board decided to add \$500.00 to the Texas Rain Holding Co., Inc. fine. Board Member Gattis made the motion to increase the Texas Rain Holding Co., Inc. fine by \$500.00. Board Member Newhouse seconded the motion. Motion passed unanimously.

General Manager Satterwhite informed the Board that a well had been drilled for a public water supply without the Notice to Proceed. The fine and fees have been paid. Board Member Gibson made the motion to accept that no action needs to be taken. Board Member Gattis seconded the motion. Motion passed unanimously.

10. General Manager's report: The General Manager will update the Board on operational, educational and other activities of the District

General Manager Satterwhite updated the Board on the progress being made with INTERA. The injection well monitoring project is up and running. Bring up the Fund Balance in the Fall.

17. Open Quorum/discussion of new business for future meeting agendas

The Board set July 13 tentatively at 2 p.m. for the next meeting.

18. Adjourn

President Patterson declared the meeting adjourned at 3:15 p.m.

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Recording Secretary

Secretary-Treasurer

ATTACHMENT 4

RESOLUTION NO. 2017-07-13-1

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE RED RIVER GROUNDWATER
CONSERVATION DISTRICT AUTHORIZING PAYMENT OF ACCRUED LIABILITIES FOR THE
MONTH OF JULY 2017

The following liabilities are hereby presented for payment:

	<u>Amount</u>
<u>Administrative Services</u>	
GTUA- June	15,537.56
<u>Contract Services</u>	
LBG Guyton -June 2017	1,215.17
<u>Direct Costs</u>	
A-1 Printing - envelopes	85.00
NexTraq - June 2017	39.95
<u>Legal</u>	
Law Offices of Kristen Fancher PLLC - June 2017	2,106.00
<u>Software Maintenance</u>	
Intera Inc. - April, May, June Data Management System Development	15,380.89
GRAND TOTAL:	<u><u>\$ 18,983.68</u></u>

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RED RIVER
GROUNDWATER CONSERVATION DISTRICT THAT the Secretary-Treasurer is hereby authorized to
make payments in the amounts listed above.

On motion of _____ and seconded by

_____, the foregoing Resolution was passed and approved on this,

the 13th day of July by the following vote:

AYE:

NAY:

At a meeting of the Board of Directors of the Red River Groundwater Conservation District.

President

ATTEST:

Secretary/Treasurer

ATTACHMENT 5

Red River Groundwater Conservation District**Balance Sheet****For General Fund (00)****June 30, 2017****Assets**

00-01-10001	Checking Account	60,392.37
00-01-10010	Investments-CD	310,000.00
00-01-10025	Accounts Receivable	44,653.31
00-01-10026	A/R Texas Rain Holding Co	2,100.00
00-01-10030	Undeposited Funds	.00
00-01-10040	Interest Receivable	.00
00-01-10101	Allowance for Uncollectible Accounts	(1,530.00)
00-01-10200	PP Expense	4,325.00
Total		<u>419,940.68</u>
Total Assets		<u>\$ 419,940.68</u>

Liabilities and Fund Balance

00-01-23100	Accounts Payable	26,222.17
00-01-23150	Deposits to be Refunded	9,800.00
Total		<u>36,022.17</u>
Total Liabilities		<u>36,022.17</u>
00-01-35100	Fund Balance	73,069.05
00-01-35120	Current Year Excess of Revenue over Expenses	396,194.81
Total		<u>469,263.86</u>
Excess of Revenue Over Expenditures		<u>(85,345.35)</u>
Total Fund Balances		<u>383,918.51</u>
Total Liabilities and Fund Balances		<u>\$ 419,940.68</u>

Red River Groundwater Conservation District
Statement of Revenue and Expenditures

7/10/2017 2:10pm

Page

1

Revised Budget
For General Fund (00)
For the Fiscal Period 2017-6 Ending June 30, 2017

Account Number	Current Budget	Current Actual	Annual Budget	YTD Actual	Remaining Budget %
Revenues					
00-01-46002 GW Production Cost	\$ 81,250.00	\$ 0.00	\$ 325,000.00	\$ 70,801.26	78.21%
00-01-46005 Late Fees	0.00	0.00	0.00	391.63	0.00%
00-01-46006 Violation Fees	0.00	500.00	0.00	2,100.00	0.00%
00-01-46007 Registration Fees	416.67	1,200.00	5,000.00	3,500.00	30.00%
00-01-46010 Well Drillers Deposit	0.00	0.00	0.00	200.00	0.00%
00-01-46100 Interest Income	41.67	353.34	500.00	1,350.03	(170.01%)
Total General Fund Revenues	\$ 81,708.34	\$ 2,053.34	\$ 330,500.00	\$ 78,342.92	76.30%
Expenditures					
00-01-77010 Administrative Cost	\$ 8,750.00	\$ 9,430.70	\$ 105,000.00	\$ 55,543.70	47.10%
00-01-77020 Advertising	83.33	0.00	1,000.00	127.73	87.23%
00-01-77027 Auditing	0.00	0.00	4,500.00	0.00	100.00%
00-01-77031 Banking Fees	0.00	0.00	0.00	9.00	0.00%
00-01-77032 Contract Services	6,016.67	1,815.17	72,200.00	31,421.12	56.48%
00-01-77035 Field Technician	6,666.67	5,649.50	80,000.00	34,447.50	56.94%
00-01-77040 Direct Cost	333.33	279.89	4,000.00	2,446.95	38.83%
00-01-77450 Dues & Subscription	116.67	0.00	1,400.00	483.00	65.50%
00-01-77480 Equipment	0.00	0.00	2,000.00	0.00	100.00%
00-01-77500 Fees- GMA8	0.00	0.00	1,000.00	0.00	100.00%
00-01-77810 Insurance	416.67	261.64	5,000.00	1,892.98	62.14%
00-01-77855 Internet Fees	541.67	0.00	6,500.00	4,260.06	34.46%
00-01-77970 Legal	2,916.67	2,106.00	35,000.00	11,277.05	67.78%
00-01-78010 Meetings and Conferences	208.33	452.50	2,500.00	1,334.64	46.61%
00-01-78310 Rent	200.00	0.00	2,400.00	1,000.00	58.33%
00-01-78600 Software Maintenance	166.67	12,681.89	2,000.00	16,846.13	(742.31%)
00-01-78750 Telephone	166.67	229.41	2,000.00	1,060.15	46.99%
00-01-78770 Transportation-Mileage	416.67	198.90	5,000.00	1,538.26	69.23%
Total General Fund Expenditures	\$ 27,000.02	\$ 33,105.60	\$ 331,500.00	\$ 163,688.27	50.62%
General Fund Excess of Revenues Over Expenditures	\$ 54,708.32	\$ (31,052.26)	\$ (1,000.00)	\$ (85,345.35)	

ATTACHMENT 6



RED RIVER

GROUNDWATER CONSERVATION DISTRICT

FANNIN COUNTY AND GRAYSON COUNTY



General Manager's Quarterly Report

Date: June 30, 2017

Red River GCD Management Plan

This quarterly briefing is being provided pursuant to the adopted Management Plan for the quarter ending June 30, 2017.

Well Registration Program:

Current number of wells registered in the District: 747

Aquifers in which the wells have been completed: Trinity and Woodbine

Well Inspection/Audit Program:

2017

Well Inspections

Month	Fannin	Grayson	Total
January	1	4	5
February	5	13	18
March	4	2	6
April	7	11	18
May	5	19	24
June	5	14	19
July			
August			
September			
October			
November			
December			
Total	27	63	90

ATTACHMENT 7

Red River Groundwater Conservation District
Investment Report
June 30, 2017

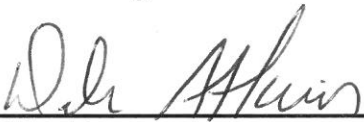
This report complies with the requirements of the Public Funds Investment Act and covers all the funds of the District that are subject to the Act. At June 30, 2017, the investment position was a little more than \$370 thousand.

The District's funds are consistent with the prior periods.

The District was in compliance with all provisions on the investment policy and the Public Funds Investment Act as of June 30, 2017.

All transactions were routine.

The following schedules are also a part of this investment report.

A handwritten signature in dark ink, appearing to read "Debi Atkins", is written over a horizontal line.

Debi Atkins
Finance Officer

INVESTMENT SUMMARY AS OF

6/30/2017

Investment	Maturity Date	Rate	Par Value	Market Value	Accrued Interest	Mkt + Accr Ini Value	Years to Maturity
C.D. Discover Bank	12/14/2017	1.00%	100,000	100,000	\$522	\$100,522	0.4575
C.D. First United	12/24/2017	1.09%	110,000	110,000	\$123	\$110,123	0.4849
C.D. First United	3/6/2018	1.29%	100,000	100,000	\$305	\$100,305	0.6822
TOTAL							
Weighted Ave Maturity in yrs	0.54		\$310,000	\$310,000	\$950	\$310,950	

Red River Groundwater Conservation District
Investment Portfolio

Type of Instrument	MATURITY DATE	COUPON RATE	PAR VALUE	BOOK VALUE	MARKET VALUE 6/30/2017	
Cert of Deposit	12/14/2017	1.000%	100,000.00	100,000.00	100,000.00	Discover Bank
Cert of Deposit	12/24/2017	1.090%	110,000.00	110,000.00	110,000.00	First United
Cert of Deposit	3/6/2018	1.290%	100,000.00	100,000.00	100,000.00	First United
Checking account	@ 6/30/17				60,392.37	
Total Portfolio as of June 30, 2017					\$ 370,392.37	

ATTACHMENT 8



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: July 10, 2017

SUBJECT: AGENDA ITEM NO. 8

CONSIDER AND ACT UPON 2018 OPERATING BUDGET AND ADOPT RATE SCHEDULE

ISSUE

2018 operating budget and rate schedule

BACKGROUND

In the past, the Board of Directors of the Red River Groundwater Conservation District ("District") has established the practice of trying to adopt a budget and rate schedule as early as possible. The District's fiscal year is based on a calendar year from January 1st through December 31st, while many of the groundwater producers who pay production fees operate on fiscal years that begin October 1st through September 30th. For this reason, the Board has attempted to establish production fees as early as possible in the budget planning process.

A draft 2018 budget has been prepared and is awaiting review by the District's Budget Committee. A draft budget will be provided at the meeting after the Committee has had the opportunity to offer input.

OPTIONS/ALTERNATIVES

The Board has the option to review this information and not take action at the July meeting. However, this would provide a short period of time for all non-exempt producers that operate on a fiscal year beginning October 1, 2016. At a minimum, the staff recommends the Board adopt the fee schedule in order to provide this information to the non-exempt producers.

The staff is available to meet with the Budget Committee again or the staff is prepared to move forward with the draft and rate schedule.

CONSIDERATIONS

The Board should feel an additional level of confidence in the District's budget and rate schedule being that the District's rates are the lowest in the region.

STAFF RECOMMENDATIONS

The staff requests direction from the Board on the budget and rate schedule.

ATTACHMENTS

Resolution

PREPARED AND SUBMITTED BY:

A blue ink signature of Drew Satterwhite, consisting of a stylized 'D' followed by a horizontal line and a flourish.

Drew Satterwhite, P.E., General Manager

SUBMITTED BY:

A blue ink signature of Debi Atkins, featuring a stylized 'D' and 'A'.

Debi Atkins, Finance Officer

RESOLUTION NO. 2017-07-13-02

**A RESOLUTION BY THE BOARD OF DIRECTORS OF THE RED RIVER
GROUNDWATER CONSERVATION DISTRICT RELATING TO THE ADOPTION
OF A 2018 BUDGET FOR THE DISTRICT**

WHEREAS, the Red River Groundwater Conservation District (the “District”) is a political subdivision of the State of Texas organized and existing under and by virtue of Article XVI, Section 59, of the Texas Constitution as a groundwater conservation district, acting pursuant to and in conformity with Chapter 36, Texas Water Code and Act of May 25, 2009, 81st Leg., R.S., ch. 884, 2009 Tex. Gen. Laws 2313 codified at Chapter 8859 of the Texas Special District Local Laws Code (the “District Act”);

WHEREAS, the District Board of Directors (the “Board”) Budget & Finance Committee has worked diligently to identify all reasonably anticipated District revenues, expenses, and activities for the January 1, 2018 – December 31, 2018 budget cycle and, after giving much consideration to these important factors, has developed a proposed 2018 budget for the Board’s consideration and deliberation (the “2018 Budget”); and

WHEREAS, the Board has reviewed and considered the 2018 Budget; and

WHEREAS, pursuant to Section 36.154 of the Texas Water Code, the District has prepared a budget that contains a complete financial statement, including a statement of the outstanding obligations of the District, the amount of cash on hand to the credit of each fund of the District, the amount of money received by the District from all sources during the previous year, the amount of money available to the District from all sources during the ensuing year, the amount of the balances expected at the end of the year in which the budget is being prepared, the estimated amount of revenues and balances available to cover the proposed budget, and the estimated fee revenues that will be required; and

WHEREAS, the Board finds that the adoption of the 2018 Budget, attached hereto as Attachment A and incorporated herein by this reference for all purposes, is merited to support the District’s activities and related expenses from January 1, 2018, through December 31, 2018, and that the attached budget will allow the District to carry out the District’s objectives and responsibilities as prescribed by the District Act and Chapter 36 of the Texas Water Code.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
RED RIVER GROUNDWATER CONSERVATION DISTRICT AS FOLLOWS:**

- (1) The above recitals are true and correct.
- (2) The Board of Directors of the Red River Groundwater Conservation District hereby adopts an operating budget for January 1, 2018, to December 31, 2018, as provided in

the budget appended hereto as "Attachment A," which is incorporated herein by this reference and is hereby approved and adopted.

- (3) The Board of Directors, its officers, and the District employees are further authorized to take any and all actions necessary to implement this resolution.

AND IT IS SO ORDERED.

Upon motion by _____ seconded by _____, the foregoing Resolution was passed and approved on this 13th day of July, 2017, by the following vote:

AYE:

NAY:

ABSTAIN:

At a meeting of the Board of Directors of the Red River Groundwater Conservation District.

President

ATTEST:

Secretary-Treasurer

ATTACHMENT 9



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: July 10, 2017

SUBJECT: AGENDA ITEM NO. 9

APPOINTMENT OF A NOMINATING COMMITTEE FOR ELECTION OF OFFICERS

ISSUE

Appointment of a Nominating Committee for election of officers

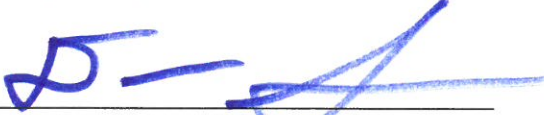
BACKGROUND

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 a two year term. Officers may serve multiple consecutive terms.

CONSIDERATIONS

All committees are appointed by the Board President.

PREPARED BY:


A blue ink signature, appearing to read "Drew Satterwhite", is written over a horizontal line.

Drew Satterwhite, P.E., General Manager

ATTACHMENT 12

Red River Groundwater Conservation District

Well Registration Summary

As of June 30, 2017

Well Type	Total Registered Fannin County	Total Registered Grayson County	Total RRGCD	New Registrations
Domestic	123	215	338	5
Agriculture	15	25	40	0
Oil/Gas	0	21	21	0
Surface Impoundments	5	13	18	0
Commercial	5	5	10	0
Golf Course	0	15	15	0
Livestock	12	22	34	1
Irrigation	0	5	5	0
Public Water	55	210	265	1
Monitoring	0	1	1	0
Total	215	532	747	7

ADJOURN