

RED RIVER GROUNDWATER CONSERVATION DISTRICT

PERMIT HEARING AND BOARD MEETING

Join by computer, tablet or smartphone at the following link:
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or

Join by phone 872-240-3311 with access code: 363-514-437

**THURSDAY
DECEMBER 17, 2020**

NOTICE OF PUBLIC MEETING
OF THE
BOARD OF DIRECTORS OF THE
RED RIVER GROUNDWATER CONSERVATION DISTRICT
Thursday, December 17, 2020 at 10:00 a.m.

IN-PERSON MEETING LOCATION:
Greater Texoma Utility Authority Board Room
5100 Airport Drive
Denison, Texas 75020

REMOTE ACCESS ALSO AVAILABLE AT:
Join by computer, tablet or smartphone at the following link:
<https://global.gotomeeting.com/join/363514437>

or

Join by phone 872-240-3311 with access code: 363-514-437

Notice is hereby given that, in accordance with Governor Abbott's March 16, 2020, action to temporarily suspend certain provisions of the Texas Open Meetings Act, a quorum of the Board of Directors of the Red River Groundwater Conservation District ("District") will hold public hearings and a Board meeting in-person and via telephone and video conference call beginning at 10:00 a.m. on Thursday, December 17, 2020. Please note for in-person attendance that the Board meeting location can only accommodate a limited number of attendees in order to comply with the Governor's proclamation related to in-person gatherings, and that remote access may be required in the event the capacity limitations are reached. Public comment can be provided whether participating in-person or remotely

Permit Hearing

The Permit Hearing will begin at 10:00 a.m.

Notice is hereby given that the Board of Directors of the Red River Groundwater Conservation District ("District") will conduct a permit hearing on the following Production Permit Applications:

Agenda:

1. Call to Order; establish quorum; declare hearing open to the public; introduction of Board.
2. Review the Production Permit Applications of:

Applicant: Upper Trinity Regional Water District; 900 N. Kealy Street, Lewisville, Texas 75057

Location of Well: 14680 FM 1550, Ladonia, TX 75449; Latitude: 33.480172°N Longitude: 95.905344°W; about 330 feet south of the intersection of Farm Market 1550 and County Road 3610 and 90 feet east of County Road 3610

Purpose of Use: Construction Water for Lake Ralph Hall Project

Requested Amount of Use: 59,700,000 gallons per year

Production Capacity of Well: 350 gallons per minute

Aquifer: Trinity (Paluxy) Aquifer

Applicant: Upper Trinity Regional Water District; 900 N. Kealy Street, Lewisville, Texas 75057

Location of Well: County Road 3645, Ladonia, TX 75449; Latitude: 33.441794°N Longitude: 95.906575°W; about 1,600 feet south of the intersection of County Road 3650 and County Road 3645 and 175 feet west of County Road 3645

Purpose of Use: Construction Water for Lake Ralph Hall Project

Requested Amount of Use: 59,700,000 gallons per year

Production Capacity of Well: 350 gallons per minute

Aquifer: Trinity (Paluxy) Aquifer

3. Public Comment on the Production Permit Applications (verbal comments limited to three (3) minutes each).
4. Consider and act upon the Production Permit Applications, including designation of parties and/or granting or denying the Production Permit Applications in whole or in part, as applicable.
5. Adjourn or continue permit hearing.

Board Meeting

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

Notice is hereby given that the Board of Directors of the Red River Groundwater Conservation District ("District") may discuss, consider, and take all necessary action, including expenditure of funds, regarding each of the agenda items below:

Agenda:

1. Pledge of Allegiance and Invocation.
2. Call to order, establish quorum; declare meeting open to the public.
3. Public Comment.
4. Consider and act upon approval of Minutes of November 19, 2020, Board Meeting.
5. Budget and Finance.
 - a. Review and approval of monthly invoices.
 - b. Receive monthly financial information
6. Receive Quarterly Report on Management Plan.
7. Receive Annual Report on Management Plan.

8. Discussion and possible action on the review of Accounts Receivables as it relates to individual accounts owing the District.
 9. Consider and act upon Engagement Letter for Audit Services for Fiscal Year Ending December 31, 2020.
 10. Consider and act upon purchasing Acoustic Water Level Measuring Device.
 11. Discussion and possible action on Buena Vista Turf Grass' Historical Use Permit.
 12. Update and possible action regarding the process for the development of Desired Future Conditions (DFC).
 13. Consider and act upon compliance and enforcement activities for violations of District Rules.
 - a. Porter Green
 14. General Manager's report: The General Manager will update the Board on operational, educational and other activities of the District.
 - a. Well Registration Summary
 - b. Update on Injection/Disposal Well Monitoring Program
 15. Open forum / discussion of new business for future meeting agendas.
 16. Adjourn.
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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 4

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

THURSDAY, NOVEMBER 19, 2020

**IN-PERSON MEETING LOCATION:
Greater Texoma Utility Authority Board Room
5100 Airport Drive
Denison, Texas 75020**

REMOTE ACCESS ALSO AVAILABLE AT:

Join by computer, tablet or smartphone at the following link:
<https://global.gotomeeting.com/join/694326965>

or

Join by phone 872-240-3412 with access code: 694-326-965

Notice is hereby given that, in accordance with Governor Abbott's March 16, 2020, action to temporarily suspend certain provisions of the Texas Open Meetings Act, a quorum of the Board of Directors of the Red River Groundwater Conservation District ("District") will hold public hearings and a Board meeting in-person and via telephone and video conference call beginning at 10:00 a.m. on Thursday, November 19, 2020. Please note for in-person attendance that the Board meeting location can only accommodate a limited number of attendees in order to comply with the Governor's proclamation related to in-person gatherings, and that remote access may be required in the event the capacity limitations are reached. Public comment can be provided whether participating in-person or remotely.

Members Present: Chuck Dodd, David Gattis, Mark Gibson, Harold Latham, Mark Newhouse, Billy Stephens, and Mark Patterson

Members Absent:

Staff: Drew Satterwhite, Allen Burks, Paul Sigle, Wayne Parkman, Debi Atkins, Theda Anderson, Carolyn Bennett, and Velma Starks

Visitors: Kristen Fancher, Fancher Legal
James Beach, WSP

Public Hearing to Adopt District Management Plan in Fannin and Grayson Counties, Texas

Agenda

1. Call to Order; establish quorum; declare hearing open to the public; introduction of Board.

Board President Mark Patterson called the Public Hearing to order at 10:05 a.m.

2. Review of Management Plan applicable to the District.

General Manager Drew Satterwhite reviewed the updates with the Board.

3. Public Comment on District's Management Plan (verbal comments limited to three (3) minutes each).

No public comments.

4. Consider and act upon adoption of the Management Plan applicable to the District.

Board Member David Gattis made the motion to adopt the Management Plan. Board Member Mark Newhouse seconded the motion. Motion passed unanimously.

Board President Mark Patterson adjourned the Management Plan Public Hearing at 10:14 a.m.

Public Hearing to Adopt Rules Amendments for Water Wells in Fannin and Grayson Counties, Texas

Agenda

1. Call to Order; establish quorum; declare hearing open to the public; introduction of Board.

Board President Mark Patterson called the Rules Amendments Public Hearing to order at 10:14 a.m.

2. Review of Rules Amendments for Water Wells applicable to the District.

General Manager Drew Satterwhite reviewed the amendments to the rules with the Board. Kristen Fancher, legal counsel, explained the rule reference to Brackish Water. James Beach, WSP, provided information regarding Brackish Water Production Zones. Brief discussions were held.

3. Public Comment on District's Rules Amendments for Water Wells (verbal comments limited to three (3) minutes each).

No public comment.

4. Consider and act upon adoption of the Rules Amendments for Water Wells applicable to the District.

Board Member Mark Newhouse made the motion to adopt the Rules Amendments. Board Member Chuck Dodd seconded the motion. Motion passed unanimously.

Board President Mark Patterson adjourned the Rules Amendments Public Hearing at 10:55 a.m.

Board Meeting

1. Pledge of Allegiance and Invocation.

Board President Mark Patterson led the Pledge of Allegiance and Board Member Chuck Dodd provided the invocation.

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

Board President Mark Patterson called the meeting to order at 10:57 a.m., established that a quorum was present, and declared the meeting open to the public.

3. Public comment

There were no public comments.

4. Consider and act upon approval of Minutes of August 20, 2020 Board Meeting.

Board Member Chuck Dodd made a motion to approve the minutes of the August 20, 2020 meeting. The motion was seconded by Board Member David Gattis. Motion passed unanimously.

5. Budget and Finance.

a. Review and approval of monthly invoices.

General Manager Drew Satterwhite reviewed monthly invoices with the Board. Board Member Mark Newhouse made the motion to approve the monthly invoices. Board Member David Gattis seconded the motion. Motion passed unanimously.

b. Receive monthly financial information.

General Manager Drew Satterwhite reviewed the monthly financial information with the Board.

6. Consider and act upon Administrative Services Contract with Greater Texoma Utility Authority.

General Manager Drew Satterwhite provided background information for the Board. In 2010, the District and GTUA entered into an agreement for administrative services to be provided by GTUA for the District. This relationship has helped the District operate with the lowest production fees in the region. Board President Mark Patterson informed the Board that NTGCD has gone to a five year agreement and asked the Board if it would like to go to five years. After a brief discussion, the Board opted to stay with the one year agreement. Board Member David Gattis made the motion to approve the contract. Board Member Mark Newhouse seconded motion. Motion passed unanimously.

7. Presentation and possible action on the Texas Water Development Board's rulemaking for the Brackish Groundwater Production Zone Rules

James Beach, WSP, provided the presentation regarding Brackish Groundwater Production Zones in relation to aquifers. Kristen Fancher, legal counsel, explained the legal issues that exist and how a petition might work. Discussion was held.

8. Consider and act upon amendments to the District's Hydrogeological Report Requirements.

General Manager Drew Satterwhite provided background information for the Board. The report was left out of the packet. The report clarifies when a hydrogeological report is necessary. Board

Member Chuck Dodd made the motion to approve the amendments to the District's Hydrogeological Report Requirements. Board Member David Gattis seconded the motion. Motion passed unanimously.

9. Consider and act upon amendments to District Flow Testing Procedure Manual.

General Manger Drew Satterwhite reviewed the amendments to the District Flow Testing Procedure. The amendment states *"Upon completion (pump installed) of the well, the well owner representative shall provide the District with at least 3 dates (Monday-Friday) and times (between 8 am and 4 pm) within the 60 days following completion to meet for the purposes of conducting the flow test. If given advance notice, the District will strive to meet the well driller or pump installer at the site during the final stages of the well development."* Board Member David Gattis made the motion to approve the amendments to the District Flow Testing Procedure Manual. Board Member Chuck Dodd seconded the motion. Motion passed unanimously.

10. Discussion and possible action on who will pay transaction fees for the District's online fee payments software.

General Manger Drew Satterwhite informed the Board of the intention to go live with new database next month. General Manager Drew Satterwhite explained that payment by credit card will be available and fees are charged with credit card usage. Discussion was held. Board Member David Gattis made the motion for the Board to cover fees and pay \$20 per month fee. Board Member Harold Latham seconded the motion. Board Members Mark Newhouse and Chuck Dodd voted against motion. Motion passed.

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

General Manager Drew Satterwhite informed the Board that GMA 8 approved the DFCs resolution and the 90 days for the individual District to hold their Public Hearing meeting on the DFCs started on Monday. General Manager Drew Satterwhite suggested that the Board consider having Public Hearing in February. The next GMA 8 meeting will tentatively take place in June.

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

General Manger Drew Satterwhite reported none at this time.

General Manager Drew Satterwhite reported that Porter Green wells were capped by District in August. Discussion was held.

13. Consider and act upon approval of Investment Policy.

General Manager Drew Satterwhite informed the Board that we are required to look at Investment Policy every year as well as the broker/dealers and PFIA training sources. Board Member David Gattis made the motion to approve Resolution No. 2020-11-19-02. Board Member Chuck Dodd seconded the motion. Motion passed unanimously.

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

a. Well Registration Summary

General Manager Drew Satterwhite reported wells registered in August (21), in September (8) and in October (4).

AgriLife reviewed and reported that the District's model uses sound logic. We are looking at going into Phase 2 which involves looking at sod farms and possible soil type.

The payments resolution has expired authorizing Drew and Debi to sign checks prior to this meeting.

b. Update on Injection/Disposal Well Monitoring Program

Kristen Fancher, legal counsel, explained the active protest. Discussion was held.

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

Upper Trinity Water District submitted Hydro report and it will meet the December Permit Hearing deadline if no problems arise. The Board will meet on December 17, 2020 if there is a Permit Hearing Meeting.

10. Adjourn.

Board President Mark Patterson declared the meeting adjourned at 12:29 p.m.

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Recording Secretary

Secretary-Treasurer

ATTACHMENT 5 a.

RESOLUTION NO. 2020-12-17-01

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

The following liabilities are hereby presented for payment:

<u>Administrative Services</u>	<u>Amount</u>
GTUA - November	18,661.68
<u>Advertising</u>	
Herald Democrat - Public notice hearing	234.21
<u>GMA8-Fees</u>	
NTGCD - GMA-8 fees from September - November	1,410.45
<u>Insurance</u>	
Bayless-Hall - Blanket dishonesty bond renewal for FY 2021	286.00
<u>Legal</u>	
Fancher Legal - General Counsel thorough November	4,602.98
<u>Drillers Deposit</u>	
Buena Vista Turf Farms - Refund Driller Deposit, Registration & permitting fees for cancelled wells 7 & 8	1,300.00
Leah & Nathan James - Refund Driller Deposit	100.00
 GRAND TOTAL:	 \$ <u>26,595.32</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 17th. day of December 2020

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 b.

RED RIVER GROUNDWATER**Balance Sheet****As of November 30, 2020****ASSETS****Current Assets****Checking/Savings**

10001 CASH-First United	224,746.47
10025 A/R CONSUMPTION	20,950.27
10026 A/R Texas Rain Holding Co	2,600.00
10230 A/R Violation Fees	500.00
10101 ALLOWANCE FOR UNCOLLECT	-1,530.00
10010 INVESTMENTS	260,000.00
10230 PP EXPENSES	2,247.00
10300 Undeposited Funds	2,000.00

TOTAL ASSETS **511,513.74****LIABILITIES & EQUITY****Liabilities****Current Liabilities****Accounts Payable**

23100 ACCOUNTS PAYABLE	1,644.66
23150 DRILLERS DEPOSIT LIAB	14,600.00

Total Other Current Liabilities **16,244.66****Total Current Liabilities** **16,244.66****Total Liabilities** **16,244.66****Equity****35100 RETAINED EARNINGS** **499,139.29****Net Income** **-3,870.21****Total Equity** **495,269.08****TOTAL LIABILITIES & EQUITY** **511,513.74**

RED RIVER GROUNDWATER
Profit & Loss Budget vs. Actual
November 30, 2020

	Current Actual	Current Budget	YTD Actual	Total Budget	% of Budget Remaining
Income					
46002 GW PRODUCTION	0.00	0.00	255,097.15	315,000.00	19.02%
46005 LATE FEES	0.00	0.00	2,119.12	0.00	0.00%
46006 VIOLATION FEES	0.00	0.00	1,900.00	0.00	0.00%
46015 REGISTRATION FEES	600.00	667.00	9,800.00	8,000.00	-22.50%
46100 INTEREST INCOME	0.00	0.00	965.80	2,700.00	64.23%
Total Income	<u>600.00</u>	<u>667.00</u>	<u>269,882.07</u>	<u>325,700.00</u>	<u>17.14%</u>
Gross Profit	600.00	667.00	269,882.07	325,700.00	
Expense					
77010 ADMINISTRATIVE COST	9,171.00	9,166.67	93,655.75	110,000.00	14.86%
77020 ADVERTISING	0.00	700.00	238.21	700.00	65.97%
77027 AUDITING	0.00	0.00	4,850.00	4,893.00	0.88%
77031 BANKING FEES	0.00	0.00	24.00	100.00	76.00%
77032 CONTRACT SERVICES	0.00	2,650.00	29,413.01	31,800.00	7.51%
77035 FIELD TECH	6,311.00	6,666.67	63,858.00	80,000.00	20.18%
77040 DIRECT COST	372.78	500.00	3,657.98	6,000.00	39.03%
77045 FIELD PERMITTING SPECIAL	2,327.50	2,916.67	25,503.00	35,000.00	27.13%
77450 DUES & SUBSCRIPTIONS	0.00	162.50	1,798.00	1,950.00	7.79%
77480 EQUIPMENT	0.00	166.67	940.27	2,000.00	52.99%
77500 FEES-GMA8	336.79	458.34	4,644.44	5,500.00	15.56%
77810 INSURANCE AND BONDING	321.00	302.00	3,739.50	3,624.00	-3.19%
77855 INTERNET FEES	0.00	375.00	3,510.76	4,500.00	21.98%
77970 LEGAL	4,602.98	2,916.67	27,576.86	35,000.00	21.21%
78010 MEETINGS AND CONFEREN	0.00	433.34	1,491.46	5,200.00	71.32%
78310 RENT	200.00	200.00	2,200.00	2,400.00	8.33%
78600 SOFTWARE MAINTENANCE	255.82	1,250.00	2,872.02	15,000.00	80.85%
78750 TELEPHONE	37.50	208.34	2,287.00	2,500.00	8.52%
78770 - TRANSPORTATION	26.03	291.67	1,992.02	3,500.00	43.09%
Total Expense	<u>23,962.40</u>	<u>29,364.54</u>	<u>274,252.28</u>	<u>349,667.00</u>	<u>21.57%</u>
Net Income	<u>-23,362.40</u>	<u>-28,697.54</u>	<u>-4,370.21</u>	<u>-23,967.00</u>	

ATTACHMENT 6



RED RIVER

GROUNDWATER CONSERVATION DISTRICT

FANNIN COUNTY AND GRAYSON COUNTY



General Manager's Quarterly Report

Date: September 30, 2020

Red River GCD Management Plan

This quarterly briefing is being provided pursuant to the adopted Management Plan for the quarter ending September 30, 2020.

Well Registration Program:

Current number of wells registered in the District: 996

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

Well Inspection/Audit Program:

2020 Well Inspections

Month	Fannin	Grayson	Total
January	0	6	6
February	5	16	21
March	2	13	15
April	5	10	15
May	5	3	8
June	2	7	9
July	3	22	25
August	1	8	9
September	1	4	5
October			
November			
December			
Total	24	89	113

ATTACHMENT 8



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: December 2, 2020

SUBJECT: AGENDA ITEM NO. 8

**DISCUSSION AND POSSIBLE ACTION ON THE REVIEW OF ACCOUNTS RECEIVABLES AS IT RELATED TO
INDIVIDUAL ACCOUNTS OWING THE DISTRICT.**

ISSUE

The District staff needs guidance on how long the Board would like to keep seeing receivables on delinquent accounts which are presented on the monthly financial report.

BACKGROUND

At the April 2019, meeting, the Board requested that an item be brought back near the end of each year to discuss how long the District should keep delinquent accounts on the books as a receivable.

CONSIDERATIONS

The District staff has discussed with the Auditors and the District's Legal Counsel. There is no rule or law that defines how long the District should carry these instances on the books. The District staff will be prepared to discuss options at the meeting.

Decisions will need to be made whether to write off, move to lien against property or move to an uncollectable account.

STAFF RECOMMENDATIONS

The staff will request guidance from the Board of Directors on this item.

PREPARED AND SUBMITTED BY:

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

Drew Satterwhite, P.E., General Manager

ATTACHMENT 9



**RED RIVER GROUNDWATER CONSERVATION
DISTRICT
AGENDA COMMUNICATION**



DATE: December 2, 2020

SUBJECT: AGENDA ITEM NO. 9

**CONSIDER AND ACT UPON ENGAGEMENT LETTER FOR AUDIT SERVICES FOR FISCAL YEAR ENDING
DECEMBER 31, 2020**

ISSUE

Consider and act upon confirming execution of engagement letter for audit services fiscal year ending December 31, 2020

BACKGROUND

In 2013, the Board instructed the staff to solicit proposals for audit services for a period up to five (5) years. The staff solicited proposals from several firms in North Central Texas. As a result of that solicitation, four proposals were received. The audit committee reviewed the proposals and recommended McClanahan and Holmes, LLP of Bonham, Texas. This recommendation was accepted and confirmed by the Board at the March 2014 meeting. The Board has subsequently proceeded to engage the services of McClanahan and Holmes for each audit since this time.

At the May 2018 meeting, the Board directed the Staff to request another 5-year term with McClanahan and Holmes. The Board also requested the lead auditor be changed.

McClanahan and Holmes provided a proposal letter that indicated their willingness to switch lead auditors. This letter also laid out their proposed fee increases each year at between 2% and 3%.

CONSIDERATIONS

District staff is of the opinion that McClanahan and Holmes, LLP of Bonham, Texas has provided thorough and quality audits during their tenure with the District. The fees for the 2020 audit services will not exceed \$4,950, which is within the previously agreed upon threshold.

STAFF RECOMMENDATIONS

The staff recommends the Board authorize an engagement letter with McClanahan and Holmes, LLP of Bonham, Texas for the 2020 audit

ATTACHMENTS

Engagement Letter

PREPARED AND SUBMITTED BY:

Drew Satterwhite, General Manager

RECOMMENDED BY:

Debi Atkins, Finance Officer

McClanahan and Holmes, LLP

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN W. MOHUNDRO, CPA
GEORGE H. STRUVE, CPA
ANDREW B. REICH, CPA
RUSSELL P. WOOD, CPA
DEBRA J. WILDER, CPA
TEFFANY A. KAVANAUGH, CPA
APRIL J. HATFIELD, CPA

228 SIXTH STREET S.E.
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304 WEST CHESTNUT
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903-465-6070
FAX 903-465-6093

1400 WEST RUSSELL
BONHAM, TEXAS 75418
903-583-5574
FAX 903-583-9453

Bonham, Texas
December 2, 2020

Members of the Board
Red River Groundwater Conservation District

We are pleased to confirm our understanding of the services we are to provide Red River Groundwater Conservation District for the year ended December 31, 2020. We will audit the financial statements of the governmental activities and the major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of Red River Groundwater Conservation District as of and for the year ended December 31, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Red River Groundwater Conservation District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Red River Groundwater Conservation District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedule

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Red River Groundwater Conservation District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Red River Groundwater Conservation District's financial statements. Our report will be addressed to members of the board of Red River Groundwater Conservation District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Red River Groundwater Conservation District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste and abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures – Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements.

Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of Red River Groundwater Conservation District in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of McClanahan and Holmes, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of McClanahan and Holmes, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in approximately April 2021 and to issue our reports no later than June 1, 2021, unless extenuating circumstances occur. April J. Hatfield is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs except that we agree that our gross fee, including expenses will not exceed \$4,950. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoice for these fees will be rendered upon completion of the audit and is payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the Red River Groundwater Conservation District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

McClanahan and Holmes, LLP
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of the Red River Groundwater Conservation District.

Signature: _____

Title: _____

Date: _____

ATTACHMENT 10



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: December 2, 2020

SUBJECT: AGENDA ITEM NO. 10

CONSIDER AND ACT UPON PURCHASING ACOUSTIC WATER LEVEL MEASURING DEVICE

ISSUE

Consider and act upon purchasing Acoustic Water Level Measuring Device.

BACKGROUND

As required by the District's Management Plan, the District monitors water levels on an annual basis for wells across Grayson and Fannin Counties. The District currently has a steel tape, e-tape and air compressor that we use to capture water levels. The air compressor is the only device that we have that does not require us to go "down hole". The air compressor works well, but is generally limited to public water system wells as they have air lines and as those air lines age the air measurement method becomes less reliable.

Over the past year, the District has tested 3 different devices in an effort to find a reliable way to measure water levels that would not require us to place any equipment "down hole" or inside the well.

CONSIDERATIONS

The District staff was pleased with the performance of the Eno Scientific Well Watch 700 and believe it will open up our ability to recruit more wells into the system as it is a low-risk way to get water level data.

The cost of this unit is \$2,301, which the staff would propose to be split with North Texas GCD.

STAFF RECOMMENDATIONS

The staff recommends the Board authorize purchasing the Well Watch 700.

ATTACHMENTS

Well Watch 700 Product Sheet

PREPARED AND SUBMITTED BY:

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

Drew Satterwhite, General Manager



Well Watch[®] 700 Series

Sonic Water Well Level Monitoring

Patent Pending

Intelligent water well management system for commercial applications.



Level & Flow Monitoring



Resource Management



Pump System Control



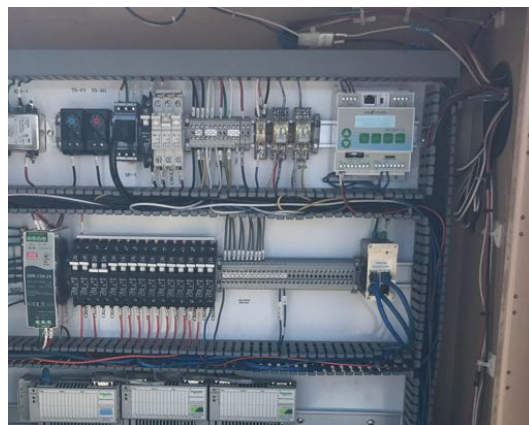
Remote Telemetry

Features:

- Measures water levels using sound waves, no risk of contamination
- Complete well management and control, providing real time asset data
- Simple external installation, no well decommissioning (prior or during)
- Monitor levels in wells with caustic water without damaging the sensors, protecting equipment investments
- Minimize or eliminate manual level measurements, reducing labor costs
- Maintain well pressure while still obtaining real time data
- Customizable data, set reference point/update frequency/logging rate
- Integrates easily with SCADA and other communications methods

The Well Watch 700 is the most powerful and versatile well monitoring system on the market today. It is the only meter that has the ability to measure water levels in commercial water wells with levels down to 7000ft, up to 30" diameter, and with top mount turbine or submersible pumps. Operating on low frequency sound waves means that there is no need for equipment to be lowered down into the casing. The versatile sound waves can travel past obstructions, installed well equipment and around corners. The Well Watch boasts an intuitive software that monitors well conditions and automatically adjusts to maintain the most accurate readings.

The 700 was designed to be a well management hub. It will not only provide the user with static, drawdown, recovery and flow data at an interval chosen by the user but also boasts two independently programmable relays for pump control and remote alarms. There are multiple outputs to choose from including RS232, RS485, 4-20mA, 0-5V, SDI-12 and Ethernet to communicate with any pre-existing system. An internal data logger allows it to operate as a stand alone system or a backup in case of communication loss, logging up to 25 million data points. Collected data can be accessed over the USB connection or by removing the SD card.



Well Watch[®] 700 Series

Specifications

730 Well Watch Probe Specifications:

PHYSICAL:

Type 304 Stainless steel weatherproof housing
 Dimensions: 4.4 x 4.4 x 10.15"
 Weight: 10 lbs
 Well pressure up to 100 psi
 2" FPT Connection to well access port

POWER:

Power supplied by 710 Controller (Weatherproof conduit connection for strain relief or sealtite connectors)

ENVIRONMENTAL:

Temperature - -20 to 175 F (-25 to 80 C)
 Humidity - 5 to 95% non-condensing

COMMUNICATIONS:

4 wire to 710 Controller



710 Well Watch Controller Specifications:

PHYSICAL:

Heavy duty ABS housing
 Dimensions: 4.8 x 4 x 2.36"
 Weight: .5 lbs
 Din rail or flange mounting, Designed for dry locations

MEASUREMENT:

Units - English (ft & in), Metric or Imperial
 Range - 15 to 7000 ft (5 to 2100M)
 Resolution - .05 ft
 Accuracy - .1 ft

POWER:

External Power - 12 to 36VDC at 300mA max (with all options enabled)
 Real Time Clock- Li Ion 3V battery CR2032

ENVIRONMENTAL:

Temperature - -20 to 175 F (-25 to 80 C)
 Humidity - 5 to 95% non-condensing

LOGGING:

Extended Memory - 2GB nonvolatile flash memory for 25 million data points
 Automatic Logging Rates - 1 sec to 1 day per sample

COMMUNICATIONS:

RS232 Serial Port: Baud 300-57600, format selectable (19200 baud, 8, 1, n default), streaming output, programming interface
 RS485 Serial Modbus Port: baud 300-57600, RTU/ASCII (19200 baud, 8, 1, n default)
 SDI12 Serial Port: baud 1200, 7 data bits, even parity
 Ethernet: Modbus TCP, Webserver
 Alarm Output: Isolated relay contact 250V AC .25A (30VDC 2A) max
 Pump Control Output: isolated relay contact 250V AC .25A (30VDC 2A) max
 Pulsed Flowmeter Input
 Analog Output: 0-5V and independent 4-20mA



ATTACHMENT 14 a

Red River Groundwater Conservation District

Well Registration Summary As of November 30, 2020

Well Type	Total Registered Fannin County	Total Registered Grayson County	Total RRGCD	New Registrations
Domestic	201	338	539	6
Agriculture	16	25	41	0
Oil/Gas	0	21	21	0
Surface Impoundments	7	14	21	1
Commercial	12	17	29	0
Golf Course	0	15	15	0
Livestock	17	25	42	0
Irrigation	0	10	10	0
Public Water	60	215	275	0
Monitoring	12	5	17	0
Total	325	685	1010	7

ADJOURN