

**RED RIVER
GROUNDWATER
CONSERVATION
DISTRICT**

BOARD MEETING

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

**THURSDAY
NOVEMBER 29, 2018**

**AGENDA
RED RIVER GROUNDWATER CONSERVATION DISTRICT
BOARD OF DIRECTORS BOARD MEETING
GREATER TEXOMA UTILITY AUTHORITY BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020
THURSDAY, NOVEMBER 29, 2018**

Board Meeting

The regular Board Meeting will begin at 10:00 a.m.

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. Call to order, establish quorum; declare meeting open to the public.
2. Public Comment.
3. Consider and act upon approval of Minutes of October 25, 2018, Board Meeting.
4. Review and approval of monthly invoices.
5. Receive monthly financial information.
6. Consider and act upon 2019 Administrative Services Contract with Greater Texoma Utility Authority.
7. Consider and act upon permanent rules adoption, including well spacing, exemptions, permitting and other regulatory requirements related to water wells within the District.
8. Consider and act upon adoption of a District Flow Testing Procedure Manual.
9. Consider and act upon adoption of District Hydrogeological Report requirements.
10. Consider and act upon Decennial Review of District Representation set forth in enabling legislation.
11. Update and possible action regarding the process for the development of Desired Future Conditions (DFCs).
12. Consider and act upon compliance and enforcement activities for violations of District Rules.

13. General Manager's report: The General Manager will update the Board on operational, educational and other activities of the District.
 - a. Disposal/Injection Well Monitoring Program
 14. Open forum / discussion of new business for future meeting agendas.
 15. Adjourn.
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¹*The Board may vote and/or act upon each of the items listed in this agenda.*

²*At 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.*

³*Persons 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.*

⁴*For 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 AND PUBLIC HEARING
RED RIVER GROUNDWATER CONSERVATION DISTRICT**

THURSDAY OCTOBER 25, 2018

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

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

Members Absent: Harold Latham,

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

Visitors: Kristen Fancher, Fancher Legal
Brett Dodd, Starr Water Corp
David Phillips, Starr WSC
Jeff Bice, Two Way SUD
Warren Williams, Luella SUD
William Linn, City Administrator, City of Leonard,
Wendell Smith, US Lime
Wendell Moore, Pinkhill
Max Owens, LSUD
John Faulkner, Faulkner & Son

Public Hearing

Agenda:

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

Board President Mark Patterson called the Public Hearing to Order at 10:00 a.m.

David Gattis arrived at 10:04 a.m.

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

Kristen Fancher, Legal Counsel, presented background and a summary of the Permanent Rules for Water Wells applicable to the District.

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

No individual member of the Public chose to address the Board. The Board and the Public engaged in discussions regarding production, five-year production history, and permits. The Board provided clarification.

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

Board President Mark Patterson informed that Board that Section 36.101 of the Texas Water Code authorizes the District to adopt these rules today because the required notice was provided, and 20-day comment period allowed for the public. He recommended that the Board extend the public comment period to Friday, November 16, 2018, to allow the public additional time to provide written comments on the proposed rules. Any written comments received will be considered prior to the final adoption of the rules, which will be on the agenda at the District Board meeting in November. Written comments will be accepted by email, mail, or hand-delivery at the District office.

Board Member Billy Stephens made the motion to extend the public comment period to Friday, November 16, 2018, to allow the public additional time to provide written comments on the proposed rules. Board Member David Gattis seconded the motion. The motion passed unanimously.

Board Meeting

The regular Board Meeting will begin upon adjournment of the above notice Public Hearing to Adopt Permanent Rules for Water Wells in Fannin and Grayson Counties, Texas.

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

President Patterson called the meeting to order at 10:47 a.m., established a quorum was present, and declared the meeting open to the public.

2. Public comment

No public comments.

3. Consider and act upon approval of Minutes of September 27, 2018, Board Meeting.

Board Member David Gattis made a motion to approve the minutes of the September 27, 2018 meeting. The motion was seconded by Board Member Chuck Dodd. The motion passed unanimously.

4. Review and approval of monthly invoices.

General Manager Satterwhite reviewed the monthly invoices with the Board of Directors. Board Member David Gattis made a motion to approve Resolution 2018-10-25-01. Board Member Mark Gibson seconded the motion. Motion passed unanimously.

5. Receive monthly financial information.

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

6. Receive Quarterly Investment Report.

General Manager Drew Satterwhite reviewed the Quarterly Investment Report with the Board.

7. Review and approval of Investment Policy.

General Manager Drew Satterwhite provided the board with background information on the Investment Policy. Not only is the Board approving the Investment Policy but it is also approving the broker/dealers listing and PFIA training sources.

Board Member Chuck Dodd made the motion to approve the Investment Policy and the broker/dealers and PFIA training sources. Billy Stephens seconded the motion. The motion passed unanimously.

8. Discussion and possible action on a District Fund Balance Policy.

General Manager Drew Satterwhite informed the Board that the members had ranked the items presented for consideration in utilizing the fund balance available. The suggestion was made that a Committee be formed to review the first six (6) items in more detail. Board President appointed Harold Latham, David Gattis, and Mark Newhouse to the Committee.

Board Member David Gattis made the motion to form the Committee to review the first six (6) items in more detail. Board Member Mark Newhouse seconded the motion. The motion passed unanimously.

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

No action.

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

Kristen Fancher, legal counsel, reported that there were no updates.

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

a. General Manager's Quarterly Report for Management Plan

General Manager Drew Satterwhite reported that there are currently 833 wells registered. There have been a total of 210 well inspections. There were 5 new well registrations.

b. Update on injection/disposal application monitoring program.

General Manager Drew Satterwhite reported that Paul Sigle sent twenty (20) letters to well owners in the Preston Peninsula area.

12. Open Quorum/discussion of future agenda items.

The next RRGCD BOD meeting will be held Thursday, November 29, 2018 at 10 a.m.

13. Adjourn.

President Patterson declared the meeting adjourned at 11:11 a.m.

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Recording Secretary

Secretary-Treasurer

ATTACHMENT 4

RESOLUTION NO. 2018-11-29-1

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE RED RIVER GROUNDWATER
CONSERVATION DISTRICT AUTHORIZING PAYMENT OF ACCRUED LIABILITIES FOR THE MONTH
OF NOVEMBER 2018

The following liabilities are hereby presented for payment:

	<u>Amount</u>
<u>Administrative Services</u>	
GTUA- October 2018	19,491.04
<u>Contract Services</u>	
IT Nexus - November Software Maintenance for well database	600.00
WSP USA - Aug-Sept	621.39
<u>Direct Costs</u>	
NexTraq - October 2018	43.15
<u>Legal</u>	
Fancher Legal - October 2018 Legal Services	2,356.00
GRAND TOTAL:	<u>\$ 23,111.58</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 29th day of November 2018

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)****October 31, 2018****Assets**

00-01-10001	Checking Account	107,501.32
00-01-10010	Investments-CD	200,868.95
00-01-10025	Accounts Receivable	111,872.86
00-01-10026	A/R Texas Rain Holding Co	2,600.00
00-01-10031	A/R Buena Vista Turf Farms	1,100.00
00-01-10101	Allowance for Uncollectible Accounts	(1,530.00)
00-01-10200	PP Expense	2,577.98
Total		<u>424,991.11</u>
Total Assets		<u>\$ 424,991.11</u>

Liabilities and Fund Balance

00-01-23100	Accounts Payable	10,714.95
00-01-23150	Deposits to be Refunded	10,200.00
Total		<u>20,914.95</u>
Total Liabilities		<u>20,914.95</u>
00-01-35100	Fund Balance	73,069.05
00-01-35120	Current Year Excess of Revenue over Expenses	368,341.26
Total		<u>441,410.31</u>
Excess of Revenue Over Expenditures		<u>(37,334.15)</u>
Total Fund Balances		<u>404,076.16</u>
Total Liabilities and Fund Balances		<u>\$ 424,991.11</u>

Red River Groundwater Conservation District

Statement of Revenue and Expenditures

11/19/2018 3:18pm

Page

1

Revised Budget

For General Fund (00)

For the Fiscal Period 2018-10 Ending October 31, 2018

Account Number	Current Budget	Current Actual	Annual Budget	YTD Actual	Remaining Budget %
Revenues					
00-01-46002 GW Production Cost	\$ 0.00	\$ 0.00	\$ 325,000.00	\$ 272,205.73	16.24%
00-01-46005 Late Fees	0.00	0.00	0.00	1,444.21	0.00%
00-01-46006 Violation Fees	0.00	0.00	0.00	1,100.00	0.00%
00-01-46007 Registration Fees	458.33	1,000.00	5,500.00	6,500.00	(18.18%)
00-01-46010 Well Drillers Deposit	0.00	0.00	0.00	(100.00)	0.00%
00-01-46100 Interest Income	208.33	0.00	2,500.00	1,118.59	55.26%
Total General Fund Revenues	\$ 666.66	\$ 1,000.00	\$ 333,000.00	\$ 282,268.53	15.23%

Expenditures

00-01-77010 Administrative Cost	\$ 9,166.67	\$ 7,888.00	\$ 110,000.00	\$ 82,594.40	24.91%
00-01-77020 Advertising	0.00	0.00	1,000.00	146.50	85.35%
00-01-77027 Auditing	0.00	0.00	4,750.00	4,650.00	2.11%
00-01-77031 Banking Fees	0.00	0.00	100.00	0.00	100.00%
00-01-77032 Contract Services	5,683.33	600.00	68,200.00	30,589.09	55.15%
00-01-77035 Field Technician	6,666.67	7,921.50	80,000.00	61,820.00	22.73%
00-01-77040 Direct Cost	333.33	317.60	4,000.00	4,227.23	(5.68%)
00-01-77045 Field Permitting Specialist	2,500.00	1,905.50	30,000.00	27,501.50	8.33%
00-01-77450 Dues & Subscription	141.67	1,250.00	1,700.00	1,639.50	3.56%
00-01-77480 Equipment	0.00	0.00	2,000.00	471.94	76.40%
00-01-77500 Fees- GMA8	0.00	0.00	1,000.00	173.02	82.70%
00-01-77610 Fuel	0.00	35.48	0.00	299.61	0.00%
00-01-77810 Insurance	375.00	322.25	4,500.00	3,766.52	16.30%
00-01-77855 Internet Fees	541.67	599.96	6,500.00	3,782.10	41.81%
00-01-77970 Legal	2,916.67	0.00	35,000.00	37,710.39	(7.74%)
00-01-78010 Meetings and Conferences	250.00	164.03	3,000.00	3,738.69	(24.62%)
00-01-78030 Office Supplies	0.00	0.00	0.00	13.74	0.00%
00-01-78310 Rent	200.00	200.00	2,400.00	1,800.00	25.00%
00-01-78600 Software Maintenance	166.67	0.00	2,000.00	* 50,713.76	(2435.69%)
00-01-78750 Telephone	175.00	217.00	2,100.00	2,053.58	2.21%
00-01-78770 Transportation-Mileage	416.67	285.14	5,000.00	1,911.11	61.78%
Total General Fund Expenditures	\$ 29,533.35	\$ 21,706.44	\$ 363,250.00	\$ 319,602.68	12.02%

General Fund Excess of Revenues Over Expenditures \$ (28,866.69) \$ (20,706.44) \$ (30,250.00) \$ (37,334.15)

* Excess Budget will be taken from Fund Balance

ATTACHMENT 6



**RED RIVER GROUNDWATER
CONSERVATION DISTRICT
AGENDA COMMUNICATION**



DATE: November 15, 2018

SUBJECT: AGENDA ITEM NO. 6

**CONSIDER AND ACT UPON 2019 ADMINISTRATIVE SERVICES CONTRACT WITH GREATER TEXOMA UTILITY
AUTHORITY**

ISSUE

Renewal of contract with Greater Texoma Utility Authority ("GTUA") for 2019 Administrative Services.

BACKGROUND

In November 2010, the District and GTUA entered into an agreement for administrative services to be provided by GTUA for the District. The Board of Directors of GTUA has continued to indicate their satisfaction with the outcome of the agreement. This agreement was approved at GTUA's November 19, 2018 Board meeting.

CONSIDERATIONS

This relationship, along with the Board's prudent management of funds, has helped the District operate with the lowest production fees in the region.

This scope of services remains the same as the contract executed for 2018. The budgeted amounts identified in the contract are consistent with the 2019 budget adopted by the District.

STAFF RECOMMENDATIONS

The staff recommends that the contract between the District and GTUA be approved.

ATTACHMENTS

2019 Administrative Services Contract with GTUA.
2019 Budget

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

**ADMINISTRATIVE SERVICES AGREEMENT
BETWEEN THE GREATER TEXOMA UTILITY AUTHORITY AND
THE RED RIVER GROUNDWATER CONSERVATION DISTRICT**

STATE OF TEXAS	§	STATE OF TEXAS
	§	
GREATER TEXOMA UTILITY AUTHORITY	§	RED RIVER GROUNDWATER
	§	CONSERVATION DISTRICT

This Agreement, made and entered into by and between the Greater Texoma Utility Authority, hereinafter referred to as ("Authority") and the Red River Groundwater Conservation District in Fannin and Grayson Counties, Texas, hereinafter referred to as ("District").

WITNESSETH:

WHEREAS, the District is experiencing a need for administrative services in order to achieve the objectives provided in its enabling legislation and Chapter 36 of the Texas Water Code; and

WHEREAS, the Authority has staff experienced in water related activities; and

WHEREAS, the District has determined that it is in the best interest of the District to engage the Authority to assist in providing administrative assistance in establishing the District's programs and activities; and

WHEREAS, the District has determined that the proposal dated November 29, 2018 from the Authority, as said proposal is modified and supplemented herein, is in the best interest of the District and that the Authority is qualified and capable of providing such services;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and of the terms and conditions hereinafter set forth, the parties agree as follows:

1. The Scope of Services. The term "Scope of Services" as used herein refers to the Scope of Services made and submitted by the Authority to the District dated November 29, 2018, as amended, modified, or supplemented herein. (attached hereto as "Exhibit A")

The Scope of Services is a general guideline for the commencement of administrative activities and related services. Said Scope of Services is amended and superseded by specific terms of this Agreement, which may be amended in writing from time to time upon agreement of the Authority and the District.

2. Administrative Services. The Authority shall perform administrative services for the District at the direction of the District Board, and the District Board President to the extent that the Board President's direction does not conflict with any District, State or Federal Laws, or Authority rule, policy, or order of the District or Authority Board. Such directions from the District Board and Board President regarding the performance of administrative services shall supplement any specific services delineated in this Agreement or the attached

Scope of Services. Administrative services shall include, but not be limited to recording and communication services, database collection and well registration services, as well as assistance in developing personnel policies, operating procedures, refining of temporary rules and developing a management plan. Administrative services shall also include performance of the duties of the "General Manager" as set forth in the District's Temporary District Rules, Bylaws, rules and orders, subject to the directions and orders of the District Board and Board President. The Authority shall not retain outside professional services to be reimbursed by the District without prior authorization from the District. The District Board shall retain ultimate authority in decision-making under the District's Rules.

3. Charges and Payment. Monthly payments shall be made by the District to the Authority for actual costs incurred including hourly wages and benefits of the Authority employees, insurance costs, extra travel costs to and from the District, overhead, and other direct costs, including fees for professional services. The Authority shall invoice the District for any such services performed hereunder during the preceding thirty (30) day period, said invoice to be presented by the 25th day of the following month. Said invoice shall be itemized in such a manner that the District may determine the reasonableness of the charges submitted. The District shall pay the full amount of invoices received from the Authority by the tenth day of the month following receipt of any such invoice unless notice of protest or disagreement is given to the Authority within seven (7) business days after receipt of said invoice. Failure of the Authority and the District to agree upon payment of such invoice within thirty (30) days of protest shall be grounds for termination under Paragraph 4 unless the parties can otherwise agree in writing to a schedule of payment.

4. Terms of Agreement. The Term of this Agreement shall be for a 12-month period commencing as of the effective date of this Agreement, which shall be the later date that the District or the Authority executes this Agreement. This Agreement may be renewed upon expiration of the 12-month term of this Agreement by written agreement between the parties. Either the District or the Authority may terminate this agreement for any reason at any time upon ninety (90) days written notice of termination to the other party. Should the Authority or the District elect to terminate this Agreement, the District shall remain responsible for its share of any costs for which it is obligated that remain existing and unpaid as of the effective date of termination.

5. Indemnity. Neither the District nor the Authority shall be liable to the other for loss, either direct or consequential. All such claims for any and all loss, however caused, are hereby waived. Said absence of liability shall exist whether or not the damage, destruction, injury, or loss of life is caused by the negligence of either party or of any of their respective agents, servants, or employees. It is contemplated that each party shall look to its respective insurance carriers for reimbursement of any such loss. Neither party shall have any interest or claim in the other's insurance policy or policies, or the proceeds thereof, unless it is specifically covered therein as an additional insured. Nothing contained in this Agreement is intended by either party to create a partnership or joint venture, and any implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Agreement does not create a joint enterprise, nor does it appoint any party as an agent of any other party, for any purpose whatsoever. It is understood and agreed that by execution of this Agreement, no governmental powers or immunities are waived or surrendered by either the District or the Authority.

6. Independent Contractor. The Authority is, and shall perform this agreement as, an independent contractor, and as such, shall have and maintain complete control over all of its employees, subcontractors, agents, and operations. Neither the Authority nor anyone employed by it shall be, represent, act, purport to act or be deemed to be the agent, representative, subcontractor, employee, officer or servant of the District. No

employee or agent of the District shall be, represent, act, or purport to act or be deemed to be the agent, representative, subcontractor, employee, officer, or servant of the Authority.

7. Surety Bond. Any officer, employee, or agent of the Authority who collects, pays, or handles any funds of the District shall furnish good and sufficient bond payable to the District in an amount determined by the District Board to safeguard the District. The bond shall be conditioned on the faithful performance of that person's duties and on accounting for all funds and property of the District. The bond shall be signed or endorsed by a surety company authorized to do business in Texas. The District Board hereby determines that the initial amount of each bond shall be set at \$50,000.00, and may alter the amount pursuant to a minute order or resolution adopted at a properly noticed meeting. The District Board shall provide the Authority with notice of any such alternative amount. The District shall reimburse the Authority for costs incurred in connection with providing administrative services to the District. Any such out-of-pocket costs exceeding \$2,500.00 per year shall require prior approval of the District Board. The Authority shall limit the collection, payment, or handling of District funds only to the officers, employees, and agents of the Authority who have been bonded in accordance with this paragraph.

8. No Third Party Rights. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the parties hereto, and all duties and responsibilities undertaken pursuant to this Agreement shall be for the sole and exclusive benefit of the parties hereto, and not for the benefit of any other party. There are no third party beneficiaries to this Agreement.

9. Assignment. This Agreement shall not be assignable except at the written consent of the Authority and the District hereto, and if so assigned, shall extend to and be binding upon the successors and assigns of the Authority and the District thereto.

10. Notices. All notices given under this agreement shall be deemed properly served if delivered in writing personally, or sent by certified mail to Mark Patterson, President, Red River Groundwater Conservation District, PO Box 1214, Sherman, TX 75091-1214, and to the Authority addressed to the President, Greater Texoma Utility Authority, 5100 Airport Drive, Denison, TX 75020-8448. Date of service of notice served by mail shall be the date on which such notice is deposited in a post office of the United States Postal Service. Either party may change their respective addresses for notice by providing notice of such address change in the aforesaid manner with specific reference to this Agreement.

11. Authority Financial Obligations. Nothing in this agreement shall be construed to require the Authority to expend funds from any source other than the revenues received hereunder. All costs required by valid rules, regulations, laws, or orders passed or promulgated by the United States of America, the State of Texas, and regulatory or judicial branches thereof having lawful jurisdiction shall be the responsibility of the District.

12. Entire Agreement. This agreement embodies the entire understanding between the Authority and the District hereto relative to the subject matter hereof and shall not be modified, changed or altered in any respect except in writing signed by the Authority and the District.

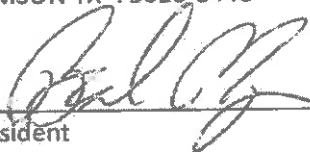
13. Governing Law and Severability. This agreement shall be governed by the laws of the State of Texas and the venue in Grayson County, Texas. The provisions of this agreement shall be deemed to be severable and

the invalidity of or inability to enforce other provisions hereof. In the event of a conflict between the terms of this Agreement and any exhibit attached hereto, the terms and conditions of this Agreement shall take precedence. Venue shall be in Grayson County, Texas.

14. Interpretation. Although drawn by the Authority, this contract shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party. Captions and headings used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused the signatures of their legally authorized representatives to be affixed hereto, having been duly approved by the respective governing bodies and effective on the last date of execution as set forth below.

GREATER TEXOMA UTILITY AUTHORITY
5100 AIRPORT DRIVE
DENISON TX 75020-8448

BY: 
President

DATE: 11-19-18

ATTEST:

Secretary-Treasurer

RED RIVER GCD
PO BOX 1214
SHERMAN TX 75091-1214

BY: _____
President

DATE: _____

ATTEST:

Secretary-Treasurer

Exhibit "A"

Scope of Services

- I. Recording and Communication Services
 - Act as point of contact for well owners by answering questions regarding rules
 - Provide all postings for meetings
 - Provide notice postings in timely manner
 - Mail notices and rules as needed
 - Prepare agenda after consultation with President
 - Prepare and e-mail draft minutes to Board of Directors
 - Complete minutes after review by Board of Directors
 - Maintain website as needed
 - Establish and maintain paper and electronic filing system
 - Provide written communications to well owners, TWDB and others as needed
 - Draft correspondence for signature by designated persons
- II. Database Collection for Registered and Non-Registered Wells in the District
 - Work with chosen database development firm to create the well registration system for the District
 - Operate and maintain well registration website and map, which will depict wells in each District county
 - Work with well owners to register wells and collect well registration fees
 - Employ field technician to locate and verify wells in each District county
- III. Development of Personnel and Other Policies
 - Prepare and present drafts of personnel policies for review by appropriate committee and Board of Directors
 - Prepare and present drafts of operating procedures for future staff to follow
 - Assist Board of Directors in training personnel for District at appropriate time
- IV. Assistance for Rule Development
 - Assist Board of Directors in development of permanent rules
 - Assist Board of Directors in the development and implementation of a Management Plan
- V. Accounting
 - Provide accounting services including keeping financial records, issuing invoices, paying invoices, etc.
 - Prepare and present monthly financial statements
 - Assist Board of Directors with development of budget
 - Prepare and provide documentation for audit

Approach to Provision of Services

- Staff is able to work diplomatically with well owners and others
- Use 800 number on all letterhead and other communication for calls to make contact easier for well owners
- Well-acquainted with TWDB staff
- Utilize assistance from Texas Alliance of Groundwater District members
- Coordinate District activities with GMA 8 activities
- Develop records and procedures in a manner that will make for easy transition when desired

Estimated Cost of Services

The Authority is a public agency. The Board's approach to provision of services has always been to seek reimbursement for the costs of providing the services requested. These costs include:

- The salary and employer personnel costs (social security, worker's compensation insurance, retirement, and accounting, etc.)
- Mileage for travel required at the rate set annually by IRS
- Any direct expenses required to provide the services requested (telephone charges, copies, postage, and similar expenses directly associated with the project)
- The contract for services will not exceed \$110,000 for administration and accounting, \$80,000 for the field technician, and \$30,000 for field permitting specialist without prior authorization from the Board of Directors
- Field personnel costs will be an expense of the District, which will include salary, benefits, transportation and other costs directly associated with verification of well and pumping information
- Billing Rates:
 - General Manager – \$104 per hour
 - Project Coordinator - \$53 per hour
 - Administrative Assistant- \$28 per hour
 - Finance Officer - \$68 per hour
 - Accounting Assistant - \$38 per hour
 - Accounting Assistant (2) - \$27per hour
 - Office Clerk - \$26 per hour
 - Field Technician - \$47 per hour
 - Field Technician (2) - \$37 per hour
 - Technician Lead - \$46 per hour
 - Operation Supervisor - \$60 per hour

RED RIVER GROUNDWATER CONSERV/
BUDGET YEAR 2019

	Actual 2017	2018			Approved 2019
Income		Approved 2018	As of 6/30/2018	Projected 12/31/2018	
46002 GW Production Cost	\$ 302,897.59	\$ 325,000.00	77,570.54	310,282.16	315,000.00
46007 Registration Fees	9,000.00	5,500.00	3,400.00	6,800.00	7,500.00
46005 Late Fees	805.63		394.21	394.21	
46006 Violation Fees	3,100.00		600.00	600.00	
46010 Drillers Dep Forfeit	3,200.00				
46100 Interest Inc	3,247.82	2,500.00	249.64	2,459.64	2,005.24
Total Income	\$ 322,251.04	\$ 333,000.00	\$ 82,214.39	\$ 320,536.01	324,505.24
Gross Profit					
Expense					
77010 ADMINISTRATIVE COST	102,109.20	110,000.00	50,449.90	100,899.80	110,000.00
77033 ADS-LEGAL	475.09	1,000.00		1,000.00	1,500.00
77027 AUDITING	4,500.00	4,750.00	4,650.00	4,650.00	4,750.00
77031 BANKING FEES	36.00	100.00		100.00	100.00
77032 CONTRACT SERVICES					
Web Maintenance	7,200.00	7,200.00	3,600.00	7,200.00	1,000.00
Hydro-Geologist	68,515.03	61,000.00	19,491.20	38,982.40	40,000.00
GAM Runs					
77040 DIRECT COST	4,271.44	4,000.00	2,817.59	5,635.18	6,000.00
77450 DUES & SUBSCRIPTIONS	1,483.00	1,700.00	358.00	1,700.00	1,700.00
77550 EQUIPMENT	1,495.71	2,000.00		2,000.00	2,000.00
77555 FEES-GMA8	184.87	1,000.00		100.00	2,000.00
77035 FIELD SERVICES	72,932.50	80,000.00	34,576.00	69,152.00	80,000.00
77045 FIELD PERMITTING SPECI		30,000.00	18,344.00	36,688.00	30,000.00
77810 INSURANCE & BONDING	4,345.23	4,500.00	977.52	4,468.00	4,468.00
77855 INTERNET SERVICES	4,260.06	6,500.00	3,182.14	3,783.00	1,000.00
77970 LEGAL	39,825.86	35,000.00	17,047.83	34,095.66	35,000.00
78010 MEETINGS AND CONFER	2,472.03	3,000.00	2,570.56	5,141.12	5,200.00
78310 RENT	2,400.00	2,400.00	1,200.00	2,400.00	2,400.00
78600 SOFTWARE MAINT	33,041.62	2,000.00	45,182.99	53,562.08	14,000.00
78770 TRANSPORTATION/FUEL	2,374.73	5,000.00	1,093.98	2,187.96	3,500.00
78750 TELEPHONE	2,286.42	2,100.00	1,229.74	2,459.48	2,500.00
Total Expense	354,208.79	363,250.00	206,771.45	376,204.68	347,118.00
Contingencies					
Total Expenditures	\$ 354,208.79	363,250.00			
Net Income	(31,957.75)	(30,250.00)		(55,668.67)	(22,612.76)

ATTACHMENT 7

RESOLUTION NO. 2018-11-29-01

A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE RED RIVER GROUNDWATER CONSERVATION DISTRICT ADOPTING DISTRICT RULES

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 2316 codified at Chapter 8859 of the Texas Special District Local Laws Code (the "District Act");

WHEREAS, under the direction of the Board of Directors of the District (the "Board"), and in accordance with Sections 36.002, 36.101, and 36.1071(f) of the Texas Water Code, and the District Act, the District has undertaken significant revisions to the District's Rules;

WHEREAS, Section 36.108 of the Texas Water Code requires the District to participate in the joint planning process and ultimately adopt a Desired Future Condition for each of the relevant aquifers within the District;

WHEREAS, Sections 36.101(b) and 36.1071(f) of the Texas Water Code require the District to adopt rules necessary to implement its Management Plan;

WHEREAS, the District has completed all statutory conditions precedent to adopting rules that will implement the District's Desired Future Conditions and Management Plan, including proposing Desired Future Conditions for adoption by Groundwater Management Area 8, adoption of the Desired Future Conditions applicable to the District by the District Board, and revising and readopting the District's Management Plan;

WHEREAS, the District Board has made all considerations required by Section 36.101(a) of the Texas Water Code in preparing revisions to the District Rules;

WHEREAS, Section 36.113 of the Texas Water Code requires the District to issue permits for wells that are not exempt from the District's permitting requirements;

WHEREAS, the District Board has conducted numerous public meetings, dating back to July 13, 2017, to thoroughly review and consider the District's Rules revisions;

WHEREAS, the District issued notice in the manner required by Section 36.101(d) of the Texas Water Code and held a public hearing on October 25, 2018, at 10:00 a.m. at the District's office and meeting place located at 5100 Airport Drive, Denison, Texas 75020, to receive verbal and written comments on the revised District Rules;

WHEREAS, the District Board authorized an extension of the public comment period to November 16, 2018, providing additional time for the public to provide written comments on the revised District Rules;

WHEREAS, the District received two written comments, both of which involve the 17.36 gallons per minute (25,000 gallons per day) exemption threshold for new wells, and primarily include logistical considerations related to water well pump selection and flow rate testing;

WHEREAS, the District has met with interested stakeholders in accordance with Section 36.101(j) of the Texas Water Code, and has reviewed and considered all comments received;

WHEREAS, the District has considered the exemption criteria set forth in Section 36.117(b) of the Texas Water Code, including the 17.36 gallons per minute (25,000 gallons per day) statutory threshold, and finds that the exemption criteria set forth in the revised District Rules applicable to new wells is within the District's statutory authority and is considerably less restrictive than the statutory exemption threshold;

WHEREAS, the District has revised its proposed rules to incorporate language that is intended to address the comments received, including adopting a Flow Testing Procedure manual that provides the parameters for flow testing and an acceptable range for meeting the 17.36 gallons per minute (25,000 gallons per day) exemption, and allowing dole valves to be placed below the wellhead; and

WHEREAS, after the public hearing, the Board of Directors met in a regular board meeting on November 29, 2018, properly noticed in accordance with state law, and considered adoption of the attached District Rules and approval of this resolution after due consideration of all comments received.

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 hereby approves and adopts the amendments to the District Rules and the District Enforcement Policy and Civil Penalty Schedule, which are included as "Attachment A" to this Resolution;
3. The attached District Rules shall take effect on January 1, 2019; and
4. The District's Board of Directors, its officers, District staff, and District legal counsel are further authorized to take any and all actions necessary to implement this Resolution.

AND IT IS SO ORDERED.

PASSED AND ADOPTED on this 29th day of November, 2018.

RED RIVER GROUNDWATER CONSERVATION DISTRICT

Mark Patterson, Board President

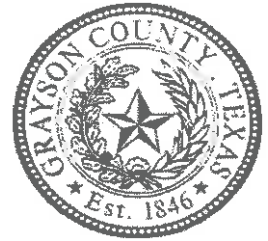
ATTEST:

Mark Gibson, Board Secretary-Treasurer

ATTACHMENT 8



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: November 15, 2018

SUBJECT: AGENDA ITEM NO. 8

CONSIDER AND ACT UPON ADOPTION OF A DISTRICT FLOW TESTING PROCEDURE

ISSUE

As the District moves into permanent rules and spacing becomes effective, the District staff believes there may need to have a flow testing procedure in place to provide field staff with guidance.

BACKGROUND

The District is expected to have permanent rules become effective at the beginning of 2019. Part of the permanent rules package includes new spacing requirements which vary based on the maximum instantaneous flow rate of a well. The District currently has the draft rules posted on the website and had a public comment period that extended to November 16, 2018. During the comment period, two (2) written comments were received by the District which were ultimately forwarded to the Board of Directors.

CONSIDERATIONS

During the public comment period, staff met, emailed and had phone conversations with several drillers and pump installers that operate in the District. The conclusion from these conversations was that it would be very difficult to meet a desired flow rate on a new well without a margin for error.

Given the implications of a flow rate being larger than expected on a new well, the District staff thought it would be wise to have a standard protocol for the staff to follow when testing a new well.

STAFF RECOMMENDATIONS

The staff recommends that the Board review and consider adopting a Flow Testing Procedure.

ATTACHMENTS

Draft Flow Testing Procedure

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

District Flow Testing Procedure

The purpose of this document is to provide the District staff and water well contractors with guidance as to how the District will test the flow rates of new wells following the adoption of permanent rules. It is understood that spacing requirements will take effect upon adoption of permanent rules and that the new wells will be spaced from existing wells using a formula based upon the maximum flow rate of the new well. Furthermore, the District recognizes the difficulty in selecting a pump that will pump exactly what is desired by the well owner or contractor. This document explains the process the District will go through to determine the flow rate of a well and the acceptable margin for error allowed for pump selection.

Process

- Check for the presence of flow restricting devices and ensure pump is running at 100% speed if equipped with VFD.
 - If VFD speed is not readily available, it is up to the well owner representative to demonstrate/prove the VFD is set to 100% speed.
- The well owner representative is responsible for having the well configured ahead of time so that the District staff can test the well by either of 2 methods described below:
 1. At the well head before the well is tied into the system that it will ultimately serve; or
 2. Through a bypass installed immediately downstream of the meter, but located within 50 feet downstream of the well head.
 - A “bypass” for these purposes means an installation downstream of the meter that is of equal size to the discharge pipe so that there is unobstructed flow for purposes of measuring the maximum flow capacity from a well.
- After District staff arrives on site and has flow metering equipment in place to record a reading, the well owner representative may run the pump for up to 15 minutes continuously prior to taking final flow reading.
 - The well owner representative can run the well ahead of the site visit in order to further stabilize water levels if desired, but District staff should not wait longer than 15 minutes for flow and water levels in well to stabilize once District staff has the metering equipment in place to record a flow reading.
- At the point where the flow has stabilized or the 15 minutes of run-time has concluded, whichever occurs first, the District staff will document the maximum flow rate.
 - The maximum flow rate will be allowed up to a 10% or up to 25 gpm margin for error, whichever is less.
 - Example 1: 17.36 gpm well must read < 19.1 gpm
 - Example 2: 500 gpm must read < 525gpm
- If a re-test is requested by the well owner representative, the District will re-visit the site one (1) additional time for the purposes of testing the flow.

ATTACHMENT 9



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: November 15, 2018

SUBJECT: AGENDA ITEM NO. 9

CONSIDER AND ACT UPON ADOPTION OF A DISTRICT HYDROGEOLOGICAL REPORT REQUIREMENTS

ISSUE

As the District moves into permanent rules, the District will require a hydrogeological report to be submitted as part of the application process for wells capable of producing 200 gallons per minute or more.

BACKGROUND

The District Board reviewed the draft hydrogeological report requirements at the May 2018 meeting. All comments from that meeting have been incorporated into the draft document.

CONSIDERATIONS

A hydrogeological report will only be required on wells capable of producing 200 gallons per minute or more.

STAFF RECOMMENDATIONS

The staff recommends that the Board review and consider adopting Hydrogeological Report Requirements.

ATTACHMENTS

Draft Hydrogeological Report Requirements

PREPARED AND SUBMITTED BY:

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

Drew Satterwhite, P.E., General Manager

RED RIVER GROUNDWATER CONSERVATION DISTRICT
HYDROGEOLOGICAL REPORT GUIDELINES

Adopted pursuant to District Rules 3.10(a)(13), 3.10(b) and 3.15(b)

I. Introduction

- A. Hydrogeological Reports that meet the criteria in these guidelines must be included with administratively complete applications for any of the following:
 - 1. requests to drill and operate a proposed new well or well system with a proposed aggregate production capacity of 200 gallons per minute or more;
 - 2. requests to modify or increase an existing well or well system that would result in the existing well(s) being equipped to produce 200 gallons per minute or more; and/or
 - 3. exception to spacing requirements for wells covered by (1) or (2) above.
- B. Purpose of the Hydrogeological Report is to provide the District with hydrogeological information addressing the impacts of the proposed well on existing wells and in relation to the Desired Future Condition (DFC) for the applicable aquifer, as required by Sections 36.113(d) and 36.1132 of the Texas Water Code.
- C. Reports submitted pursuant to District Rules 3.10(a)(13), 3.10(b) and 3.15(b) and these guidelines are required to be sealed by a Professional Geoscientist or Professional Engineer licensed in the State of Texas.
- D. Hydrogeological Reports submitted to the District should follow the chronological order of the criteria set forth in Section II.

II. Required Content of Hydrogeological Reports

- A. Well construction specifics must include the following:
 - 1. Details on all aspects of well.
 - 2. Schematic well construction diagram.
 - 3. Lithologic description of geology encountered during well drilling.
 - 4. Identify specific location through maps:
 - a. Maps showing location of property relative to county level, location of well relative to property boundaries, and other relevant features
- B. Discussion of hydrogeologic setting must include the following:
 - 1. Identification of the aquifer.
 - 2. Discussion of surface and subsurface geology at well site.
 - a. Include whether there is any occurrence of any significant groundwater recharge features such as outcrop, surface water bodies, caves, sinkholes, faults or other geologic features.

- b. Include whether there is any occurrence of hydrologic features, including streams or springs within ½ mile radius.
 3. Include depth interval of proposed water bearing zone and identify target production zone.
 4. Provide anticipated thickness of water bearing zone.
 5. Identify whether the target production zone is anticipated to be confined or unconfined.
 6. Provide estimates of thickness of confining layer at well site location.
 7. Provide specific aquifer parameters at the well site, including transmissivity, hydraulic conductivity and storativity based on the Texas Water Development Board (TWDB) approved Groundwater Availability Model for the aquifer.
 8. Identify all registered wells within a 1-mile radius of the proposed well using publicly-available District well database.
 9. Include identification of streams or springs within 1-mile radius of the proposed well.
- C. Water quality analysis must include the following:
1. Include discussion of known quality in the area based on literature and well reports.
- D. Interference analysis must include the following:
1. Provide a quantitative analysis that shows the projected impacts from proposed production.
 - a. Simulation results must be included showing drawdown at 24 hours, 30 days, and 1 year (contoured with the smallest contour equal to 1-foot water level decline).
 - i. Include discussion of the methodology used for estimating drawdown, including software that was used, the assumptions and/or solution method employed.
 - ii. Include illustration and/or maps showing the estimated cone of depression. If there is more than one well in the group, two maps should be included demonstrating:
 - (1) contours for impacts from pumping the proposed well only;
and
 - (2) contours for impacts from all wells in the system.
 2. For well systems, include a discussion of the amount or degree of interference that each of the system wells may exert on other same system wells.
 3. Include a discussion of the estimated impacts on existing registered wells identified under Section II(B)(8) of these guidelines.

E. Desired Future Condition (DFC) and Modeled Available Groundwater (MAG) Analysis

1. Discussion of the proposed pumping amount in relation to the MAG, as well as the impact of the proposed pumping on the adopted DFC.

III. Post-Drilling Requirements

A. Mandatory requirements:

1. Geophysical logs required to be submitted upon completion of the well.
 - a. Geophysical logs must consist of a resistivity or induction curve and a spontaneous potential or gamma ray curve at a minimum.
 - b. Geophysical logs performed in the initial open-borehole are required and will consist of resistivity (self potential and gamma ray at a minimum).
 - c. Wells cased with PVC require induction and gamma ray logs.
 - d. All digital log files to be submitted in LAS format as well as printed.

B. Provide if available:

- a. Digital or tabulated data of water levels measured during drawdown, specific capacity, or pumping test;
- b. field parameters of specific conductivity, temperature and pH of measurements made during the drawdown or pumping test; and/or
- c. Any laboratory analysis completed on samples collected from the well after construction and development.

IV. Additional Construction Requirements

- A. Measuring tube at least one inch in diameter to be installed from the well head to the bottom most screen interval in all new wells with a capacity to produce 200 gpm or more.

ATTACHMENT 10



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: November 27, 2018

SUBJECT: AGENDA ITEM NO. 10

CONSIDER AND ACT UPON DECENNIAL REVIEW OF DISTRICT REPRESENTATION SET FORTH IN ENABLING LEGISLATION

ISSUE

The District is required to complete our 1st Decennial review as required by our enabling legislation by January 1, 2019.

BACKGROUND

The District's enabling legislation reads as follows:

Sec. 8859.057. DECENNIAL REVIEW OF DISTRICT REPRESENTATION. (a) 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.

(b) Not later than the 20th day following the date the review is complete, the board shall submit the review described in Subsection (a) 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.

Sec. 8859.053. APPOINTMENT OF DIRECTORS. (a) The board consists of seven directors as follows:

- (1) one director appointed by the commissioners court of Fannin County at the discretion of the commissioners court;
- (2) one director appointed by the commissioners court of Fannin County selected from a list of nominees submitted to the commissioners court by the governing bodies of the municipalities in Fannin County;
- (3) one director appointed by the commissioners court of Fannin County selected 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 (f);
- (4) two directors appointed by the governing body of the municipality in Grayson County that has the largest annual production of groundwater by volume for the four years preceding the appointment;
- (5) one director appointed jointly by the governing bodies of the municipalities in Grayson County other than the municipality described by Subdivision (4); and
- (6) one director appointed jointly 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 (f).

CONSIDERATIONS

The only real production based representative on the Board is based on the largest user in Grayson County, which remains the City of Sherman. There are 4 other representatives for Public Water Suppliers and one at-large representative of other uses. Based upon the information on groundwater production and use within the District provided below, the current representation appears to be logical and consistent with the original intent in creating the Board structure.

2017 Total Production, gallons	4,512,810,218
2017 PWS Production, gallons	4,390,747,690
PWS % of total production	97%
Sherman % of total production	33%

If the Board agrees with staff's assessment, then the staff will request authorization from the Board to work with the Board President in drafting a report to the representatives and senators in the District that recommends no changes to the current Board structure in the enabling legislation.

STAFF RECOMMENDATIONS

The staff requests direction from the Board on this matter.

PREPARED AND SUBMITTED BY:



Drew Satterwhite, P.E., General Manager

ATTACHMENT 13

Red River Groundwater Conservation District

Well Registration Summary As of October 31, 2018

Well Type	Total Registered		Total RRGCD	New Registrations
	Total Registered	Grayson		
	Fannin County	County		
Domestic	149	267	416	9
Agriculture	16	24	40	0
Oil/Gas	0	21	21	0
Surface Impoundments	6	14	20	0
Commercial	6	9	15	1
Golf Course	0	15	15	0
Livestock	15	24	39	1
Irrigation	0	7	7	
Public Water	57	213	270	0
Monitoring	0	3	1	0
Total	249	597	844	11

ADJOURN