

**RED RIVER
GROUNDWATER
CONSERVATION
DISTRICT**

PERMIT HEARING AND BOARD MEETING

Greater Texoma Utility Authority Board Room
5100 Airport Drive
Denison, Texas 75020

**THURSDAY
JANUARY 15, 2026
10:00 AM**

NOTICE OF PUBLIC MEETING
OF THE
BOARD OF DIRECTORS OF THE

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Thursday, January 15, 2026, at 10:00 a.m.

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

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 Application:

Agenda:

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

Permit Amendment

- a. **Applicant:** Mustang Special Utility District; 7985 FM 2931, Aubrey, TX 76227
Location of Well (#33): 11414 Farmington Rd, Van Alstyne, TX, 75495; Latitude: 33.423933°N Longitude: 96.644777°W; About 129 feet east of Farmington Rd., and about 185 feet north of FM 121 in Grayson County
Purpose of Use: Municipal /Public Water System
Requested Amount of Use: 380,998,550 gallons per year over all 8 wells
Production Capacity of Well: 450 GPM
Aquifer: Trinity (Antlers)

Amendments:

- Increase capacity of Mustang SUD Well #33 from 258 GPM to 450 GPM.
 - Increase Production Permit (8 wells total) amount from 350,998,550 gallons per year to 380,998,550 gallons per year.
3. Public Comment on the Production Permit Application (verbal comments limited to three (3) minutes each).
 4. Consider and act upon the Production Permit Application, including designation of parties and/or granting or denying the Production Permit Application in whole or in part, as applicable.
 5. Adjourn or continue permit hearing

Board Meeting

The Board Meeting will begin upon the adjournment of the 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 20, 2025, Board Meeting.
5. Budget and Finance.
 - a. Review and approval of monthly invoices.
 - b. Receive monthly financial information.
 - c. Receive Quarterly Investment Report.
6. Consider and act upon a resolution by the Board of Director of the Red River Groundwater Conservation District related to an investment policy.
7. Update and possible action regarding the process for the development of Desired Future Conditions (DFC).
8. Consider and act upon compliance and enforcement activities for violations of District Rules.
9. General Manager’s report: The General Manager will update the Board on operational, educational and other activities of the District.
 - a. Update on Injection/Disposal Well Monitoring Program
 - b. Well Registration Summary
10. Open forum / discussion of new business for future meeting agendas.
11. Adjourn.

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

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

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

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

ATTACHMENT 4

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

Thursday, November 20, 2025

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

Members Present:	Mark Patterson, David Gattis, Harold Latham, John Keen, Chuck Dodd, and Mark Gibson.
Members Absent:	Billy Stephens
Staff:	Paul Sigle, Kristi Krider, Tasha Hamilton, Rita Wilson, Billie Jo Tiner, and Velma Starks
Visitors:	Kristen Fancher, Fancher Legal James Beach, Mark Nickels, and Isaac Johnson, Advanced Groundwater Solutions

Board Meeting

1. Pledge of Allegiance and Invocation.

Board President Mark Patterson led the group in the Pledge of Allegiance and Chuck Dodd offered the invocation for the group.

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

Board President Mark Patterson called the meeting to order at 10:00 a.m., established a quorum was present, and declared the meeting open to the public.

3. Public Comment.

No Public Comment.

4. Consider and act upon approval of Minutes of October 16, 2025, Board Meeting.

Board Member David Gattis made a motion to approve the minutes of the October 16, 2025, meeting. The motion was seconded by Board Member Chuck Dodd. Motion passed unanimously.

5. Budget and Finance.

a. Review and approval of monthly invoices.

General Manager Paul Sigle reviewed the invoices with the Board. Discussion was held.

Board Member David Gattis made a motion to approve the monthly invoices. Board Member Harold Latham seconded the motion. Motion passed unanimously.

b. Receive monthly financial information.

General Manager Paul Sigle reviewed the District's monthly financial information with the Board. Discussion was held.

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

General Manager Paul Sigle informed the Board that the GMA 8 Districts defeated running the additional runs by a vote of 6 to 4. GMA 8 will meet in January. The Technical Committee will meet in December. Paul provided a presentation for the Board. Discussion was held.

7. Receive update on the progress of the District's Local Management Groundwater Model from Advanced Groundwater Solutions.

Isaac Johnson and James Beach, Advanced Groundwater Solutions, provided a presentation. Discussion was held.

8. Discussion and possible action on District's Rules including well and property spacing requirements.

Mark Nickels and James Beach, Advanced Groundwater Solutions, provided a presentation. Discussion was held.

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

No issues

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

a. Update on Injection/Disposal Well Monitoring Program

No update.

b. Well Registration Summary

General Manager Paul Sigle reviewed the well registration summary with the Board. Seven new wells were registered in October.

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

If there are no application permits, the December 18, 2025, meeting will be cancelled.

12. Adjourn.

Board Vice President Harold Latham declared the meeting adjourned at 12:34 p.m.

Recording Secretary

Secretary-Treasurer

ATTACHMENT 5 a.

RESOLUTION NO. 2026-01-15-01

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

The following liabilities are hereby presented for payment:

<u>Administrative Services</u>	<u>Amount</u>
GTUA - Monthly expenses for November 2025	\$15,049.45
GTUA - Monthly expenses for December 2025	\$14,657.92
 <u>Contract Services</u>	
Advanced Groundwater Solutions - Hydrogeologic consulting through November 2025	\$11,340.75
 <u>Direct Costs</u>	
Statewide Plat Service	\$100.00
 <u>Legal</u>	
Kristen Fancher - legal service through 12/31/2025	\$2,408.00
State Office of Administrative Hearing	\$211.20
 <u>Insurance</u>	
Bayless-Hall & Blanton Insurance	\$286.00
 <u>GMA8 Fees</u>	
NTGCD	\$7,195.55

GRAND TOTAL: \$51,248.87

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 15th. day of January 2026

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 December 31, 2025

ASSETS

Current Assets

Checking/Savings

10001 CASH-First United	88,109.77
10025 A/R CONSUMPTION	52,782.35
10101 ALLOWANCE FOR UNCOLLECT	-1,530.00
10210 A/R WELL APPLICATION FEES	-4,734.14
10010 INVESTMENTS	843,494.12
10230 PP EXPENSES	2,015.46

TOTAL ASSETS	<u>980,137.56</u>
---------------------	--------------------------

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

23100 ACCOUNTS PAYABLE	17,065.92
23150 DRILLERS DEPOSIT LIAB	21,950.00
23160 DEPOSIT - SOAH	5,237.28

Total Other Current Liabilities	<u>44,253.20</u>
--	-------------------------

Total Current Liabilities	<u>44,253.20</u>
----------------------------------	-------------------------

Total Liabilities	44,253.20
--------------------------	------------------

Equity

35100 RETAINED EARNINGS	1,152,942.58
-------------------------	--------------

Net Income	-217,058.22
------------	-------------

Total Equity	<u>935,884.36</u>
---------------------	--------------------------

TOTAL LIABILITIES & EQUITY	<u>980,137.56</u>
---------------------------------------	--------------------------

RED RIVER GROUNDWATER
Profit & Loss Budget vs. Actual
December 31, 2025

	Current Actual	Current Budget	YTD Actual	Total Budget	% of Budget Remaining
Income					
46002 GW PRODUCTION	0.00	0.00	262,610.11	267,948.07	1.99%
46005 LATE FEES	528.77	0.00	8,069.44	0.00	0.00%
46006 VIOLATION FEES	0.00	0.00	0.00	0.00	0.00%
46010 WELL DRILLER FEES	0.00	0.00	-6,106.30	0.00	0.00%
46015 REGISTRATION FEES	1,350.00	833.00	11,500.00	10,000.00	-15.00%
46020 PERMITTING FEES	0.00	583.00	4,200.00	7,000.00	0.00%
46100 INTEREST INCOME	0.00	1,250.00	19,691.68	15,000.00	-31.28%
Total Income	1,878.77	2,666.00	299,964.93	299,948.07	-0.01%
Gross Profit	1,878.77	2,666.00	299,964.93	299,948.07	
Expense					
77010 ADMINISTRATIVE COST	10,997.00	7,500.00	99,297.75	90,000.00	-10.33%
77020 ADVERTISING	0.00	333.00	2,003.00	4,000.00	49.93%
77027 AUDITING	0.00	0.00	7,350.00	7,350.00	0.00%
77030 BAD DEBT	0.00		-5,085.85	-5,085.85	
77031 BANKING FEES	26.09	83.00	2,023.15	1,000.00	-102.32%
77032 CONTRACT SERVICES	11,340.75	13,916.00	115,927.44	167,000.00	30.58%
77035 FIELD TECH	10,020.00	4,583.00	63,752.75	55,000.00	-15.91%
77040 DIRECT COST	1,047.46	375.00	7,072.78	4,500.00	-57.17%
77045 FIELD PERMITTING SPECIAL	3,016.00	2,917.00	28,458.50	35,000.00	18.69%
77450 DUES & SUBSCRIPTIONS	0.00	83.00	2,200.00	4,000.00	45.00%
77480 EQUIPMENT	0.00	3,203.00	58,216.37	38,432.00	-51.48%
77500 FEES-GMA8	7,195.55	2,400.00	13,103.05	9,600.00	-36.49%
77810 INSURANCE AND BONDING	621.91	416.00	4,550.50	5,000.00	8.99%
77850 GENERIC SOFTWARE SVC	0.00	208.00	0.00	2,500.00	100.00%
77970 LEGAL	2,408.00	1,667.00	72,657.34	20,000.00	-263.29%
77980 Legal - Legislature	0.00	2,500.00	0.00	30,000.00	100.00%
78010 MEETINGS AND CONFEREN	635.69	500.00	6,450.87	6,000.00	-7.51%
78310 RENT	1,300.00	650.00	7,800.00	7,800.00	0.00%
78600 SOFTWARE MAINTENANCE	1,468.53	4,167.00	24,331.32	50,000.00	51.34%
78750 TELEPHONE	624.64	250.00	2,790.62	3,000.00	6.98%
78770 - TRANSPORTATION	598.05	333.00	4,123.56	4,000.00	-3.09%
Total Expense	51,299.67	46,084.00	517,023.15	539,096.15	4.09%
Net Income	-49,420.90	-43,418.00	-217,058.22	-239,148.08	

ATTACHMENT 5 c.

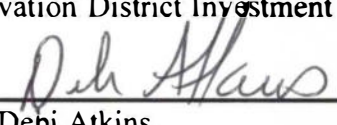
Red River Groundwater Conservation District
Quarterly Investment Report
For the Quarter Ended
December 31, 2025

The investment portfolio of the Red River Groundwater Conservation District is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

Presented by Red River Groundwater Conservation District Investment Officers:



Paul Sigle
General Manager



Debi Atkins
Finance Officer

Book/Market Value Comparison

Description	Coupon/ Discount	Maturity Date	September 30, 2025			Purchases/ Adjustments	Sales/Adjust/ Call Maturity	12/31/2025	
			Face Amount/ Par Value	Book/Market Value	Face Amount/ Par Value			Book/Market Value	
First United (DDA)	0.00%	1/1/2026	19,039.91	19,039.91	183,225.07	114,488.64	87,776.34	\$	87,776.34
East West (CD)	3.91%	8/28/2026	544,439.07	544,439.07		100,944.95	443,494.12	\$	443,494.12
East West (CD)	4.22%	3/2/2026	400,000.00	400,000.00			400,000.00	\$	400,000.00
			\$ 963,337.46	\$ 963,337.46	\$ 183,225.07	\$ 215,433.59	\$ 931,270.46	\$	931,270.46

Investment Holdings
12/31/2025

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
First United (DDA)		0.00%	12/31/2025	12/31/2025	\$ 87,776.34	\$ 87,776.34	1.00	\$ 87,776.34	1	0.00%
East West (CD)		3.91%	8/28/2026	8/28/2025	\$ 544,439.07	\$ 544,439.07	1.00	\$ 544,439.07	240	3.99%
EastWest (CD)		4.22%	3/2/2026	2/28/2025	\$ 400,000.00	\$ 400,000.00	1.00	\$ 400,000.00	61	4.31%
Weighted Ave Maturity in yrs					<u>\$ 1,032,215.41</u>	<u>\$ 1,032,215.41</u>		<u>\$ 1,032,215.41</u>	<u>(1)</u>	<u>0.41</u>

(1) Weighted average life - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have an one day maturity.

ATTACHMENT 6

EXHIBIT “A”

RED RIVER GROUNDWATER CONSERVATION DISTRICT

INVESTMENT POLICY

APPROVED: October ~~19, 2023~~ 17, 2024

PROPOSED: October ~~17, 2024~~ 16, 2025

EXHIBIT "A"

1.01 PURPOSE

This policy with respect to district investments has been adopted by the Board of Directors (the "Board") of Red River Groundwater Conservation District (the "District") to establish the principles and criteria by which the funds of the District should be invested and secured (a) to preserve the principal, (b) to earn interest, (c) to address investment diversification, yield, and maturity, (d) to fulfill the duties of the designated Investment Officer of the District, (e) to comply with the types of authorized investments and to specify the maximum allowable stated maturity of the District's investments, and (f) to comply with the provisions of Texas law related to the investment and security of funds applicable to groundwater conservation districts ("Investment Laws"). The provisions of Chapter 36 of the Texas Water Code relating to investments and securities, the Public Funds Investment Act (the "Act") as amended in Chapter 2256 of the Texas Government Code, and other appropriate statutes are applicable to the investment of the District's funds.

1.02 POLICY OF INVESTMENT

- A. The preservation of principal shall be the primary concern of the District and the District Investment Officer. To the extent that the principal is protected, District funds shall be invested to yield the highest possible rate of return to meet the current and future financial needs of the District and to maintain liquidity, all while taking into consideration the strength of the financial institution, and complying with any Internal Revenue Code laws or regulations and procedures set forth in any bond resolutions or orders, adopted from time to time by the Board. Funds of the District shall be invested by the District's staff in accordance with the policy. Any resolution or order adopted by the Board relating to investment policies or procedures shall be in writing and shall be made available to requesting members of the public.
- B. Investment of funds shall be governed by the following investment objectives, in order of priority:
 - 1. Understanding suitability of investments to the District's requirements,
 - 2. Preservation and safety of principal,
 - a. Credit risk - the District will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment
 - b. Interest rate risk - the District will minimize the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates
 - 3. Liquidity,
 - 4. Marketability prior to maturity of each investment,
 - 5. Diversification, and
 - 6. Yield.
- C. The investment of the District's funds should be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. The

Investment Officer, to the extent possible, will attempt to match investments with anticipated cash flow requirements. Matching securities with cash flow dates will normally increase yield, will lock in higher yields, and reduce the need to sell securities prior to maturity, thus reducing market risk.

1.03 DELEGATION OF INVESTMENT AUTHORITY

- A. The Board shall designate by resolution one or more officers and/or General Manager, Finance Officer and Sr Accountant of the District to be responsible for the investment of its funds and be the District's Investment Officer(s). The Board resolution shall also authorize the Investment Officer to engage in investment transactions, deposit, withdraw, wire funds for investments, transfer and manage funds on behalf of the District. However, there shall be no transfer, expenditure, or appropriation of District funds, other than a transfer of the funds from one District account to another account of the District as stated above, unless by check or draft signed by two (2) members of the Board or authorized by separate order or resolution of the Board.
- B. The Investment Officer is responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. The Board retains ultimate fiduciary responsibility.
- C. The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this Investment Policy. Procedures will include reference to safekeeping, wire transfer agreements, banking services contracts, and other investment related activities.
- D. All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer or designee may engage in an investment transaction except as provided under the terms of this Policy and the procedures established.
- E. The Investment Officer's authority is effective until the District rescinds the authority or until: (1) termination of employment with the District for an Investment Officer who is an employee of the District; or (2) vacating the office of director for an Investment Officer who is a director of the Board.
- F. An officer or employee of a regional planning commission, council of governments or similar regional planning agency created under Chapter 391, Local Government Code, is ineligible to be designated as an investment officer under this policy.
- G. No person may deposit, withdraw, invest, transfer, or manage in any other manner funds of the District without the express written authority of the Investment Officer.
- H. Obtain and review competitive rates from qualified investment providers, financial institutions and broker/dealers.

1.04 PRUDENT PERSON RULE

- A. The actions of the Investment Officer in the performance of his or her duties as manager of the District's funds shall be evaluated using the "prudent person" standard. Investments shall

be made with judgment and care under prevailing circumstances which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived.

- B. The Investment Officer acting in accordance with written procedures exercising due diligence shall be relieved by personal responsibility for an individual security's performance provided that deviations from expectations are reported in a timely fashion to the governing body and appropriate action is taken to control adverse developments.

1.05 INVESTMENT STRATEGY BY FUND

Funds in the District accounts shall be invested by the Investment Officer as follows:

- a. Capital Projects Account: The District may choose to have a Capital Projects Account from time to time, and, if so, shall maintain as its primary objective to maximize the suitability of the investment in such funds to the financial requirements of the District while preserving the safety of principal with regard to monies collected or allocated for such fund.
- b. Operating Account: Funds in this account shall be invested to meet the operating requirements of the District as determined by the annual operating budget of the District, or by resolution of the Board.
- c. Debt Service Account: Funds in this account shall be invested to meet the debt service requirements of the District. In order to accomplish this, the District will invest such funds in amounts and maturity dates that most likely match the debt service requirements of the District.

1.06 AUTHORIZED INVESTMENTS

- A. Acceptable investments under this Policy shall be limited to the instruments listed below and as further described by the Act. If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the District until this Policy has been amended and the amended version is adopted by the Board:
 - 1. Obligations of the United States Government, its agencies and instrumentalities, including the Federal Home Loan Banks, but excluding principal-only and interest-only mortgage backed securities, collateralized mortgage obligations, and real estate mortgage investment conduits; not to exceed two years to stated maturity;
 - 2. Fully insured by the Federal Deposit Insurance Corporation (FDIC), or its successor; or the National Credit Union Share Insurance Fund (NCUSIF), or its successor, or collateralized certificates of deposit and other forms of deposit placed in compliance with the Act from any bank doing business in the State of Texas and under the terms of a written depository agreement with that bank, not to exceed one year to stated maturity, to include certificates of deposit purchased through the CDARS program with a Texas bank; and
 - 3. AAA-rated, constant dollar Texas Local Government Investment Pools as defined by the Act.

- B. Bids for investments, including certificates of deposit, may be solicited:
 - 1. Orally;
 - 2. In writing;
 - 3. Electronically; or
 - 4. In any combination of those methods.
- C. All purchases of securities shall be made on a delivery versus payment basis assuring that no District funds are released before the security is received by the custodian.

1.07 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

- A. All investments made by the District will be made through either the District's banking services bank or an approved broker/dealer. The Board will review the list of broker/dealers annually. A list of at least three broker/dealers will be maintained of approved investment broker/dealers. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 153C-1 (uniform net capital rule).
- B. Securities broker/dealers must supply the following as appropriate and when requested:
 - 1. Proof of certification by the Financial Industry Regulatory Authority (FINRA) and provision of FINRA CRD number,
 - 2. Audited financial statements, and
 - 3. Proof of current registration with the Texas State Securities Board.
- C. Every broker/dealer and bank with which the District transacts business will be provided a copy of this Investment Policy for review. A qualified representative of the business organization shall execute a written instrument substantially to the effect that the organization has received and reviewed this policy. The business organization acknowledges the implementation of procedures and controls to preclude imprudent investment activities that are not authorized by the Investment Policy.

1.08 SAFEKEEPING AND COLLATERALIZATION

- A. Safekeeping of District Owned Securities.
 - 1. All purchased securities shall be cleared to safekeeping on a delivery versus payment basis and held in safekeeping by an independent third party financial institution, or the District's banking services depository.
 - 2. All safekeeping arrangements shall be approved by the Investment Officer and an agreement of the terms executed in writing. The independent third party custodian shall be required to issue safekeeping receipts to the District listing each specific security, rate, description, maturity, cusip number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is being held for the District or pledged to the District.
- B. Securities Pledged as Collateral
 - 1. All securities pledged to the District for all bank time or demand deposits shall be held by an independent third party bank doing business in Texas. The safekeeping bank may not

be within the same holding company as the bank from which securities are pledged.

2. Collateralization is required on all time and demand deposits over the FDIC insurance coverage.
 - a. In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level will be 102% of the deposit amount plus accrued interest on the deposit, less the applicable level of FDIC or NCUSIF insurance. The minimum level of Letters of Credit shall be 100% of principal plus anticipated accrued interest, less the applicable level of FDIC or NCUSIF insurance.
 - b. Collateral will be held by an independent third party custodian. The custodian shall provide a written monthly report directly to the District listing all pledged collateral by description and par at a minimum. The investment officers will monitor adequacy of collateralization levels to verify market values and total collateral positions.
 - c. If the collateral pledged for a deposit falls below the deposit value of the deposit, plus accrued interest, less FDIC or NCUSIF insurance, the institution holding the deposit will be notified by the investment officers and will be required to pledge additional collateral no later than the end of the next succeeding business day.

C. Authorized Collateral

1. The only types of collateral authorized by the District are:
 - a. Obligations of the U. S. Government, its agencies and instrumentalities including mortgage-backed securities which pass the bank test.
 - b. Obligations of a state or subdivision, city, county, school district of any state which is rated A or better by two nationally recognized rating agencies.
 - c. Letters of Credit issued by a Federal Agency or Instrumentality.
2. If the depository proposes a collateral pooling program, the Investment Officer will review and evaluate the program's risk and cost to the District for presentation to the Board. The pooling of collateral allows a bank to create a pool of securities for collateral purposes for multiple governments and will not result in securities pledged directly/specifically to each government.
3. Collateralized deposits often require release or substitution of collateral. Any broker/, dealer, or financial institution may automatically collateral of equal or greater value than the replaced security. The investment officers, or a designee, must provide written notification of the decision to the custodian/safekeeping agent holding the security prior to any security release. Substitution is allowable for all transactions, but should be limited, if possible, to minimize potential administrative problems and transfer expense. The investment officers may limit substitution and assess appropriate fees if substitution becomes excessive or abusive.

1.09 INVESTMENT TRAINING

- A. The Investment Officer shall attend training as required by Water Code 36.151 from an independent source approved by the Board involving at least six (6) hours of instruction. The initial training shall occur within 12 months after the Investment Officer takes office or assumes his or her duty. The Investment Officer shall attend an investment training session not less than once in a two-year period and receive not less than four (4) hours of instruction related to the duties and investment responsibilities under Subchapter 2256 of the Act from

an independent source approved by the Board.

- B. Training under this section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act.

1.10 REPORTING AND PERFORMANCE EVALUATION

- A. The Investment Officer shall submit a monthly report to the District Manager.
- B. Not less than quarterly, the Investment Officer shall prepare and submit to the Board a written report of investment transactions for all funds subject to this policy for the preceding reporting period. The report must:
 - 1. Describe in detail the District's investment position on the date of the report;
 - 2. Be prepared by the Investment Officer;
 - 3. Be signed by the Investment Officer;
 - 4. State the maturity date of each separately invested asset that has a maturity date;
 - 5. State the book value and the market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested; and
 - 6. State the compliance of the investment portfolio of the District with:
 - a. The investment strategy expressed in the District's Investment Policy; and
 - b. Relevant provisions of the Act.
- C. Market prices for market evaluations will be obtained from an independent source.
- D. In addition, the report shall explain the quarter's total investment return and compare the return with budgetary expectations.
- E. All reports shall be in compliance with the Act.

1.11 MISCELLANEOUS

- A. The District, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to the District's established investment policies to review investment performance and to ensure investment security. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions.
- B. The District shall review this policy at least annually and adopt a resolution confirming the continuance of the policy without amendment or adopt an amended investment policy.
- C. This investment policy adopted on November 19, 2020, supersedes any prior policies adopted by the Board regarding investment or securitization of District funds.

On motion of _____ seconded by _____, the foregoing resolution was adopted by the Board of Directors of the Red River Groundwater Conservation District this 1~~7~~⁶th day of October, 202~~4~~⁵ by the following vote:

_____ Voted "For"

_____ Voted "Against"

_____ Abstained

at a regular meeting of the Board of Directors of the Red River Groundwater District.

President

ATTEST:

Secretary-Treasurer

Policy source: Board Policy Manual, Section 20.00, Policies on Finance

RESOLUTION NO. 2026-01-15-02

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE RED RIVER GROUNDWATER CONSERVATION DISTRICT RELATING TO AN INVESTMENT POLICY

WHEREAS, the Red River Groundwater Conservation District ("District") was created by an act of the 81st Legislature in 2009; and

WHEREAS, the District has a responsibility of approving investments for the resources in its care and custody; and

WHEREAS, the District has appointed an Investment Committee of its membership to compose an Investment Policy; and

WHEREAS, that Committee prepared a document attached hereto as Exhibit "A" ; and

WHEREAS, the Board has reviewed this document and believes it to be in conformance with the State statutes regarding the investment of public funds;

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

1. The Investment Policy attached as Exhibit "A" is hereby adopted by this resolution and shall be in full force until further change by Board action.
2. The District's Investment officers are designated by this resolution to be the Secretary of the Board of Directors, the General Manager, the Finance Officer, and Senior Accountant.

Upon motion by _____, seconded by _____, the foregoing Resolution was passed and approved on this 15th day of January, 2026 by the following vote:

AYE:

NAY:

ABSTAIN:

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

President

ATTEST:

Secretary-Treasurer

ATTACHMENT 7

GCD	County	Aquifer	Drawdown Type	Location***	2080 MAG				2080 DFC			
					4.1	4.2	4.3	4.5	4.1	4.2	4.3	4.5
North Texas GCD	Collin	Antlers	Available Drawdown*	subcrop	1,923	1,142	2,276	1,370	419	238	634	492
		Glen Rose		subcrop	83	23	179	115	378	254	490	433
		Paluxy		subcrop	1,548	2,054	3,096	2,101	294	163	399	295
		Twin Mountains		subcrop	2,202	1,248	4,458	2,785	397	190	513	413
		Woodbine		subcrop	4,254	5,959	5,968	5,974	272	298	324	322
	Cooke	Antlers	Available Drawdown*	subcrop	8,264	5,939	11,065	7,878	93	60	135	113
		Woodbine	Saturated Thickness**	outcrop	800	230	800	420	1	1	1	1
	Denton	Antlers	Available Drawdown*	subcrop	15,438	14,092	16,096	15,790	238	142	252	221
		Glen Rose		subcrop	339	147	313	304	314	145	309	292
		Paluxy		subcrop	4,538	2,381	3,557	2,297	300	86	249	175
		Twin Mountains		subcrop	7,190	3,099	7,367	4,194	490	217	490	405
		Woodbine		subcrop								
		Woodbine	Saturated Thickness**	outcrop	3,603	0	4,375	3,816	9	4	13	12
Red River GCD	Fannin	Antlers	Available Drawdown*	subcrop	975	416	0	0	166	91	224	185
		Paluxy		subcrop	313	133	2,270	1,351	200	111	455	326
		Woodbine		subcrop								
		Woodbine	Saturated Thickness**	outcrop	4,909	4,206	5,801	4,746	139	118	164	148
	Grayson	Antlers	Available Drawdown*	subcrop	6,314	6,683	16,127	10,687	211	135	340	259
		Woodbine		subcrop								
		Woodbine	Saturated Thickness**	outcrop	9,276	8,093	7,526	7,199	53	51	57	57

GCD	County	Aquifer	Drawdown Type	Location***	2080 Available Drawdown in the				2080 Available Drawdown in Production Wells				
					4.1	4.2	4.3	4.5	# of Wells	4.1	4.2	4.3	4.5
North Texas GCD	Collin	Antlers	Available Drawdown*	subcrop	75.65%	86.71%	60.91%	72.96%	19	-	74.40%	51.42%	61.81%
		Glen Rose		subcrop	81.35%	87.45%	75.83%	78.65%	10	-	82.75%	64.02%	70.29%
		Paluxy		subcrop	82.66%	90.37%	76.56%	82.66%	43	-	86.76%	69.65%	77.18%
		Twin Mountains		subcrop	83.48%	90.35%	79.41%	83.04%	24	-	89.72%	69.45%	77.42%
		Woodbine		subcrop	45.32%	39.97%	35.23%	35.58%	323	-	72.76%	70.18%	70.28%
	Cooke	Antlers	Available Drawdown*	subcrop	92.57%	103.56%	81.52%	88.76%	316	-	80.01%	66.11%	69.86%
		Woodbine	Saturated Thickness**	outcrop	99.08%	99.27%	96.15%	96.21%	21	-	99.79%	98.42%	98.71%
	Denton	Antlers	Available Drawdown*	subcrop	57.54%	88.60%	60.66%	71.89%	800	-	78.63%	59.99%	63.87%
		Glen Rose		subcrop	59.31%	81.24%	60.03%	62.18%	39	-	89.83%	65.20%	66.76%
		Paluxy		subcrop	42.77%	83.67%	52.37%	66.57%	114	-	87.63%	61.05%	72.86%
		Twin Mountains		subcrop	62.87%	80.06%	60.40%	65.82%	55	-	75.83%	47.29%	53.28%
		Woodbine		subcrop	82.24%	92.33%	75.88%	77.51%					
		Woodbine	Saturated Thickness**	outcrop	97.42%	99.97%	97.52%	98.28%	418	-	101.27%	98.56%	98.91%
Red River GCD	Fannin	Antlers	Available Drawdown*	subcrop	92.98%	96.11%	85.09%	88.92%	8	-	97.93%	92.53%	94.47%
		Paluxy		subcrop	91.36%	95.19%	80.37%	85.95%	4	-	97.86%	73.59%	82.47%
		Woodbine		subcrop	67.45%	72.52%	62.24%	65.99%					
		Woodbine	Saturated Thickness**	outcrop	99.80%	99.83%	99.75%	99.76%	106	-	77.71%	69.83%	72.02%
	Grayson	Antlers	Available Drawdown*	subcrop	91.11%	95.94%	72.23%	83.06%	127	-	84.36%	55.05%	67.78%
		Woodbine		subcrop	18.45%	21.36%	29.27%	29.76%					
		Woodbine	Saturated Thickness**	outcrop	99.65%	99.73%	99.78%	99.78%	257	-	95.37%	95.72%	95.65%

ATTACHMENT 9 b.

RED RIVER GROUNDWATER CONSERVATION DISTRICT

Well Registration Summary

(as of 12/31/2025)

Well Type	Fannin	Grayson	Total RRGCD	New Registrations December 2025
Domestic	302	519	821	4
Public Water	63	200	263	0
Livestock	18	31	49	0
Agriculture	28	28	56	0
Commercial	10	24	34	0
Surface Impoundments	13	20	33	0
Oil / Gas	0	17	17	0
Golf Course	1	14	15	0
Irrigation	2	12	14	0
Monitoring	1	11	12	0
Industrial	0	11	11	0
*Other	1	3	4	0

TOTALS	439	890	1329	4
---------------	------------	------------	-------------	----------

NOTE: Plugged wells have been excluded

***Construction Water**

ADJOURN