

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

WEDNESDAY, APRIL 18, 2012

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

Members Present: George "Butch" Henderson, George Olson, Don Wortham, David Gattis, Harold Latham, Don Morrison, Mark Patterson

Members Absent: None

Staff: Jerry Chapman, Debi Atkins, Carolyn Bennett, Wayne Parkman and Carmen Catterson

Visitors: Jonathan Cannon, Herald Democrat
Tim Morris, Morris Engineering
Alex Moser, AL Moser Drilling
Joey Rickman, City of Honey Grove

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

President Henderson called the work session to order at 2:00 PM. All members were present, except Vice President Olson who arrived at 2:06 PM.

2. Public Comment.

No public comments received.

3. Consider approval of Minutes of March 21, 2012, public hearing and board meeting

Board Member Gattis motioned to approve the Minutes of the March 21, 2012 public hearing and board meeting. The motion was seconded by Board Member Morrison and passed unanimously.

4. Consider and act upon participation in the Texas Water Conservation Association Risk Management Fund

Mr. Chapman explained the District needs General Liability Insurance for all actions the Board may take, as well as Errors and Omission Insurance. The staff received a quote from the Texas Water Conservation Association (TWCA) Risk Management Fund. This fund was established in the 1980s when it became increasingly difficult for public agencies to acquire insurance. This fund serves the water industry and is the one that the Authority utilizes for insurance. Mr. Chapman reviewed the insurance quote provided, which is a total of \$2,050 per year. Board Member Gattis asked if the District needed the insurance before July 1st since the District does not own a vehicle.

Board Member Gattis motioned to approve participation in the TWCA Risk Management Fund. The motion was seconded by Board Member Patterson and passed unanimously.

Vice President Olson arrived at 2:06 PM.

5. Review and approval of monthly invoices.

Board Member Gattis motioned to approve the monthly invoices. The motion was seconded by Board Member Morrison and passed unanimously.

6. Consider and discuss procedure for timely payment of expenses.

At times, invoices are received that need to be paid within a certain period of time, but the Board meeting is not within that time frame. This causes some bills to be paid late. Mr. Chapman recommended to the Board that they authorize the President, Vice President or Secretary/Treasurer to authorize payment of expenses. The ASYST accounting software has the ability to print facsimile signatures under a certain amount. The Board discussed the issue and agreed that as long as a maximum amount was established, the officers should have the authority to pre-approve an invoice to be paid. The Board discussed what limit should be established and the parameters behind the project. Board Member Gattis stated that he believed that bills should be both invoiced and paid promptly.

Vice President Olson motioned to approve the payment of budgeted items for work completed with approval by the President. The motion was seconded by Board Member Morrison and passed unanimously.

7. Establish Investment Committee, appoint an Investment Officer and discuss development of Investment Policy.

As the District does not have much money currently, this does not seem important currently. However, to ensure that FDIC coverage remains active, the District must have an Investment Policy that is reviewed on an annual basis. Mr. Chapman recommended the President appoint a Committee and provide instruction to the staff. President Henderson appointed Vice President Olson and Board Member Morrison to the Investment Committee and requested they provide instruction to the staff.

8. Consider and act upon a Resolution establishing a Well Driller Report Deposit Fee.

Board Member Gattis recommended the \$100 fee and recommended that the resolution be titled Refundable Well Driller Report Deposit Fee.

Board Member Gattis motioned to approve a Resolution establishing a \$100 Refundable Well Driller Report Deposit Fee to become effective July 1, 2012. The motion was seconded by Board Member Latham and passed unanimously.

9. Receive and discuss GAM Run 10-063 MAG for the Trinity Aquifer

GAM Run 10-063 MAG for the Trinity Aquifer was prepared by the Texas Water Development Board (TWDB) for the Groundwater Management Area 8. This report is the same as the previous report. Mr. Chapman contacted the District's consultant and Mr. Bill Hutchison reported that the report changed from "managed" to "modeled" available groundwater and the report will be included in the District's Management Plan.

Board Member Gattis motioned to accept GAM Run 10-063 as presented with no changes. The motion was seconded by Board Member Morrison and passed unanimously.

10. Consider and act upon engagement of technical consulting services by legal counsel to review injection well applications in the District.

This proposed contract was precipitated by a legal notice in the Herald Democrat recently that stated an application for a fluid injection well near Sadler would be filed. Mr. Chapman contacted the Railroad Commission and they did not have a copy of the application, but promised they would provide it when it was received. This could become an issue in the future and the Board needs to be prepared for potential application reviews. Mr. Chapman recommended the Board establish a procedure to review applications to determine potential hazards. Several other groundwater districts in the north Texas area have engaged a technical consultant to review the applications. The North Texas GCD has authorized their legal counsel to engage into a contract with a consultant to review applications and notify the district if the application needs attention. Brian Sledge, the District's legal counsel recommended authorizing the legal counsel to contract with the consultant to maintain confidentiality for review. The consultant reviews the engineering for each injection well and notifies the groundwater district involved and assists with writing a letter to the company to provide a list of recommended changes. The Board discussed the benefits and drawbacks of entering into a contract.

Vice President Olson and Board Member Gattis recommended reviewing an application before entering into a contract. President Henderson and Board Member Patterson commented that most applications have a limited time frame for comment. Board Member Patterson stated that there are hundreds of fluid injection wells in western Grayson County dating back to the 1970s and they have a higher risk for contamination, so the Board needs to be proactive and aware of their responsibilities to protect the groundwater from contamination.

This item was tabled until a future meeting.

11. Establish Budget Committee and discuss 2013 Budget

The District's statute requires that the budget be established and rates provided to the users by November 1, 2012. However, the users are in the middle of the budget cycle and need to have the rates to incorporate into their budgets before their new fiscal year begins on October 1, 2012. Board Member Gattis recommended the staff provide a draft budget to the Board at the next meeting.

President Henderson appointed Vice President Olson, Board Member Gattis and himself to serve on the Committee.

12. Receive update on Management Plan and schedule public hearing

The staff submitted the draft Management Plan to the TWDB for a pre-review after the Board approved the draft last month. The TWDB was very efficient and provided minimal comments and changes. The consultant has made the changes and the Plan is ready for a public hearing for approval. The earliest available date for a public hearing is May 16, 2012, which is the regular meeting date. The Board recommended scheduling the public hearing for 1:30 PM on May 17th, with the Board meeting beginning at 2:00 PM. The Board recommended hosting the meeting at the Authority offices.

13. General Manager's Report

Mr. Chapman reported that the ASYST accounting program that was authorized last month is in the process of being put into use with amounts and accounts being entered. The staff participated in a demo of the well registration site and the consultant is in the process of integrating recommended improvements and changes. The site should be functional by May 15, 2012.

The District is responsible for providing public outreach and education regarding groundwater and conservation. The staff has been working to schedule presentations by the AgriLIFE agency. The meetings are scheduled for June 7 at the Grayson County Courthouse and June 25 in Fannin County. These meetings will be held in connection with the local extension agents. The District will work to distribute information on these meetings to the local media to encourage the public to attend.

The District has received six applications including two for Marilee SUD, one for livestock and three domestic well applications. Not all well drillers are registering wells before they drill, so the staff is proposing sending out a letter to local well drillers to remind and encourage them to register.

On April 11, the staff provided a presentation to the Greater Texoma Association of Realtors and forms were provided. Many realtors are concerned and want to reply because the well must be registered when the well's ownership changed. The staff will continue to be in communication with the realtors and title companies.

The District now has Facebook and Twitter accounts and has several members of the public following the District's activities. Mr. Chapman also introduced Wayne Parkman, an employee of the Authority who is the Field Technician for the North Texas GCD. Board Member Gattis asked if Mr. Chapman had received any more information on the EAA vs Day case. Mr. Chapman provided a brief summary and stated that the decision will most likely be further decided in court cases through the next several years.

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

The public hearing and Board meeting will be held on May 17, 2012 with updates on the 2013 budget, the Investment Policy, the injection well contract, well registration, online well registration system, and approval of the Management Plan.

15. Adjourn

Upon motion by Vice President Olson seconded by Board Member Gattis and passed unanimously, the Board adjourned at approximately 3:03 PM.

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Recording Secretary


Secretary-Treasurer