

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

WEDNESDAY, MARCH 21, 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, Carolyn Bennett and Carmen Catterson

Visitors: Jonathan Cannon, Herald Democrat
Bob Patterson, Upper Trinity GCD
Joey Rickman, City of Honey Grove
Joe Strong, Fannin County Commissioners Court

I. 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.

II. Public Comment.

No public comments received.

III. Consider approval of Minutes of February 22, 2012, work session and board meeting

Board Member Morrison motioned to approve the Minutes of the February 22, 2012 work session and board meeting. The motion was seconded by Board Member Gattis and passed unanimously.

IV. Review and approval of monthly invoices.

Mr. Chapman explained that the Board authorized a budget this year with work to be done by Alan Plummer & Associates, Inc. to develop a well registration system. However, an additional fee for licensing and hosting is necessary. An actual figure is not available at this time, but it will not exceed \$16,000. This work must progress before well registrations can be processed. The license fee is issued by Esri and the staff needs the ability to pay that fee as soon as the invoice is received. This is a budgeted expense. The second problem is a cash-flow problem. The first quarterly bills are just being prepared for submission. The known non-exempt users are expected to pay \$0.06 per 1,000 gallons based on 2010 water production. The staff proposes to bill on an annual basis, rather than a quarterly basis with a note that the bills can be paid quarterly. However, the District will be in a severe financial bind if funds are not received soon from providers. Board Member Gattis asked if quarterly payments are required or if it could be changed to be required to be paid annually. The Board discussed the options for submitting invoices. The Board recommended putting a footnote to specify that if paying the annual

fee would create a financial hardship, it can be paid bi-annually or quarterly. The Board discussed the entities being billed. The City of Southmayd purchased a system from Southwest Water Co.

The Board discussed the invoice from Alan Plummer & Associates and the work completed. This invoice was for work completed through December 30, 2011. The Board discussed the bill from Lloyd Gosselink firm and the punctuality of receiving invoices.

Board Member Gattis motioned to approve the monthly invoices including the Authority, Alan Plummer & Associates, Lloyd Gosselink Firm and a not-to-exceed amount of \$16,000 for licensing and hosting. The motion was seconded by Board Member Patterson and passed unanimously. The Board requested the staff send letters requesting payment of past-due invoices.

V. Receive and discuss report provided by Tim Morris, P.E.

Mr. Morris provided additional information for the Board regarding a system he has outlined the Board may use as a starting point for determination of unreasonable impact and impact on adjacent wells. Mr. Chapman recommended the Board review the letter and information and consider the possibility of using the system to develop a rule of thumb for spacing. At some point, the Board will need to develop spacing guidelines and this could be used in conjunction with other options to develop a system.

VI. Review Management Plan/authorize modifications if needed and authorize submission to the Texas Water Development Board for pre-review

The Board developed the Management Plan with Mr. Bill Hutchison of LBG-Guyton. The changes the Board requested in February have been made and the Plan is now ready for review and approval to submit it to the Texas Water Development Board (TWDB) for a pre-review.

Board Member Morrison motioned to approve the Management Plan and authorize submission of the Plan to the TWDB for pre-review. The motion was seconded by Board Member Gattis and passed unanimously.

Mr. Chapman congratulated the Board for their work and good planning in preparing the Management Plan. The Plan is designed to be very achievable.

VII. Consider and act upon cost sharing agreement with North Texas Groundwater Conservation District for accounting software

Mr. Chapman explained that the ASYST program has been received and installed. The North Texas GCD was appreciative of the District's willingness to share the cost for the program. The contract explains that the total cost of the program was split between the districts and the ongoing support costs will also be shared.

Board Member Gattis motioned to approve a cost sharing agreement with the NTGCD. The motion was seconded by Secretary/Treasurer Wortham and passed unanimously.

VIII. Consider and act upon invoice for GMA 8 expenditures for 2011

The Groundwater Management Area 8 (GMA 8) meeting in February 2012 provided invoices to all the districts for 2011 expenditures. The total amount is \$624.78, which is the proportionate amount for all twelve districts in GMA 8. However, Fox Crossing WD dissolved this week, so the amount may change. The North Texas GCD, the administrative district for GMA 8 will collect all the funds they can and then consider options.

Vice President Olson asked what the expenses being reimbursed included. Mr. Chapman explained that the staff provides support to the North Texas GCD and for the GMA 8. The majority of costs includes mileage for

the staff to travel to the meetings in Cleburne, Texas and to provide staff support to operate the GMA 8. Board Member Gattis asked if discussions had been made to pro-rate the cost per district other than equally. President Henderson explained that initially two districts paid for the entire costs. The Red River GCD has not currently paid any costs toward GMA 8. Participation in GMA 8 is required by legislation. Each vote is equal, so it is only fair for the cost to be divided equally.

Board Member Gattis motioned to approve the GMA 8 invoice for 2011 expenditures. The motion was seconded by Board Member Patterson and passed unanimously.

IX. Consider and act upon amendment to Temporary Rules

Board Member Morrison motioned to amend Rule 4.2(e) as discussed in the Public Hearing. The motion was seconded by Board Member Latham and passed unanimously.

X. General Manager's Report

The staff provided information to the Board regarding the Day case and the Supreme Court's decision. The decision provided the property owner with a vested right in the water beneath their property. The decision also supports the groundwater conservation districts' rights to govern the use of groundwater. This will most likely take three or four years of legal cases to determine what is an unreasonable use or limit on groundwater. This will make the District's role increasingly important in the role of groundwater use in the State. Mr. Patterson that districts with permanent rules and permitting will experience problems and lawsuits. High Plains GCD has already received notification of two lawsuits from farmers who received limits on groundwater production. Mr. Chapman stated that groundwater districts are lucky to have rights in the Texas Water Code so that any person or entity that sues the district must pay all legal costs if the case is lost.

Board Member Morrison expressed concern that water could be abused by people drilling large wells and pumping them simply because they own the land. The Board discussed potential ramifications and the reactions that could be experienced from the public.

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

The next meeting and a public hearing will be held on April 18, 2012 at 2:00 PM. The next meeting will be May 16, 2012.

XII. Adjourn

Upon motion by Board Member Gattis seconded by Board Member Latham and passed unanimously, the Board adjourned at approximately 2:52 PM.

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Recording Secretary


Secretary-Treasurer