

**RED RIVER
GROUNDWATER
CONSERVATION
DISTRICT**

PERMIT HEARING AND BOARD MEETING

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

**THURSDAY
OCTOBER 17, 2024
10:00 AM**

NOTICE OF PUBLIC MEETING
OF THE
BOARD OF DIRECTORS OF THE

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Thursday, October 17, 2024, 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:** RCB Ventures LLC dba Tri-Tex Grass; 5901 E. US Hwy 377, Granbury, TX 76049

Location of Wells:

- **4GLTD 1 (existing):** 1112 US Hwy 377, Pilot Point, TX; Latitude: 33.426081°N Longitude: 96.931589°W; About 780 feet east of US Hwy 377, and about 5,830 feet north of Berend Rd.
- **PP #1 (existing):** 1008 US Hwy 377, Pilot Point, TX; Latitude: 33.4157°N Longitude: 96.93022°W; About 2,825 feet east of US Hwy 377, and about 2,118 feet north of Berend Rd.
- **PP #2 (existing):** 1008 US Hwy 377, Pilot Point, TX; Latitude: 33.420135°N Longitude: 96.931249°W; About 1,842 feet east of US Hwy 377, and about 3,685 feet north of Berend Rd.
- **PP #3 (existing):** 1008 US Hwy 377, Pilot Point, TX; Latitude: 33.420123°N Longitude: 96.928564°W; About 2,679 feet east of US Hwy 377, and about 3,711 feet north of Berend Rd.

Purpose of Use: Agriculture (Sod Farm)

Requested Amount of Use: 6,279,405 gallons/year

Production Capacity of Wells:

- **4GLTD 1:** 300 gallons/minute
- **PP #1:** 250 gallons/minute
- **PP #2:** 300 gallons/minute

- **PP #3:** 250 gallons/minute

Aquifer: Woodbine

Amendment:

- Addition of the following existing wells to the current production permit (no increase in Production Permit amount):
 - PP #1
 - PP #2
 - PP #3

New Production Permits

- a. **Applicant:** Mustang Special Utilities District; 7985 FM 2931, Aubrey, TX 76227

Location of Wells:

- **Cottonwood Well 1 (New):** FM 902, Howe, TX 75459; Latitude: 33.529909°N Longitude: 96.650614°W; about 550 feet south of FM 902, and about 1,970 feet west of Farmington Rd, in Grayson County.
- **Cottonwood Well 2 (New):** Bradshaw Rd, Howe, TX 75459; Latitude: 33.514034°N Longitude: 96.664525°W; about 790 feet west of Bradshaw Rd, and about 1,400 feet north of McBee Rd, in Grayson County.

Purpose of Use: Municipal/Public Water System

Requested Amount of Use: 292,000,000 gallons per year

Production Capacity of Wells:

- **Cottonwood Well 1:** 600 gallons per minute
- **Cottonwood Well 2:** 1,000 gallons per minute

Aquifer: Trinity (Antlers)

- b. **Applicant:** City of Denison; 300 W Main St, Denison, TX 75020

Location of Well: 514 Square Dance Rd, Denison, TX 75020; Latitude: 33.711153°N Longitude: 96.536032°W; about 3,505 feet south of Square Dance Rd, and about 2,358 feet east of S Fannin St, in Grayson County.

Purpose of Use: Maintenance of Lift Station

Requested Amount of Use: 500,000 gallons per year

Production Capacity of Wells: 75 gallons per minute

Aquifer: Woodbine

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

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

Agenda:

1. Pledge of Allegiance and Invocation.
2. Call to order, establish quorum; declare meeting open to the public.
3. Public Comment.
4. Consider and act upon approval of Minutes of September 19, 2024, Board Meeting.
5. Budget and Finance.
 - a. Review and approval of monthly invoices.
 - b. Receive monthly financial information.
 - c. Receive Quarterly Investment Report.
6. Receive Quarterly Report on Management Plan.
7. Consider and act upon the Administrative Service Contract with Greater Texoma Utility Authority.
8. Consider and act upon updating the Investment Policy.
9. Consider and act upon Master Service Agreement and Task 2 with LRE Water, LLC for improvements to the District’s Database.
10. Update and possible action regarding the process for the development of Desired Future Conditions (DFC).
11. Consider and act upon compliance and enforcement activities for violations of District Rules.
12. General Manager’s report: The General Manager will update the Board on operational, educational and other activities of the District.
 - a. Well Registration Summary
 - b. Update on Injection/Disposal Well Monitoring Program
13. Open forum / discussion of new business for future meeting agendas.
14. 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.

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 4

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

Thursday, September 19, 2024

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

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

Members Absent: Mark Newhouse

Staff: Paul Sigle, Nichole Murphy, Wayne Parkman, Allen Burks, Stacy Patrick, Debi Atkins, Lisa Lee, Billie Jo Tiner, and Velma Starks

Visitors: Kristen Fancher, Fancher Legal

Permit Hearing

Agenda:

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

Board President Mark Patterson called the Permit Hearing to order at 10:01 a.m., established quorum declared hearing open to the public and introduced the Board.

2. Review the Production Permit Application of:

Permit Amendment

- a. **Applicant:** North Texas Municipal Water District; PO Box 2408, Wylie, TX 75098

Location of Wells:

- **Well #1 (existing):** 361 CR 4965, Leonard, TX; Latitude: 33.384474°N
Longitude: 96.28376°W; About 2,183 feet west of Co. Rd. 4965, and about 1,645 feet south of Co. Rd. 4950 in Fannin County.
- **Well #2 (existing):** 361 CR 4965, Leonard, TX; Latitude: 33.384474°N
Longitude: 96.28376°W; About 2,575 feet west of Co. Rd. 4965, and about 110 feet south of Co. Rd. 4950 in Fannin County.

Purpose of Use: Phase II Construction Water for Leonard Water Treatment Plant

Requested Amount of Use: 79,350,000 gallons from September 19, 2024 - December 31, 2028.

Production Capacity of Wells:

- **Well #1:** 300 gallons/minute
- **Well #2:** 500 gallons/minute

Aquifer: Woodbine

Amendments:

- Modify permitted use amount to 79,350,000 gallons for Phase II construction (previously 53,000,000 through 2023 for Phase I),
- Modify the permitted use period to September 19, 2024 - December 2028 for Phase II construction.

General Manager Paul Sigle provided background information for the Board. Well is to be used for construction period only, then will be shut down. Current use is through December 2028. Discussion was held. Board Member David Gattis made the motion to approve the permit amendment. Board Member Harold Latham seconded the motion. Motion passed unanimously

New Production Permit

- a. **Applicant:** Mustang Special Utilities District; 7985 FM 2931, Aubrey, TX 76227

Location of Wells:

- **Cottonwood Well 1 (New):** FM 902, Howe, TX 75459; Latitude: 33.529909°N Longitude: 96.650614°W; about 550 feet south of FM 902, and about 1,970 feet west of Farmington Rd, in Grayson County.
- **Cottonwood Well 2 (New):** Bradshaw Rd, Howe, TX 75459; Latitude: 33.514034°N Longitude: 96.664525°W; about 790 feet west of Bradshaw Rd, and about 1,400 feet north of McBee Rd, in Grayson County.

Purpose of Use: Municipal/Public Water System

Requested Amount of Use: 292,000,000 gallons per year

Production Capacity of Wells:

- **Cottonwood Well 1:** 600 gallons per minute
- **Cottonwood Well 2:** 1,000 gallons per minute

Aquifer: Trinity (Antlers)

General Manager Paul Sigle provided background information for the Board. Discussion was held. Board Member Mark Gibson made the motion to table this permit. Board Member David Gattis seconded the motion. Motion passed unanimously.

3. Public Comment on the Production Permit Application (verbal comments limited to three (3) minutes each).

No public comments.

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.

Applications were voted on individually.

5. Adjourn or continue permit hearing

Board President Mark Patterson adjourned the permit hearing at 10:20 a.m.

Board Meeting

1. Pledge of Allegiance and Invocation.

Board President Mark Patterson led the group in the Pledge of Allegiance and Board Member 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 10:25 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 June 20, 2024, Board Meeting.

Board Member Chuck Dodd made a motion to approve the minutes of the June 20, 2024, meeting. The motion was seconded by Board Member Billy Stephens. Motion passed unanimously.

5. Consider and act upon the 2023 Audit.

No Action. This item was on this agenda in error.

6. Budget and Finance.

- a. Review and approval of monthly invoices.

General Manager Paul Sigle reviewed the invoices with the Board. Board Member Billy Stephens made the motion to approve the monthly invoices. Board Member Chuck Dodd 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.

- c. Receive Quarterly Investment Report.

General Manager Paul Sigle reviewed the Quarterly Investment Report with the Board.

7. Receive Quarterly Report on Management Plan.

General Manager Paul Sigle reviewed the report with the Board.

8. Consider and act upon Engagement Letter for Audit Services for Fiscal Year Ending December 31, 2024.

General Manager Paul Sigle provided background information for the Board. Board Member Billy Stephens made the motion to accept the McClanahan and Holmes, LLP, Engagement Letter for Audit Services. Board Member Mark Gibson seconded the motion. Motion passed unanimously.

9. Consider and act upon 2025 Operating Budget.

General Manager Paul Sigle provided background information for the Board. Discussion was held. Board Member David Gattis made the motion to approve the 2025 Operating Budget. Board Member Chuck Dodd seconded the motion. Motion passed unanimously.

10. Consider and act upon 2025 Groundwater Production Fee and Fee Schedule.

General Manager Paul Sigle provided background information for the Board. Discussion was held. Board Member David Gattis made the motion to approve the fees and fee schedule. Board Member Chuck Dodd seconded the motion. Motion passed unanimously.

11. Consider and act upon Fund Balance Policy.

General Manager Paul Sigle provided background information for the Board. Board Member Billy Stephens made the motion to approve the Fund Balance Policy. Board Member Mark Gibson seconded the motion. Motion passed unanimously.

12. Discussion and possible action on Fannin County Rural Water Suppliers Representative to the Board of Directors.

General Manager Paul Sigle provided background information for the Board. The Board decided to table this item.

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

General Manager Paul Sigle informed the Board that a GMA8 meeting was held. INTERA was selected as consultant for Professional Services related to Development and Adoption of Desired Future Conditions for Aquifers within GMA 8. Next meeting will be held in either October or November of 2024.

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

No issues.

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

- a. Well Registration Summary

General Manager Paul Sigle reviewed the well registration summary with the Board. Five new wells were registered in June, three new wells were registered in July, and twelve new wells were registered in August.

b. Update on Injection/Disposal Well Monitoring Program

No update

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

The next Board meeting will be held October 17, 2024. The November meeting will be cancelled. The Board will meet in December.

17. Adjourn.

Board President Mark Patterson declared the meeting adjourned at 11:08 a.m.

Recording Secretary

Secretary-Treasurer

ATTACHMENT 5 a.

RESOLUTION NO. 2024-10-01

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

The following liabilities are hereby presented for payment:

	<u>Amount</u>
<u>Administrative Services</u>	
GTUA - Monthly expenses for September 2024	16,653.68
<u>Direct Costs</u>	
NexTraq - GPS Service through October 2024	36.95
<u>Dues & Subscriptions</u>	
Texas Alliance of Groundwater Districts - October 2024 annual renewal	2,200.00
<u>Legal</u>	
Fancher Law - BOD general legal services through September 2024	2,352.00
<u>Meetings & Conferences</u>	
Feast On This - September BOD Lunch	233.00
GRAND TOTAL:	<u>21,475.63</u>

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RED RIVER GROUNDWATER CONSERVATION DISTRICT THAT the Secretary-Treasurer is hereby authorized to make payments in the amounts listed above.

On motion of _____ and seconded by:

_____, the foregoing Resolution was passed and approved on this, the 17th. day of October 2024

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 September 30, 2024

ASSETS

Current Assets

Checking/Savings

10001 CASH-First United	129,434.51
10005 BANK OZK CDRS	0.00
10025 A/R CONSUMPTION	-12,047.17
10230 A/R Violation Fees	0.00
10101 ALLOWANCE FOR UNCOLLECT	-1,530.00
10010 INVESTMENTS	883,775.84
10230 PP EXPENSES	2,927.25

TOTAL ASSETS **1,002,560.43**

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

23100 ACCOUNTS PAYABLE	2,352.00
23150 DRILLERS DEPOSIT LIAB	12,020.00

Total Other Current Liabilities **14,372.00**

Total Current Liabilities **14,372.00**

Total Liabilities **14,372.00**

Equity

35100 RETAINED EARNINGS	997,781.16
Net Income	-9,592.73

Total Equity **988,188.43**

TOTAL LIABILITIES & EQUITY **1,002,560.43**

RED RIVER GROUNDWATER
Profit & Loss Budget vs. Actual
September 30, 2024

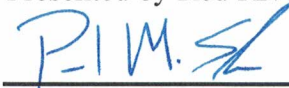
	<u>Current Actual</u>	<u>Current Budget</u>	<u>YTD Actual</u>	<u>Total Budget</u>	<u>% of Budget Remaining</u>
Income					
46002 GW PRODUCTION	-13,944.01	0.00	153,061.04	326,769.23	53.16%
46005 LATE FEES	502.07	0.00	6,721.43	0.00	0.00%
46006 VIOLATION FEES	0.00	0.00	1,000.00	0.00	0.00%
46015 REGISTRATION FEES	3,200.00	833.00	8,400.00	10,000.00	16.00%
46020 PERMITTING FEES	0.00	583.00	3,000.00	7,000.00	0.00%
46100 INTEREST INCOME	0.00	1,333.00	15,632.70	16,000.00	2.30%
Total Income	<u>-10,241.94</u>	<u>2,749.00</u>	<u>187,815.17</u>	<u>359,769.23</u>	<u>47.80%</u>
Gross Profit	-10,241.94	2,749.00	187,815.17	359,769.23	
Expense					
77010 ADMINISTRATIVE COST	8,534.00	8,750.00	68,763.58	105,000.00	34.51%
77020 ADVERTISING	0.00	83.00	2,007.00	1,000.00	-100.70%
77027 AUDITING	0.00	0.00	7,000.00	5,700.00	-22.81%
77031 BANKING FEES	26.55	83.00	495.41	1,000.00	50.46%
77032 CONTRACT SERVICES	0.00	4,392.00	9,662.00	52,702.39	81.67%
77035 FIELD TECH	3,506.00	5,417.00	39,052.00	65,000.00	39.92%
77040 DIRECT COST	90.23	375.00	2,823.93	4,500.00	37.25%
77045 FIELD PERMITTING SPECIAL	2,990.00	2,917.00	23,922.50	35,000.00	31.65%
77450 DUES & SUBSCRIPTIONS	0.00	333.00	0.00	4,000.00	100.00%
77480 EQUIPMENT	0.00	167.00	0.00	2,000.00	100.00%
77500 FEES-GMA8	0.00	0.00	15,489.88	181.82	-8419.35%
77810 INSURANCE AND BONDING	611.25	367.00	3,543.25	4,410.00	19.65%
77850 GENERIC SOFTWARE SVC	0.00	208.00	1,240.60	2,500.00	50.38%
77970 LEGAL	2,352.00	1,250.00	13,874.00	15,000.00	7.51%
78010 MEETINGS AND CONFEREN	1,020.21	500.00	3,536.51	6,000.00	41.06%
78310 RENT	200.00	200.00	1,800.00	2,400.00	25.00%
78600 SOFTWARE MAINTENANCE	0.00	4,167.00	0.00	50,000.00	100.00%
78750 TELEPHONE	212.70	250.00	1,928.22	3,000.00	35.73%
78770 - TRANSPORTATION	333.54	417.00	2,269.02	5,000.00	54.62%
Total Expense	<u>19,876.48</u>	<u>29,876.00</u>	<u>197,407.90</u>	<u>364,394.21</u>	<u>45.83%</u>
Net Income	<u>-30,118.42</u>	<u>-27,127.00</u>	<u>-9,592.73</u>	<u>-4,624.98</u>	

ATTACHMENT 5 c.


Red River Groundwater Conservation District
Quarterly Investment Report
For the Quarter Ended
September 30, 2024

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

Investment Holdings
9/30/2024

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%	10/1/2024	6/30/2024	\$ 127,082.51	\$ 127,082.51	1.00	\$ 127,082.51	1	0.00%
East West (CD)		5.12%	2/28/2025	2/28/2024	\$ 362,888.88	\$ 362,888.88	1.00	\$ 362,888.88	151	5.25%
EastWest (CD)		4.41%	8/28/2025	8/28/2024	\$ 256,275.68	\$ 256,275.68	1.00	\$ 256,275.68	332	5.65%
Weighted Ave Maturity in yrs					\$ 746,247.07	\$ 746,247.07		\$ 746,247.07	152	
									(1)	0.51

(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.

Book/Market Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2024		Purchases/ Adjustments	Sales/Adjust/ Call Maturity	September 30, 2024	
			Face Amount/ Par Value	Book/Market Value			Face Amount/ Par Value	Book/Market Value
First United (DDA)	0.00%	10/1/2024	368,287.10	368,287.10	95,441.54	336,646.13	127,082.51	\$ 127,082.51
East West (CD)	4.41%	8/28/2025	256,275.68	256,275.68	264,611.28		520,886.96	\$ 520,886.96
East West (CD)	5.12%	2/28/2025	362,888.88	362,888.88			362,888.88	\$ 362,888.88
			\$ 987,451.66	\$ 987,451.66	\$ 360,052.82	\$ 336,646.13	\$ 647,969.47	\$ 647,969.47

ATTACHMENT 6



**RED RIVER
GROUNDWATER CONSERVATION DISTRICT**



FANNIN COUNTY AND GRAYSON COUNTY

**General Manager’s Quarterly Report
Date: September 30, 2024
Red River GCD Management Plan**

This quarterly briefing is being provided pursuant to the adopted Management Plan for the quarter ending September 30, 2024.

Well Registration Program:

Current number of wells registered in the District: **1,231**

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

Well Inspection/Audit Program:

**2024
Well Inspections**

Month	Fannin	Grayson	Total
January	0	16	16
February	3	10	13
March	5	23	28
April	2	27	29
May	0	11	11
June	0	14	14
July	1	7	8
August	0	6	6
September	0	10	10
October			
November			
December			
Total	11	124	135

Number of Exempt wells inspected (as of September 30, 2024)

County	Number of Wells Inspected (2024)	Total Number of Completed Wells*	%
Fannin	3	299	1%
Grayson	30	573	5%
Total	33	872	4%

Number of Non-Exempt wells inspected (as of September 30, 2024)

County	Number of Wells Inspected (2024)	Total Number of Completed Wells*	%
Fannin	8	90	9%
Grayson	85	224	38%
Total	93	314	30%

*Plugged wells have been excluded

*Total number of completed wells is estimated.

- Assumptions
 - Wells that have completion dates are assumed to be complete.
 - Wells with application dates through 6/8/2023 are assumed to be complete.
 - Wells that have been inspected are assumed to be complete.

ATTACHMENT 7



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: October 11, 2024

SUBJECT: AGENDA ITEM NO. 7

PREPARED AND SUBMITTED BY: Paul M. Sigle, Assistant General Manager

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

ISSUE

Renewal of contract with Greater Texoma Utility Authority (“GTUA”) for 2024 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.

CONSIDERATIONS

In alignment with the Board’s prudent financial management, this partnership has enabled the District to maintain the lowest production fees in the region.

Historically, the Board has approved one-year agreements for administrative services on an annual basis. Included in the packet is an option for either a one-year or five-year agreement.

The budgeted amounts specified in the contract align with the District’s adopted 2025 budget.

Once the Board approves the preferred agreement term, GTUA will review the agreement at its next Board meeting.

STAFF RECOMMENDATIONS

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

ATTACHMENTS

2025 Administrative Services Contract with GTUA – One-year Agreement.

Scope of Service - One-year Agreement

2025 Administrative Services Contract with GTUA – Five-year Agreement.

Scope of Service - Five-year Agreement

**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

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 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

RED RIVER GCD
PO BOX 1214
SHERMAN TX 75091-1214

BY: _____
President

BY: _____
President

DATE: _____

DATE: _____

ATTEST:

ATTEST:

Secretary-Treasurer

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 \$90,000 for administration and accounting, \$55,000 for the field technicians, and \$35,000 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 – \$116 per hour
 - Project Coordinator - \$40 per hour
 - Sr Project Coordinator - \$61 per hour
 - Administrative Assistant - \$37 per hour
 - Finance Officer - \$93 per hour
 - Sr Accountant - \$56
 - Accountants - \$35 per hour
 - Office Clerk - \$36 per hour
 - Field Technician - \$56 per hour
 - Groundwater Technical Lead - \$52 per hour
 - Operation Supervisor - \$59 per hour

**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

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 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 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 five (5) year 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 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

RED RIVER GCD
PO BOX 1214
SHERMAN TX 75091-1214

BY: _____
President

BY: _____
President

DATE: _____

DATE: _____

ATTEST:

ATTEST:

Secretary-Treasurer

Secretary-Treasurer

Exhibit "A"

Scope of Services – [Dated October 11, 2024](#)

- 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 \$90,000 for administration and accounting, \$55,000 for the field technicians, and \$35,000 for field permitting specialist during the first year of the Term, and thereafter not more than five percent (5%) from the previous year thereafter during the Term, 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, which may be adjusted each year during the Term as necessary to recoup actual costs as set forth herein and the Agreement:
 - General Manager – \$116 per hour
 - Project Coordinator - \$40 per hour
 - Sr Project Coordinator - \$61 per hour
 - Administrative Assistant - \$37 per hour
 - Finance Officer - \$93 per hour
 - Sr Accountant - \$56
 - Accountants - \$35 per hour
 - Office Clerk - \$36 per hour
 - Field Technician - \$56 per hour
 - Groundwater Technical Lead - \$52 per hour
 - Operation Supervisor - \$59 per hour

ATTACHMENT 8



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: October 10, 2024

SUBJECT: AGENDA ITEM NO. 8

CONSIDER AND ACT UPON APPROVAL OF INVESTMENT POLICY

ISSUE

Consider and act upon approval of the Investment Policy as required by the Public Funds Investment Act (“PFIA”).

BACKGROUND

The Red River Groundwater Conservation District initially adopted an Investment Policy in 2012. This policy is required to be reviewed annually in order to comply with Public Funds Investment Act. During this last legislative session, nothing changed in regard to the PFIA act that would necessitate any amendments to our current policy.

The policy states that the Board of Directors will approve broker/dealers and PFIA training sources on an annual basis. Below, is a list of the broker/dealers and PFIA training sources:

Independent training sources:

- Association of Water Board Directors
- Texas Rural Water Association
- Texas Water Utilities Association
- Government Finance Officers’ Association
- Government Finance Officers’ Association of Texas
- Government Treasurers’ Organization of Texas
- Council of Governments
- University of North Texas Center for Public Management
- American Institute of Certified Public Accountants
- Association of Governmental Accountants

Broker/Dealer List:

- BOKF Financial
- FTN Financial
- Multi-Bank Securities
- SAMCO Capital Markets
- Wells Fargo Securities

CONSIDERATIONS

The approval of this policy will be evidence that the Board is responsible in its use of public funds.

STAFF RECOMMENDATIONS

The staff recommends approving the Investment Policy as well as the broker/dealers and PFIA training sources.

ATTACHMENTS

Investment Policy
Resolution

EXHIBIT "A"

RED RIVER GROUNDWATER CONSERVATION DISTRICT

INVESTMENT POLICY

APPROVED: October 19, 2023

PROPOSED: October 17, 2024

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 17th day of October, 2024 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. 2024-10-17-02

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 and the Finance Officer.

Upon motion by _____, seconded by _____, the foregoing Resolution was passed and approved on this 17th day of October, 2024 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 9

MASTER SERVICE AGREEMENT

THIS MASTER SERVICE AGREEMENT (the “Agreement”) is made and entered into this 7th day of August 2024, (“Effective Date”), by and between Red River Groundwater Conservation District, with an address of 5100 Airport Drive, Denison, Texas 75020 (the “Client”) and LRE Water, LLC, with an address of 1101 Satellite View #301, Round Rock, TX 78665 (the “Consultant”). Client and Consultant are referred to herein individually as a “Party” or collectively as the “Parties.”

WITNESSETH:

WHEREAS, Client is engaged in the business of providing irrigation water to land owners within the boundaries of the Client’s service area;

WHEREAS, Client, in the course of its aforementioned operations, regularly and customarily enters into contracts with independent Consultants for the performance of consulting services relating thereto; and

WHEREAS, Consultant represents that it has professional engineering and consulting services to provide Client advice and consultation regarding water engineering, water consulting and other services including the development of a centralized database and interactive management and visualization tools for the telemetry and SCADA data managed or used by the Client.

NOW, THEREFORE, with respect to the foregoing and for good consideration, the Parties do covenant and agree as follows:

1. Scope. The “Services” to be performed by Consultant under this Agreement shall be set forth in individual task orders using the general format set forth in Attachment A (“Task Order”), attached hereto and incorporated herein by reference. Client shall not be obligated to call upon Consultant for the performance of any Services and Consultant shall not be obligated to accept any Services and/or task order at the request of Client.
2. Task Order Process. Upon the request of Client, Consultant shall prepare a Task Order that contains an identification of the project (“Project”), description of the Services, compensation to be paid to Consultant for the performance of the Services (“Compensation”), and a proposed schedule for the performance (“Project Schedule”) for the Services. Upon mutual agreement of the Parties, the Task Order shall be finalized and executed by the Parties. The effective date of the Task Order will be as set forth in the individual Task Order. In the event of a conflict between the terms and provisions of a Task Order and the text of this Agreement, the text of this Agreement shall control.

3. Term. This Agreement shall remain in full force and effect continuously until either Party cancels this Agreement with a minimum of sixty (60) days advance notice in writing to the other Party. However, any such termination shall not relieve Client of any Compensation Consultant is due for the Services performed under such Task Orders.

4. Independent Consultant Relationship. In the performance of any Services by Consultant for Client, Consultant shall be deemed to be an independent Consultant, with the authority and right to direct and control all of the details of the Services, Client being interested only in the results obtained. However, all Services contemplated shall meet the approval of Client and shall be subjected to the general right of inspection. Client shall have no right or authority to supervise or give instructions to the employees, agents, subcontractors or representative of Consultant, but such employees, agents, subcontractors or representatives at all times shall be under the direct and sole supervision and control of Consultant. It is the understanding and intention of the Parties hereto that no relationship of master and servant, principal and agent or employer and employee shall exist between Client and Consultant, its employees, agents, or representatives.

5. Payment. Client shall pay Consultant within 45 days of receipt of each invoice for the Services and/or equipment or materials furnished by Consultant at the rate and upon the terms stipulated in the Task Orders, subject to same being accepted by Client as complying with the terms, conditions, specifications and requirements of this Agreement and such Task Order. Notwithstanding the approval for payment of any invoice submitted, Client shall have the right to withhold any payments until Consultant has furnished (i) verification of performance of Services in a manner satisfactory to Client; (ii) verification of delivery of the goods or equipment to which such payment relates, either in part or in full, in a manner satisfactory to Client; (iii) proof that any claims, to the extent such claims exist, against Consultant by Consultant's suppliers, Consultants and Consultants for labor, goods, and equipment furnished in connection with Consultant's obligations under this Agreement have been fully paid and satisfied; and (iv) proof that any liens and privileges, to the extent such liens and privileges exist, of Consultant's suppliers, Consultants and Consultants arising out of the Services or goods or equipment furnished in connection with Consultant's obligations under this Agreement have been fully released.

6. Liens. Consultant agrees to promptly pay all claims for labor, materials, services, and supplies furnished by Consultant hereunder and agrees to allow no lien or charge to be fixed upon property of Client for which Consultant has been paid. Consultant agrees to indemnify and hold Client harmless from and against all such claims or indebtedness incurred by Consultant in connection with the Services provided hereunder, including court costs, expenses, and reasonable attorneys' fees, Client incurs because of the lien or its discharge. It is agreed that Client shall have the right to pay any such claims or indebtedness out of any money due or to become due to Consultant hereunder. Notwithstanding the foregoing, Client agrees that it will not pay any such claim or indebtedness as long as same is being actively contested by Consultant and Consultant has taken all actions necessary (including the posting of a bond when appropriate) to



protect the property interests of Client and any other party affected by such claim or indebtedness.

7. Confidentiality. Consultant covenants and agrees that all information submitted to it by Client under this Agreement will be considered proprietary, confidential and the property of the Client and will be used only for the purpose of carrying out the Services under the Agreement and approved Task Orders. Consultant agrees not disclose any of the information submitted to it by Client under this Agreement, except if the information (i) is in or (other than by act attributable to the Consultant) passes into the public domain; (ii) was in the possession of the Consultant prior to disclosure thereof by or on behalf of the Client; (iii) is disclosed to the Consultant by a third party as a matter of right and without restriction on disclosure who lawfully possesses such information and who did not acquire it directly or indirectly from the Client; (iv) is disclosed pursuant to the order or requirement of a government body, court or administrative agency; or (v) is independently developed by Consultant or its employees without access to the information disclosed hereunder.

8. Insurance. Consultant shall procure and maintain insurance in the minimum amounts outlined below:

General Liability – Including contractual with limits of not less than:

\$1,000,000 Per Occurrence

\$2,000,000 General Aggregate

\$1,000,000 Products/Completed Operations Aggregate

Automobile Liability – With limits of not less than: \$1,000,000 Combined Single Limit

Workers' Compensation – Applicable statutory minimums.

Professional liability – (errors and omissions) insurance, with a combined single limit of not less than \$1,000,000 per occurrence.

Prior to performing any Services, Consultant shall provide to Client Certificates of Insurance evidencing such insurance coverage.

9. Indemnity. Consultant agrees to indemnify and hold harmless Client, its officers, directors, employees, and invitees (individually and collectively, "Client Group"), from and against all loss or damage for bodily injury, illness, or death or damage to or loss of property, to the extent caused by the negligence of Consultant in the performance of the Services. This obligation to indemnify Client Group shall not impose any obligation on Consultant that exceeds the Limitation of Liability provisions set forth below.



Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless Consultant, its officers, directors, employees, subConsultants, and invitees (individually, and collectively, “Consultant Group”) from and against all loss or damage for bodily injury, illness, or death or damage to or loss of property, to the extent caused by the negligence of Client.

Both Parties will carry at least the minimum insurance limits described above in support of the indemnity agreements contained herein, and name the other as additionally insured.

This Section shall survive the expiration or termination of this Agreement.

10. Third Party Beneficiaries. Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Client or the Consultant. The Consultant services under this Agreement are being performed solely for the Client’s benefit, and no other party or entity shall have any claim against the Consultant because of this Agreement or the performance or nonperformance of services hereunder. The Client and Consultant agree to require a similar provision in all contracts with contractors, subcontractors, subconsultants, vendors and other entities involved to carry out the intent of this provision.

11. Limitation of Liability. In recognition of the relative risks and benefits of the project to both Client and Consultant, the risks have been allocated such that Client agrees, to the fullest extent permitted by law, to limit the liability of Consultant and its officers, employees, and sub-consultants, to Client and all of Client’s Consultants and subconsultants, for any and all claims, losses, costs, damages of any nature whatsoever; or claims expenses from any cause or causes, including reasonable attorneys’ fees and costs and expert witness fees and costs, so that the total aggregate liability of Consultant to Client shall not exceed the total amount of \$1,000,000 or the total fees billed under a specific Task Order, whichever is less. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

12. Consequential Damages. Notwithstanding anything to the contrary herein, in no event shall either Party hereto be liable to the other for any special, indirect, incidental, exemplary, or punitive damages, including without limitation, loss of profits, loss of business opportunity or loss of prospective revenue, arising out of this Agreement, however same may be caused. This Section shall survive the expiration or termination of this Agreement.

13. Standard of Care. In providing Services under this Agreement, the Consultant shall perform in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances at the same time and in the same or similar locality. Upon notice to the Consultant and by mutual agreement between the Parties, the Consultant will, without additional compensation, correct those Services not meeting such a standard.



14. Compliance. Consultant shall comply with all laws, rules, and regulations which are now or may become applicable to the Services covered by this Agreement or arising out of the performance of such Services.

15. Safety. Consultant shall continuously maintain adequate protection of all its services from damage, and shall protect the Client's property from injury or loss arising in connection with the Services. Relative to performance of the Services, Consultant, in recognition of the scope of services, the specifics of the service location, and in Consultant's capacity as an independent Consultant which is experienced in the kinds of services to be undertaken hereunder, agrees to provide all necessary training, safety equipment, safety instructions and a written safety plan for the safety of its employees, representatives, SubConsultants, if any, and others who may be at the work location pursuant to the requirements, invitation or permission of Consultant. Upon execution of this agreement, Consultant shall provide Client with Consultant's written Safety Plan, as necessary for work on the Client's property. In addition to the foregoing, Consultant agrees to comply with any safety requirements of Client.

16. Reports of Accidents and Environmental Incidents. In the event of (i) an accident and/or occurrence resulting in bodily injury or death, (ii) a spill or release of pollutants and/or contaminants, (iii) pollution of the environment, (iv) damage to property or (v) any other emergency arising out of or during the course of the Services, Consultant shall report the incident immediately to Client.

17. Anti-Discrimination. Consultant, its officers, directors, employees and subconsultants, hereby incorporate the requirements of 41 C.F.R. § 60-1.4(a) and 29 C.F.R. § 471, Appendix A to Subpart A, if applicable. Consultant, its officers, directors, employees and subconsultants shall also abide by the requirements of 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a), if applicable. These regulations prohibit discrimination against qualified protected veterans and qualified individuals with disabilities and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and qualified individuals with disabilities.

18. Assignment. Consultant may not assign this Agreement or subcontract any Services to be performed hereunder without the prior written consent of Client.

19. Notices. All notices required hereunder shall be in writing and shall be given by depositing the same in the United States mail, addressed to the Party to be notified, postage prepaid and registered or certified with return receipt requested, by overnight courier, or by delivering the same in person to such Party at the address first written above for such Party. Notice shall be deemed given and effective the day personally delivered, the date after being sent by overnight courier or three (3) business days after deposit in the U.S. mail of a writing addressed as above and sent first class mail, certified, return receipt requested, or when actually received, if earlier. Any Party may change the address for notice by notifying the other of such change in accordance with this Section.



20. No Waiver. No delay of or omission in the exercise of any right, power or remedy accruing to any Party as a result of any breach or default by any other Party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of or in any similar breach or default occurring later; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver.

21. Force Majeure. Neither Party shall be liable nor deemed to be in default for any delay or failure in performance under this Agreement resulting from the acts of God, civil or military authority, material change of law, acts of public enemy, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, strikes or other work interruptions by either Party's employees, or any similar or dissimilar cause beyond the reasonable control of either Party.

22. Applicable Law. This Agreement shall be governed by the laws of the State where the Services are performed or the project is located without regard to conflict of law principles, and shall be binding on the Parties and their successors and assigns.

23. Captions. The headings of this Agreement are inserted for convenience only, and shall not constitute a part of this Agreement or be used to construe or interpret any provision hereof.

24. Severability. The provisions of this Agreement are severable; if any provision of this Agreement is determined by a proper court or authority to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect or impair the remainder of this Agreement, and this Agreement shall remain in full force and effect without such invalid, illegal, or unenforceable provision.

25. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each one of which shall be deemed an original, all of which together shall constitute but one and the same instrument.

26. Preparation of Agreement. All provisions of this Agreement have been subject to full and careful review by and negotiation between Consultant and Client. Each such Party has availed itself of such legal advice and counsel as it, respectively, has deemed appropriate. The Parties hereto agree that neither one of them shall be deemed to be the drafter or author of this Agreement, and in the event this Agreement is subject to interpretation or construction by a court of law or panel of arbitration, such court or panel shall not construe this Agreement or any portion hereof against either Party as the drafter of this Agreement.

27. Entire Agreement. This Agreement constitutes the final, complete and exclusive statement and expression of the agreement among the Parties hereto relating to the subject matter of this Agreement, it being understood that there are no oral representations, understandings or agreements covering the same subject matter as this




Agreement. This Agreement upon its execution and delivery constitutes a valid and binding agreement of the Parties, enforceable in accordance with its terms, and may be modified and amended only by a written instrument duly executed by both Parties.

IN WITNESS WHEREOF, the Consultant and the Client have executed this Agreement as of the date first written above.

**Red River
Conservation District**

Groundwater LRE WATER, LLC

By: _____
Printed Name: "[Enter Name]"
Title: "[Enter Title]"
Date: "[Enter Date]"

By: 
Printed Name: William H. Fronczak, P.E., Esq.
Title: Vice President Risk Management
Date: 10-7-2024

This Agreement contains Limitation of Liability and Indemnity provisions. Please read carefully.





To: Paul Sigle, General Manager
Greater Texoma Utility Authority

From: Wallace Darling, GIT
Kelly Close, PE
LRE Water, LLC

Date: 9/12/2024

Subject: Database Management System - Task Order 2

Dear Paul & Members of the North Texas and Red River GCD Board of Directors,

We are pleased to submit the attached Task Order 2 for your review. This document outlines the services we propose to enhance and improve your database management system, DripDrop. The scope of work and associated costs reflect our discussions during recent meetings and are prioritized according to your team's needs.

As we move forward, it's important to note that working with legacy code and an existing system developed by others can present unforeseen challenges. In order to account for any issues that might not become evident until we begin implementation, we have doubled our initial cost estimates for each task. This approach ensures we are fully prepared to address any underlying complexities that may arise during development.

That said, this budget increase is a precautionary measure only, implemented based on our experience in completing the Task Order 1 assignment. LRE will only bill for the Time & Materials actually needed to complete all tasks detailed on this Task Order 2. We hope tasks can be completed easily and require less effort, thereby minimizing project costs. Our goal is to ensure that the project remains on track and within scope, and we are committed to completing the work efficiently. Any unused portion of the Task Order 2 budget will not be billed unless we receive written approval from you to perform additional tasks.

Please review the Task Order, and feel free to reach out with any questions or to schedule a follow-up.

Sincerely,

Wallace Darling, GIT
Hydrogeologist II
LRE Water, LLC

A handwritten signature in black ink that reads 'Wallace Darling' in a cursive script.

Attachment A

TASK ORDER # 2

This Task Order is made this the 12th day of September, 2024, by and between the Greater Texoma Utility Authority (“Client”) and LRE Water, LLC (“Consultant”) pursuant to the terms and conditions set forth in the Master Services Agreement executed between the Parties on the 7th day of August, 2024, (“Agreement”), which incorporated this Task Order by reference.

1. The Services to be performed by Consultant under this Task Order are as follows:

Services associated with this task order will include:

Task	Cost	Task Description
2.1 – Application Process Tracking	\$8,000	<p>Update Application Process: Replace checkboxes with a dropdown menu and a submit button for each application step, including Exempt Well, Non-exempt Well, various review stages, approvals, and document submissions.</p> <p>Pending Tab Order for Exempt Wells: Update the application tracking to follow the district’s specified order, including pending administrative, technical, accounting, approval, document, and inspection stages, leading to final registration completion.</p> <p>Pending Tab Order for Non-Exempt Wells: Similarly, the application tracking for non-exempt wells will follow the district’s specified flow, incorporating additional steps such as hydro report review and permit review, before moving through final approval stages.</p>
2.2 – Notes Handling	\$7,000	<p>Staff-Only Notes: Ensure that all notes are associated with specific wells, and are visible only by District staff/authorized users.</p> <p>Event Tracking with Timestamp: Implement tracking for major events, including:</p> <ul style="list-style-type: none"> - Application submitted (User, Timestamp). - Note added (e.g., Missing information) with User and Timestamp. - Application Fees Paid (User, Timestamp).
2.3 - Accounting	\$10,000	<p>Export File for QB Input: Enable file export that includes all necessary information for QuickBooks input.</p> <p>Late Meter Reading Tracking: Implement tracking for late meter readings, including consecutive late quarters.</p> <p>Account Export Fix: Resolve issues with incomplete account exports.</p> <p>Fix Account Transfers: Ensure smooth processing of account transfers.</p>

		<p>Additional Contacts: Add fields for additional contacts, including email addresses.</p> <p>Delete/Archive Accounts: Provide the ability to delete or archive accounts as needed.</p>
2.4 – Usability Enhancements	\$12,500	<p>User Information: Add the ability to delete or archive user accounts.</p> <p>User Approval: Fix issues with confirmation emails not being sent and user approval not being removed from the list.</p> <p>Data Export: Implement export functionality for meter readings, allow querying of the entire dataset, and export driller deposit forfeits by date.</p> <p>Meter Readings: Add permit tracking to compare total production with permitted amounts based on submitted meter readings. Fix unit multiplier and acre-foot readings.</p> <p>Well Application: Add permit information to the application and ensure GPS coordinates are entered with at least 6 decimal places in DD format.</p>
2.5 - Field Service App	\$15,000	<p>Mobile/Desktop View Fix: Redesign the interface for optimal viewing on both mobile and desktop platforms.</p> <p>Wells in Registration Approval: Ensure inspections are marked as completed and add the following:</p> <ul style="list-style-type: none"> - Forfeit Driller Deposit: Input for forfeiting the driller deposit. - Approval Date: Include a field for the approval date. - Completion Date: If known, add the well's completion date. <p>Inspection Enhancements: Improve inspection process with features including:</p> <ul style="list-style-type: none"> - Ability to delete inspections. - Create a queue for inspections, replacing the current air table. - Incorporate meter reseals, new well inspections, special inspections, and non-exempt inspections not done in the last 5 years. - Display well number, well name, and owner. - Fix the search function for improved navigation. - Enable viewing and editing of past inspections, with the option to start a new inspection and save progress before submitting. <p>Water Level Measurements: Improve functionality to export and import data for water level measurements.</p>
Total	\$52,500	

The above table presents a list of enhancements and additions that have been discussed between LRE and Client, with cost estimates for each. However, the actual work to be performed under these tasks, including details regarding each proposed functionality, will be discussed and negotiated prior to LRE Water implementing and billing for any of the items.



2. The Project Schedule is as follows:

The project is planned to be completed over a **7-month period**, starting immediately upon receiving authorization to proceed. The schedule is designed to be flexible and adaptive to the needs of the Client. Priority tasks, as identified by the Client, will be addressed first, with other tasks managed concurrently as they arise. Progress will be continuously monitored, and adjustments will be made as necessary.

Throughout the 7-month period:

- Month 1-7: Work will proceed on high-priority tasks first, followed by concurrent tasks to address all areas identified in the “List of Improvements.”
- Regular feedback and review sessions will be held with Client staff to ensure alignment with requirements and priorities.
- System-wide testing and quality assurance will be conducted as progress is made, with any necessary adjustments and fixes being applied promptly.

Note: Although the project is scheduled for completion within 7 months, work will continue beyond this timeframe as needed to meet additional requirements or ensure the district's full satisfaction with the improvements.

3. The Compensation to be paid to Consultant for the performance of the Services under this Task Order is set forth as follows:

Time and Materials up to the total of \$52,500.00 as specified in the Task 2 outline table.

4. Deliverables to be provided under this Task Order are as follows:

Application Process Tracking:

Dropdown system for application steps, with pending tab orders updated for exempt and non-exempt wells.

Integration of permit and review stages in line with district processes.

Notes Handling:

Staff-only notes linked to wells.

Event tracking with timestamps for key actions (e.g., submissions, fees paid).

Accounting Enhancements:

Export feature for QuickBooks, tracking late meter readings and handling account tasks (e.g., transfers, deletions, additional contacts).

Fix for account export and transfer issues.

Usability Improvements:

User management (deletion/archiving) and improved approval workflows.
Export meter readings, query full datasets, and track driller deposit forfeits.
Accurate meter reading tracking with permit compliance and corrected unit readings.

Field Service Enhancements:

Mobile/desktop interface redesign.
Overhauled inspection process with additional inputs (e.g., deposit forfeiture, dates) and an inspection queue system.
Water level measurement improvements with export/import capability.

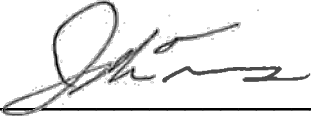
CLIENT

Signature

Name (Printed or Typed)

Date

CONSULTANT



Signature

Jordan Furnans

Name (Printed or Typed)

9/12/2024

Date

ATTACHMENT 12 a

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Well Registration Summary
 (as of 9/30/2024)

Well Type	Fannin	Grayson	Total RRGCD	New Registrations September 2024
Domestic	276	467	743	8
Public Water	61	197	258	0
Livestock	17	32	49	0
Agriculture	25	28	53	0
Commercial	9	22	31	1
Surface Impoundments	13	19	32	0
Oil / Gas	0	17	17	0
Golf Course	0	14	14	0
Irrigation	1	12	13	0
Monitoring	1	10	11	0
Industrial	0	7	7	0
*Other	1	2	3	0
TOTALS	404	827	1231	10

NOTE: Plugged wells have been excluded
***Construction Water**

ADJOURN