

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

TUESDAY, JULY 31, 2018

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

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

Members Absent: None

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

Visitors: James Beach, WSP
Kristen Fancher, Fancher Legal
John Faulkner, Faulkner & Son
William Linn, City of Leonard
Terry McCalpin, City of Leonard
Bill Purcell, Citizen of Fannin County
Terry Schuck, Citizen of Fannin County
Robin McCoy, Rep. Pat Fallon Office

Board Meeting

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

President Patterson called the meeting to order at 9:00 a.m., established a quorum was present, and declared the meeting open to the public.

2. Public comment

No public comments.

3. Receive presentation regarding permanent rules development.

a. Consider and act upon action items for rules development

James Beach reviewed with the Board evaluation of spacing based on Cooper-Jacob formula 2% impact allowed after 2 days pumping, (same as North Texas GCD); variance requests reviewed by staff and board; and the options of having 1 or 2 formulas for spacing.

Mark Newhouse made the motion for one rule to be adopted for 2% impact/2 days pumping. Chuck Dodd seconded the motion. Motion passed unanimously.

Kristen Fancher reviewed with the Board the language options to be added to existing rules

language will be provided to the Board for review. The Board discussed production fees and decided to keep the fees based on actual production and reported quarterly. The other items discussed included additional language for fines when a permittee produces over permitted amount, how to amend permitted amount, emergency permit process, and application fees going forward. Kristen Fancher, District Attorney, will put together a rules language package for the board to review.

4. Consider and act upon approval of Minutes of May 17, 2018, Board Meeting.

Board Member David Gattis made a motion to approve the minutes of the May 17, 2018 meeting. The motion was seconded by Board Member Mark Newhouse. The motion passed.

5. Review and approval of monthly invoices.

General Manager Satterwhite reviewed the monthly invoices with the Board of Directors. Board Member Billy Stephens made a motion to approve Resolution 2018-07-31-01. Board Member Mark Gibson seconded the motion. Motion passed unanimously.

6. Receive monthly financial information.

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

7. Budget and Finance

a. Consider and act upon 2019 Operating Budget

General Manager Drew Satterwhite provided background information for the Board. The Board has established the practice of trying to adopt a budget and rate schedule as early as possible. The District's fiscal year is based on a calendar year from January 1st through December 31st, while many of the groundwater producers who pay production fees operate on a fiscal year that begins October 1st through September 30th. For this reason, the Board has attempted to establish production fees as early as possible in the budget planning process.

The Budget Committee (Mark Patterson, Mark Gibson and Mark Newhouse) have reviewed the proposed 2019 budget.

After a discussion, Board Member David Gattis made the motion to accept the 2019 budget. Board Member Mark Newhouse seconded the motion. The motion passed unanimously.

b. Consider and act upon 2019 Groundwater Production Fee and Fee Schedule

After a discussion, Board Member Gattis made a motion to accept the fee schedule with no changes, motion failed due to lack of a second. Board Member Newhouse made a motion to increase the fee by 1 cent per 1,000 gallons, motion failed due to lack of a second. After further discussion, Board Member Gibson made a motion to keep the fee at 7 cents per 1,000 gallons at this time. Board Member Gattis seconded the motion. Motion passed unanimously.

c. Discussion and possible action on District's Fund Balance Policy

The Board decided to table the District's Fund Balance Policy for discussion at a future meeting.

d. Receive Quarterly Investment Report

General Manager Satterwhite presented the Quarterly Investment Report to the Board.

8. Receive Quarterly Report on Management Plan.

General Manager Satterwhite reviewed the Quarterly Report with the Board, reporting that there were 810 registered wells in the District and 131 well inspections were done.

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

General Manager Satterwhite reported no action has occurred regarding the next DFC process. GMA-8 met on June 27, 2018 and the agenda primarily addressed administrative items. RFQs for Administrative and Technical consultant will be sent out. The next DFC deadline is May 2021.

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

a. Texas Rain Holding Co. lawsuit

Kristen Fancher reported that Texas Rain Holding Co. has not responded within the 90 days they were given. The next step is to file for court process action. The Board agreed that the process should continue.

b. Buena Vista Turf Farm, LLC

General Manager Satterwhite informed the Board that Buena Vista Turf Farm, LLC did not respond. Kristen Fancher stated that the next step is a show cause hearing to be held at September Board meeting.

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

a. Discussion and potential action on a potential sampling program

Paul Sigle presented reports on contaminant limits. The Board suggested letters be sent to well owners in the area identified by staf so that they are aware of possible contaminants and can decide if they want to test their wells.

b. Discussion and possible action on a potential award program

Paul Sigle presented his research to the Board on what water consumption and loss data is available through the District, TWDB, and TCEQ. The conclusion to the discussion with the Board was that there is not enough information to recommend a program. The general idea of the program ideas were to promote water conservation.

12. Open Quorum/discussion of future agenda items.

Kristen Fancher is to put together the language for the rule decisions and present it to the Board at the September 27, 10 a.m. meeting.

14. Adjourn.

President Patterson declared the meeting adjourned at 11:32 a.m.

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Recording Secretary



Secretary-Treasurer