

**RED RIVER  
GROUNDWATER  
CONSERVATION  
DISTRICT**

**BOARD MEETING**

**BOARD ROOM  
GREATER TEXOMA UTILITY AUTHORITY  
5100 AIRPORT DRIVE  
DENISON, TEXAS 75020**

**THURSDAY  
MARCH 24, 2016**

**AGENDA**  
**RED RIVER GROUNDWATER CONSERVATION DISTRICT**  
**BOARD OF DIRECTORS BOARD MEETING**  
**GREATER TEXOMA UTILITY AUTHORITY BOARD ROOM**  
**5100 AIRPORT DRIVE**  
**DENISON, TEXAS 75020**  
**THURSDAY, MARCH 24, 2016**

**Board Meeting**

The Board Meeting will begin at 2:00 p.m.

The Board of Directors may discuss, consider, and take all necessary action, including expenditure of funds, regarding each of the agenda items below:

**Agenda:**

1. Call to order, declare meeting open to the public, and take roll
  2. Public Comment
  3. Consider and act upon approval of Minutes of January 21, 2016, Board Meeting
  4. Review and approval of monthly invoices
  5. Receive monthly financial information
  6. Update and possible action regarding the process for the development of Desired Future Conditions (DFCs)
  7. Consider and act upon responses to the Groundwater Management Area 8 Survey related to the Texas Water Code Sections 36.108(d) (6 and 7)
  8. Consider and act upon compliance and enforcement activities for violations of District Rules
  9. Receive 2015 Annual Report
  10. Consider and act upon a Resolution to designate investment officers
  11. General Manager's report: The General Manager will update the Board on operational, educational and other activities of the District
  12. Open forum / discussion of new business for future meeting agendas
  13. Adjourn
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<sup>1</sup>The Board may vote and/or act upon each of the items listed in this agenda.

<sup>2</sup>At 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.

<sup>3</sup>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.

<sup>4</sup>For questions regarding this notice, please contact Velma Starks at (800) 256-0935, at [rrgcd@redrivergcd.org](mailto:rrgcd@redrivergcd.org) or at 5100 Airport Drive, Denison, TX 75020.

ATTACHMENT 3

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

**THURSDAY, JANUARY 21, 2016**

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

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Members Present:	David Gattis, Mark Gibson, Mark Newhouse, Mark Patterson, William Purcell, Don Wortham
Members Absent:	Harold Latham
Staff:	Drew Satterwhite, P.E., Debi Atkins, Velma Starks, Carolyn Bennett, Wayne Parkman
Visitors:	James Purcell

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

President Patterson declared a quorum was present and called the meeting to order at 2:03 pm. The Board of Directors introduced themselves.

2. Public Comment.

Bill Purcell introduced his son, James Purcell. There were no citizens present requesting to be heard before the Board.

3. Consider and act upon approval of Minutes of November 20, 2015 Board Meeting.

Board Member Newhouse made a motion to approve the Minutes of the November 20, 2015 board meeting, with the staff represented changed to add Wayne Parkman as being present. Board Member Gibson seconded the motion. Board Members Purcell and Wortham abstained from voting, as they were absent. Motion passed unanimously.

4. Review and approval of monthly invoices.

General Manager Satterwhite reviewed the monthly invoices with the Board of Directors. Board Member Gattis made a motion to approve payment of the monthly invoices. Board Member Newhouse seconded the motion. Motion passed unanimously.

5. Receive Monthly Financial Information.

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

6. Receive Quarterly Investment Report.

General Manager Satterwhite discussed the Quarterly Investment Report with the Board.

7. Receive Quarterly Report.

General Manager Satterwhite presented the December 31, 2015 Quarterly Report on the assessment of the status of drought in the District.

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

President Patterson reported the main reason for meeting today is to discuss the development of the Desired Future Conditions ("DFC"). General Manager Satterwhite reported the DFC Committee held a meeting for discussion of the DFC. The GMA-8 will consider the DFC at their February 17, 2016 meeting. Once the DFC is on the table for consideration, it is difficult to make changes.

Mr. Satterwhite discussed Model Run 10 with the Board of Directors, and the summaries provided in the agenda for Fannin and Grayson Counties.

President Patterson discussed with the Board the need to provide Board Member Gattis with a DFC to present to the GMA-8 at the February meeting. Board Member Purcell made a motion to authorize Board Member Gattis to present Model Run 10 for Red River GCD to the GMA-8 as the proposed DFC for RRGCD and to allow Board Member Gattis to work with other GMA-8 District representatives to determine the manner in which the DFC is described at the February meeting. Be it further resolved that in the event another District votes on a DFC other than Run 10 and a significant impact will result for Red River GCD, authorization is granted for Board Member Gattis to contact DFC Committee and consultants for guidance on a vote. Board Member Gibson seconded the motion. Board Member Newhouse abstained. Motion passed with 5 AYE votes. Mr. Satterwhite advised the Board that the final DFC will be brought back to board of Directors.

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

The Board discussed the City of Sherman purchase of Carriage Estates and the letter to the PUC being drafted by Kristen Fancher on behalf of the District. The City of Sherman indicated in their CCN acquirement that they intend to pay outstanding GCD bills. The Board directed the staff to move forward with the letters regarding other PUC letters.

There were no violations currently needing consideration of the Board of Directors.

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

General Manager Satterwhite reviewed the Well Registration Summary with the Board of Directors. Mr. Satterwhite reminded the Board of the GMA-8 meeting to be held February 17, 2016, which a formal vote on the DFC shall be made by the GMA-8 members.

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

Board Member Purcell left the meeting at 3:34pm.

Wayne Parkman discussed with the Board agricultural estimates required annually by the TWDB.

General Manager Satterwhite informed the Board the geo-database committee will be asked to meet in the near future to view proposed geodatabase programs.

Tentative February 4, 2016 meeting was cancelled. Next meeting date will be determined after the GMA-8 meeting on February 17<sup>th</sup>.

12. Adjourn.

Board Member Gattis made a motion to adjourn. Board Member Wortham seconded the motion. Motion passed unanimously. The Board adjourned at 3:40pm.

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Recording Secretary

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Secretary-Treasurer

ATTACHMENT 4



RESOLUTION NO. 2016-03-17-01

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE RED RIVER GROUNDWATER CONSERVATION DISTRICT AUTHORIZING PAYMENT OF ACCRUED LIABILITIES FOR THE MONTH OF JANUARY AND FEBRUARY 2016

The following liabilities are hereby presented for payment:

**Administrative Services**

GTUA- Jan	11,082.17
GTUA- Feb	8,733.43

**Advertising**

**Banking**

**Contract Services**

IT Nexus - Mar	600.00
IT Nexus - Feb	600.00

**Direct Costs**

USTI- jan	10.08
USTI- Feb	11.12
USPS- P.O. Box Rental	240.00

**GMA8-Fees**

Harold Lathom - Mileage reimb	107.41
NTGCD- Reimb	201.97

**Insurance**

Bayless-Hall - BOD Bonding	315.00
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**Legal**

Smith Robertson- Jan	260.00
Smith Robertson- Feb	3,335.91

**Meetings**

**Software Maint**

ESRI- Arc View Software	2,500.00
USTI - Accting Software	1,170.00

**GRAND TOTAL:** \$ 29,167.09

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 March, 2016 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

**Red River Groundwater Conservation District****Balance Sheet**

For General Fund (00)

December 31, 2015

**Assets**

00-01-10001	Checking Account	179,315.83
00-01-10010	Investments-CD	200,000.00
00-01-10025	Accounts Receivable	84,353.82
00-01-10027	A/R -NTGCD	.00
00-01-10028	A/R Preston Club Golf Course	.00
00-01-10029	A/R Pintail Farms	.00
00-01-10030	Undeposited Funds	.00
00-01-10040	Interest Receivable	141.51
00-01-10101	Allowance for Uncollectible Accounts	(1,530.00)
00-01-10200	PP Expense	5,084.27
<b>Total Assets</b>		<b>\$ 467,365.43</b>

**Liabilities and Fund Balance**

00-01-23010	Due to GTUA	.00
00-01-23100	Accounts Payable	18,252.51
00-01-23150	Deposits to be Refunded	5,300.00
00-01-23642	Due to Sh 03	.00
<b>Total Liabilities</b>		<b>23,552.51</b>
00-01-35100	Fund Balance	73,069.05
00-01-35120	Current Year Excess of Revenue over Expenses	253,009.59
	Excess of Revenue Over Expenditures	117,734.28
<b>Total Fund Balances</b>		<b>443,812.92</b>
<b>Total Liabilities and Fund Balances</b>		<b>\$ 467,365.43</b>

## Red River Groundwater Conservation District

## Statement of Revenue and Expenditures

Revised Budget

For General Fund (00)

For the Fiscal Period 2015-12 Ending December 31, 2015

Account Number	Current Budget	Current Actual	Annual Budget	YTD Actual	Remaining Budget %
<b>Revenues</b>					
00-01-46002 GW Production Cost	\$ 68,400.00	\$ 70,992.83	\$ 273,600.00	\$ 322,861.01	(18.00%)
00-01-46005 Late Fees	0.00	0.00	0.00	65.88	0.00%
00-01-46006 Violation Fees	0.00	0.00	0.00	500.00	0.00%
00-01-46007 Registration Fees	166.63	700.00	2,000.00	6,300.00	(215.00%)
00-01-46010 Well Drillers Deposit	0.00	600.00	0.00	600.00	0.00%
00-01-46100 Interest Income	0.00	226.44	0.00	888.36	0.00%
<b>Total General Fund Revenues</b>	<b>\$ 68,566.63</b>	<b>\$ 72,519.27</b>	<b>\$ 275,600.00</b>	<b>\$ 331,215.25</b>	<b>(20.18%)</b>
<b>Expenditures</b>					
00-01-77010 Administrative Cost	\$ 9,583.37	\$ 6,699.50	\$ 115,000.00	\$ 90,177.60	21.58%
00-01-77020 Advertising	83.37	0.00	1,000.00	78.00	92.20%
00-01-77027 Auditing	0.00	3,750.00	4,000.00	3,750.00	6.25%
00-01-77030 Accounting	0.00	0.00	0.00	0.00	0.00%
00-01-77031 Banking Fees	0.00	36.37	0.00	134.39	0.00%
00-01-77032 Contract Services	3,716.63	8,119.31	44,600.00	47,870.26	(7.33%)
00-01-77035 Field Technician	4,166.63	2,680.00	50,000.00	22,852.00	54.30%
00-01-77040 Direct Cost	333.37	54.25	4,000.00	2,087.97	47.80%
00-01-77450 Dues & Subscription	83.37	0.00	1,000.00	1,332.75	(33.28%)
00-01-77480 Equipment	250.00	0.00	3,000.00	1,460.25	51.33%
00-01-77500 Fees- GMA8	583.37	0.00	7,000.00	3,836.86	45.19%
00-01-77610 Fuel	0.00	0.00	0.00	0.00	0.00%
00-01-77810 Insurance	250.00	648.96	3,000.00	2,903.50	3.22%
00-01-77855 Internet Fees	383.37	0.00	4,600.00	6,330.27	(37.61%)
00-01-77970 Legal	2,083.37	754.00	25,000.00	21,780.51	12.88%
00-01-78010 Meetings and Conferences	166.63	(107.50)	2,000.00	1,454.94	27.25%
00-01-78030 Office Supplies	0.00	0.00	0.00	0.00	0.00%
00-01-78310 Rent	200.00	200.00	2,400.00	2,400.00	0.00%
00-01-78600 Software Maintenance	166.63	0.00	2,000.00	1,415.00	29.25%
00-01-78750 Telephone	166.63	166.95	2,000.00	1,321.06	33.95%
00-01-78770 Transportation-Mileage	416.63	69.00	5,000.00	2,295.61	54.09%
<b>Total General Fund Expenditures</b>	<b>\$ 22,633.37</b>	<b>\$ 23,070.84</b>	<b>\$ 275,600.00</b>	<b>\$ 213,480.97</b>	<b>22.54%</b>
<b>General Fund Excess of Revenues Over Expenditures</b>	<b>\$ 45,933.26</b>	<b>\$ 49,448.43</b>	<b>\$ 0.00</b>	<b>\$ 117,734.28</b>	<b>0.00%</b>

**Red River Groundwater Conservation District**  
**Statement of Revenue and Expenditures**  
 Revised Budget

For the Fiscal Period 2015-12 Ending December 31, 2015

Account Number	Current Budget	Current Actual	Annual Budget	YTD Actual	Remaining Budget %
Total Revenues	\$ 68,566.63	\$ 72,519.27	\$ 275,600.00	\$ 331,215.25	(20.18%)
Total Expenditures	\$ 22,633.37	\$ 23,070.84	\$ 275,600.00	\$ 213,480.97	22.54%
Total Excess of Revenues Over Expenditures	\$ 45,933.26	\$ 49,448.43	\$ 0.00	\$ 117,734.28	0.00%

**Red River Groundwater Conservation District****Balance Sheet**

For General Fund (00)

February 29, 2016

**Assets**

00-01-10001	Checking Account	211,519.67
00-01-10010	Investments-CD	200,000.00
00-01-10025	Accounts Receivable	23,236.43
00-01-10027	A/R -NTGCD	.00
00-01-10028	A/R Preston Club Golf Course	.00
00-01-10029	A/R Pintail Farms	.00
00-01-10030	Undeposited Funds	.00
00-01-10040	Interest Receivable	141.51
00-01-10101	Allowance for Uncollectible Accounts	(1,530.00)
00-01-10200	PP Expense	5,084.27
<b>Total Assets</b>		<b>\$ 438,451.88</b>

**Liabilities and Fund Balance**

00-01-23010	Due to GTUA	.00
00-01-23100	Accounts Payable	12,399.92
00-01-23150	Deposits to be Refunded	5,700.00
00-01-23642	Due to Sh 03	.00
<b>Total Liabilities</b>		<b>18,099.92</b>
00-01-35100	Fund Balance	73,069.05
00-01-35120	Current Year Excess of Revenue over Expenses	370,743.87
	Excess of Revenue Over Expenditures	(23,460.96)
<b>Total Fund Balances</b>		<b>420,351.96</b>
<b>Total Liabilities and Fund Balances</b>		<b>\$ 438,451.88</b>

# Red River Groundwater Conservation District

## Statement of Revenue and Expenditures

3/9/2016 10:57am

Revised Budget

For General Fund (00)

For the Fiscal Period 2016-2 Ending February 29, 2016

Account Number	Current Budget	Current Actual	Annual Budget	YTD Actual	Remaining Budget %
<b>Revenues</b>					
00-01-46002 GW Production Cost	\$ 0.00	\$ 0.00	\$ 325,000.00	754.01	99.77%
00-01-46005 Late Fees	0.00	0.00	0.00	0.00	0.00%
00-01-46006 Violation Fees	0.00	0.00	0.00	0.00	0.00%
00-01-46007 Registration Fees	0.00	200.00	0.00	800.00	0.00%
00-01-46010 Well Drillers Deposit	0.00	0.00	0.00	0.00	0.00%
00-01-46100 Interest Income	0.00	84.93	0.00	167.12	0.00%
<b>Total General Fund Revenues</b>	<b>\$ 0.00</b>	<b>\$ 284.93</b>	<b>\$ 325,000.00</b>	<b>\$ 1,721.13</b>	<b>99.47%</b>
<b>Expenditures</b>					
00-01-77010 Administrative Cost	\$ 9,583.33	\$ 6,462.50	\$ 115,000.00	14,506.50	87.39%
00-01-77020 Advertising	83.33	0.00	1,000.00	0.00	100.00%
00-01-77027 Auditing	0.00	0.00	4,000.00	0.00	100.00%
00-01-77031 Banking Fees	0.00	0.00	0.00	0.00	0.00%
00-01-77032 Contract Services	4,675.00	0.00	56,100.00	0.00	100.00%
00-01-77035 Field Technician	5,833.33	1,364.00	70,000.00	3,758.00	94.63%
00-01-77040 Direct Cost	250.00	301.61	3,000.00	411.00	86.30%
00-01-77450 Dues & Subscription	116.67	0.00	1,400.00	55.50	96.04%
00-01-77480 Equipment	1,791.67	0.00	21,500.00	44.13	99.79%
00-01-77500 Fees- GMA8	0.00	0.00	4,000.00	201.97	94.95%
00-01-77810 Insurance	250.00	0.00	3,000.00	0.00	100.00%
00-01-77855 Internet Fees	541.67	0.00	6,500.00	0.00	100.00%
00-01-77970 Legal	2,083.33	3,335.91	25,000.00	3,595.91	85.62%
00-01-78010 Meetings and Conferences	166.67	393.86	2,000.00	399.84	80.01%
00-01-78030 Office Supplies	0.00	0.00	0.00	0.00	0.00%
00-01-78310 Rent	200.00	200.00	2,400.00	400.00	83.33%
00-01-78600 Software Maintenance	166.67	0.00	2,000.00	1,200.00	40.00%
00-01-78750 Telephone	166.67	144.05	2,000.00	291.42	85.43%
00-01-78770 Transportation-Mileage	416.67	225.94	5,000.00	317.82	93.64%
<b>Total General Fund Expenditures</b>	<b>\$ 26,325.01</b>	<b>\$ 12,427.87</b>	<b>\$ 323,900.00</b>	<b>\$ 25,182.09</b>	<b>92.23%</b>
<b>General Fund Excess of Revenues Over Expenditures</b>	<b>\$ (26,325.01)</b>	<b>\$ (12,142.94)</b>	<b>\$ 1,100.00</b>	<b>\$ (23,460.96)</b>	<b>2232.81%</b>

**Red River Groundwater Conservation District**  
**Statement of Revenue and Expenditures**

*Revised Budget*

*For the Fiscal Period 2016-2 Ending February 29, 2016*

Account Number	Current Budget	Current Actual	Annual Budget	YTD Actual	Remaining Budget %
Total Revenues	\$ 0.00	\$ 284.93	\$ 325,000.00	\$ 1,721.13	99.47%
Total Expenditures	\$ 26,325.01	\$ 12,427.87	\$ 323,900.00	\$ 25,182.09	92.23%
Total Excess of Revenues Over Expenditures	\$ (26,325.01)	\$ (12,142.94)	\$ 1,100.00	\$ (23,460.96)	2232.81%



ATTACHMENT 7



# RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION

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**DATE:** March 18, 2016

**SUBJECT:** AGENDA ITEM NO. 7

**CONSIDER AND ACT UPON RESPONSES TO THE GROUNDWATER MANAGEMENT AREA 8 SURVEY RELATED TO THE TEXAS WATER CODE SECTIONS 36.108(D) (6 AND 7)**

**ISSUE**

Completion of the survey provided to Groundwater Management Area ("GMA") 8 to document consideration of the factors included in the Texas Water Code sections 36.108(d)(6 and 7) with respect to proposed Desired Future Conditions ("DFCs").

**BACKGROUND**

At the January Board of Directors meeting, the board discussed factors as required by the Texas Water Code in regards to potential DFCs. After thorough discussion, the board voted to authorize the GMA-8 representative to vote on a proposed DFC.

At the February 17<sup>th</sup> GMA-8 meeting, the GMA-8 representatives voted three (3) DFCs into consideration, one (1) of which applies to the Trinity and Woodbine Aquifers. The GMA-8 subsequently voted to begin formal consideration of the nine (9) factors that each district is required to consider. In an effort to provide organization to the Explanatory Report that Bill Mullican is building for the GMA, he has provided each District with a survey to complete by the April 1<sup>st</sup> GMA-8 meeting.

**CONSIDERATIONS**

The survey tool was developed to ensure an adequate level of consideration of the factors included in TWC Sections 36.108 (d)(6 and 7) with respect to proposed DFC options. All survey responses will be included in their entirety in materials distributed to GMA-8 GCDs for the required 90-day public comment period and also in the GMA-8 Explanatory Report.

The staff has provided a blank copy of the survey and will be prepared to make recommendations at the Board Meeting.

**STAFF RECOMMENDATIONS**

The staff will discuss and provide Survey response recommendations at the Board Meeting.

**Attachments**

Survey

**PREPARED AND SUBMITTED BY:**

A handwritten signature in blue ink, appearing to read "Drew Satterwhite", written over a horizontal line.

Drew Satterwhite, P.E., General Manager

## GMA 8 Meeting

February 17, 2016

Agenda Item 12 - Discussion of possible agenda items and dates for next GMA 8 meeting.

The following survey tool has been developed for use by each GCD in GMA 8 to ensure an adequate level of consideration of factors included in TWC Sections 36.108 (d)(6 and 7) with respect to proposed DFC options. All survey responses will be included in their entirety in materials distributed to GMA 8 GCDs for the required 90-day public comment period and also in the GMA 8 Explanatory Report. According to the schedule of remaining tasks for the current round of joint planning in GMA 8, each individual District Representative or their designee will present a summary of the survey results during the early April GMA 8 meeting. To facilitate ease of reproduction of survey responses, please utilize this template and submit electronically in Word format.

GMA 8 GCD Name: \_\_\_\_\_

GMA 8 District Representative: \_\_\_\_\_

Date of survey response submission: \_\_\_\_\_

TWC Section 36.108 (d) (6) requires District Representatives to consider the socioeconomic impacts reasonably expected to occur from the proposed DFCs. TWC Section 36.108 (d)(7) requires District Representatives to consider the impact of proposed DFC options on the interests and rights in private property, including ownership and the rights of management area landowners and their lessees and assigns in groundwater, as recognized under Texas Water Code Section 36.002. To support these considerations, each GCD is asked to respond to the following questions regarding socioeconomic impacts expected to occur and impacts on private property rights and interests in each GCD as a result of the proposed DFCs.

Has your GCD identified any socioeconomic studies that relate directly or indirectly to the Section 36.108 (d)(6) planning criterion that should be considered by GMA 8 as part of the joint planning process?

Yes\_\_\_No\_\_\_(please check)

If yes, please provide a copy of the socioeconomic studies you have identified.

Did your GCD discuss and consider the information provided by the Texas Water Development Board on socioeconomic impacts of not meeting needs included in the applicable 2011 regional water plans and the 2012 state water plan? (Note – all analysis described in this question is available on the GMA 8 webpage)?

Yes\_\_\_No\_\_\_(please check)

If yes, please provide meeting date(s) for these discussions and a general summary of any substantive issues and conclusions considered.

From a qualitative perspective, both positive and negative socioeconomic impacts may potentially result from implementation of proposed DFCs. Did your GCD discuss the potential socioeconomic impacts that may result from proposed DFCs due to a need for conversion to an alternative supply, including increased costs associated to infrastructure, operation, and maintenance?

Yes\_\_No\_\_(please check)

If yes, please provide meeting date(s) for these discussions and a general summary of any substantive issues and conclusions considered.

Did your GCD discuss how proposed DFCs may reduce/eliminate the costs of lowering pumps and either deepening existing wells or drilling new wells?

Yes\_\_No\_\_(please check)

If yes, please provide meeting date(s) for these discussions and a general summary of any substantive issues and conclusions considered.

Did your GCD discuss the potential that proposed DFCs may serve to sustain/enhance economic growth due to assurances provided by a diversified water portfolio?

Yes\_\_No\_\_(please check)

If yes, please provide meeting date(s) for these discussions and a general summary of any substantive issues and conclusions considered.

Did your GCD discuss how proposed DFCs may result in short-term reduction in utility rates due to reduction in cost of alternative water management strategy implementation?

Yes\_\_\_No\_\_\_(please check)

If yes, please provide meeting date(s) for these discussions and a general summary of any substantive issues and conclusions considered.

Did your GCD discuss how proposed DFCs may result in significant but unquantified production costs due to lowering of artesian water levels in local aquifers?

Yes\_\_\_No\_\_\_(please check)

If yes, please provide meeting date(s) for these discussions and a general summary of any substantive issues and conclusions considered.

Please include below any other socioeconomic impacts from proposed DFC options that have been considered by your GCD.

Did your GCD discuss and consider the impacts of proposed DFC options on interests and rights in private property, including ownership and the rights of management area landowners and their lessees and assigns in groundwater?

Yes\_\_\_No\_\_\_(please check)

If yes, please provide meeting date(s) for these discussions and a general summary of any substantive issues and conclusions considered. Please refer to any provisions in your currently adopted GCD rules or management plan that your GCD identifies as provisions that, in concert with the proposed DFC options, work to protect the interests and rights in private property, including ownership and

the rights of management area landowners and their lessees and assigns in groundwater?

Did your GCD discuss how proposed DFCs may impact the ability of both: (1) existing well owners, and (2) property owners who have not yet drilled a well but may have an expectation of being able to do so in the future, to recover their investment-backed expectations from their investments in their water wells and their investments in their properties?

Yes\_\_\_No\_\_\_(please check)

If yes, please provide meeting date(s) for these discussions and a general summary of any substantive issues and conclusions considered.

Did your GCD discuss how proposed DFCs may impact the availability of water to all properties overlying the aquifer in your district, and whether property owners of various economic means will be able to complete affordable water wells with sufficient well yields for projected uses, or whether affordable water from alternative water supplies would be available to those properties?

Yes\_\_\_No\_\_\_(please check)

If yes, please provide meeting date(s) for these discussions and a general summary of any substantive issues and conclusions considered.

ATTACHMENT 10





# RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION

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**DATE:** March 21, 2016

**SUBJECT:** AGENDA ITEM NO. 10

## CONSIDER AND ACT UPON A RESOLUTION TO DESIGNATE INVESTMENT OFFICERS

### ISSUE

Consider and act upon a resolution to designate the Red River Groundwater Conservation District Investment Officers.

### BACKGROUND

The Red River Groundwater Conservation District ("District") initially adopted an Investment Policy in May of 2012.

Over the past year, the District has been actively investing our reserve funds in an effort to maximize return while preserving principal. Our current Investment Policy names Drew Satterwhite and Debi Atkins as the Investment Officers to transfer funds between District accounts. As we currently make each investment, we have been consulting the Investment Committee for direction, and then asking two (2) of the officers to authorize each investment with a signature. The officers have been required to sign each transaction due to the District not having a resolution to formally designate the General Manager and Finance Officer as the Investment Officers. In order to potentially save multiple trips by the Board's Officers, the attached resolution would formalize the positions of the Investment Officers, General Manager and Finance Officer, to sign off on investments.

### CONSIDERATIONS

Adoption of this resolution would save a considerable amount of Officer time by allowing the Investment Officers to authorize investments as opposed to the Officers having to drive to the bank in their free time.

Having a resolution designating Investment Officers would be consistent with the District's Investment Policy.

The staff would continue to utilize the investment committee prior to each investment transaction.

### STAFF RECOMMENDATIONS

The staff recommends adopting the Proposed Resolution.

### ATTACHMENTS

Resolution  
Investment Policy

### PREPARED AND SUBMITTED BY:

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Drew Satterwhite, P.E., General Manager

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE RED RIVER GROUNDWATER CONSERVATION DISTRICT RELATING TO FISCAL MANAGEMENT AND INVESTMENT ACTIVITIES DESIGNATING INVESTMENT OFFICERS

WHEREAS, The Investment Policy adopted by the Red River Groundwater Conservation District discussing in Section 1.03 A, designation of investment officers and delegation of authority regarding investment decisions; and

WHEREAS, the Red River Groundwater Conservation District determines a need to update designation of investment officers and designation of authority for investment decisions; and

WHEREAS, the Red River Groundwater Conservation District desires to designate Drew Satterwhite, General Manager, and Debi Atkins, Finance Officer, as investment officers on behalf of the Red River Groundwater Conservation District;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RED RIVER GROUNDWATER CONSERVATION DISTRICT that the Board hereby formally designates Drew Satterwhite, General Manager, and Debi Atkins, Finance Officer, as investment officers.

Upon Motion by \_\_\_\_\_, seconded by \_\_\_\_\_, the foregoing Resolution was passed and approved on this \_\_\_\_\_ day of \_\_\_\_\_, 2016 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

**EXHIBIT "A"**

**RED RIVER GROUNDWATER CONSERVATION DISTRICT**

**INVESTMENT POLICY**

**ADOPTED: JULY 25, 2012**

**REVIEWED AND APPROVED: OCTOBER 9, 2014**

## 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 and Chapter 49 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:
  - a. Preservation and safety of principal
  - b. Liquidity
  - c. Diversification
  - d. 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 or employees of the District to be responsible for the investment of its funds and be the District's Investment Officer. 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. Should total District funds exceed \$50,000, there is hereby established an investment committee, composed of the Investment Officer, and at least two directors. The investment committee shall meet quarterly to monitor and review the investments and collateral pledge agreements of the District. The Investment Officer shall be the chairman of the committee. The committee shall report concerning the District's investments transaction for the preceding year describing the investment portion of the District at the end of each fiscal year. The report shall be written and signed by members of the committee. The committee also shall report to the Board on its review the month following each quarterly meeting.
- H. 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.

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:

- a. Obligations of the United States Government, its agencies and instrumentalities, not to exceed two years to stated maturity, excluding mortgage backed securities;
- b. Fully insured or collateralized certificates of deposit 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
- c. 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:
  - a. Orally;
  - b. In writing;

- c. Electronically; or
  - d. 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 in order to assure competitive bidding.
- B. Securities broker/dealers must meet certain criteria as determined by the Investment Officer. The following criteria must be met by those firms on the list:
  - a. Proof of certification by the Financial Industry Regulatory Association (FINRA) and provision of FINRA CRD number,
  - b. District certification, and
  - c. 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 to assure that they are familiar with the goals and objectives of the investment program. A representative of the firm will be required to return a signed certification stating that the Investment Policy has been received and reviewed and that controls are in place to control that only authorized securities are sold to the District. A form of the certification is attached to this Investment Policy.

#### 1.08 SAFEKEEPING AND COLLATERALIZATION

- A. Safekeeping of District Owned Securities.
  - a. 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.
  - b. 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
  - a. 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.
  - b. Collateralization is required on all time and demand deposits over the FDIC insurance coverage. In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level will be 102% of the market value of the principal and accrued interest. 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

C. Authorized Collateral

- a. The only types of collateral authorized by the District are:
  - i. Obligations of the U. S. Government, its agencies and instrumentalities including mortgage-backed securities which pass the bank test.
  - ii. 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.
- b. 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.

1.09 INVESTMENT TRAINING

- A. The Investment Officer shall attend at least one training session from an independent source approved by the Board involving at least six (6) hours of instruction related to the responsibilities and duties under Subchapter 2256 of the Act unless the Investment Officer currently is in compliance with the requirements of the Act. 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:
  - a. Describe in detail the District's investment position on the date of the report;
  - b. Be prepared by the Investment Officer;
  - c. Be signed by the Investment Officer;
  - d. State the maturity date of each separately invested asset that has a maturity date;
  - e. 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
  - f. State the compliance of the investment portfolio of the District with:
    - i. The investment strategy expressed in the District's Investment Policy; and



- ii. 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 July 25, 2012 supersedes any prior policies adopted by the Board regarding investment or securitization of District funds.

**CERTIFICATION**

I hereby certify that I have received and thoroughly reviewed the investment policy of Red River Groundwater Conservation District ("District") and have implemented reasonable procedures and controls designed to preclude imprudent investment activities arising out of investment transactions conducted between this firm and the District. Transactions between this firm and the District will be directed towards protecting the District from credit or market risk.

All the sales personnel of this firm dealing with the District's account have been informed and will be routinely informed of the District's investment horizons, limitations, strategy and risk constraints, whenever we are so informed.

This firm pledges due diligence in informing the District through its duly appointed Investment Officer of foreseeable risks associated with financial transactions connected to this firm.

\_\_\_\_\_  
(Firm)

\_\_\_\_\_  
(Signature of Registered Principal)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

Notification Phone Nos. & Addresses of the District:

Board of Directors

Red River Groundwater Conservation District  
PO Box 1214  
Sherman, Texas 75091  
(800) 256-0935

Investment Officer

Debi Atkins, Finance Officer  
Drew Satterwhite, General Manager

ATTACHMENT 11

## Red River Groundwater Conservation District

### Well Registration Summary As of November 30, 2015

Well Type	Total Registered Fannin County	Total Registered Grayson County	Total RRGCD	New Registrations
Domestic	90	140	230	7
Agriculture	11	25	36	0
Oil/Gas	0	18	18	0
Surface Impoundments	4	11	15	0
Commercial	4	3	7	0
Golf Course	0	15	15	0
Livestock	12	16	28	2
Irrigation	0	4	4	0
Public Water	54	208	262	0
<b>Total</b>	<b>175</b>	<b>440</b>	<b>615</b>	<b>9</b>

## Red River Groundwater Conservation District

### Well Registration Summary As of December 31, 2015

Well Type	Total Registered Fannin County	Total Registered Grayson County	Total RRGCD	New Registrations
Domestic	91	145	236	6
Agriculture	11	25	36	0
Oil/Gas	0	18	18	0
Surface Impoundments	4	11	15	0
Commercial	4	3	7	0
Golf Course	0	15	15	0
Livestock	12	17	29	1
Irrigation	0	4	4	0
Public Water	54	208	262	0
<b>Total</b>	<b>176</b>	<b>446</b>	<b>622</b>	<b>7</b>

## Red River Groundwater Conservation District

### Well Registration Summary As of January 31, 2016

Well Type	Total Registered Fannin County	Total Registered Grayson County	Total RRGCD	New Registrations
Domestic	93	147	240	4
Agriculture	11	24	35	-1
Oil/Gas	0	18	18	0
Surface Impoundments	5	11	16	1
Commercial	4	3	7	0
Golf Course	0	15	15	0
Livestock	12	17	29	0
Irrigation	0	4	4	0
Public Water	54	208	262	0
<b>Total</b>	<b>179</b>	<b>447</b>	<b>626</b>	<b>4</b>

## Red River Groundwater Conservation District

### Well Registration Summary As of February 29, 2016

Well Type	Total Registered Fannin County	Total Registered Grayson County	Total RRGCD	New Registrations
Domestic	96	148	244	4
Agriculture	12	24	36	1
Oil/Gas	0	18	18	0
Surface Impoundments	5	11	16	0
Commercial	4	3	7	0
Golf Course	0	15	15	0
Livestock	12	17	29	0
Irrigation	0	4	4	0
Public Water	54	208	262	0
<b>Total</b>	<b>183</b>	<b>448</b>	<b>631</b>	<b>5</b>

ADJOURN