

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

MONDAY, MAY 24, 2010

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

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

Members Absent: John Young

Staff: Jerry Chapman and Carmen Catterson

Visitors: Mike Mahoney, Evergreen Underground Water Conservation District
Gary Westbrook, Post Oak Savannah Groundwater Conservation District

I. Call to Order

President Henderson called the meeting to order at 2:05 p.m. The Board Members introduced themselves and the entities they represent. All members except John Young were present.

II. Introduction of Visitors

Mr. Chapman spoke briefly over the trials the District has experienced. He introduced visitors Mike Mahoney with the Evergreen Underground Water Conservation District and Gary Westbrook with the Post Oak Savannah Groundwater Conservation District. The Evergreen Underground Water Conservation District (EUWCD) has been in existence since 1965 and has the benefit of being a tax-based district. The Post Oak Savannah Groundwater Conservation District (POSGCD) has been in existence since 2001. Both managers are attending the meeting to provide their knowledge and insight without receiving any compensation. President Henderson introduced Carmen Catterson, the secretary for the District and extended thanks for all her hard work.

III. Consider and act upon approval of Minutes of March 29, 2010 Meeting.

Vice President Olson motioned to approve the Minutes of the March 29, 2010 Meeting. The motion was seconded by Board Member Morrison and passed unanimously.

IV. Receive presentation by Mike Mahoney, General Manager of Evergreen Underground Water Conservation District.

Mr. Mahoney with the EUWCD brought a copy of their Director and Employee Policy. He explained that the document is a good place to begin for new GCDs. The policies should be established before beginning operations. The document contains a code of conduct for both employees and Directors and offers solutions for possible problems. The policy discusses vehicles, nepotism, travel, reimbursement of expenses, how Chapter 36 applies to GCDs, general conduct, alcohol, sleeping on the job, inappropriate attire, absences, tardiness, safety, security, inspections for illegal substances, handicap requirements, political activities by employees, pre-employment screening, overtime, unemployment benefits, jury duty, annual and sick leave, holidays, and disability leave. The policy protects the District and the employees. Each page has a place for the employee to sign and initial to verify they have read and understand the document.

The Texas Water Development Board (TWDB) records well data from several wells in each county annually. This is a good place to retrieve historical data to establish water levels of the aquifer over time. Mr. Mahoney recommended comparing water use to population growth to determine trends and patterns and to find the relationship between the increase in water use compared to the increase in population growth. Since the District is fee-based, a fee schedule can be established before the management plan so that funding can begin. Mr. Mahoney recommended the District use the numbers from the TWDB to determine how much will need to be charged per 1,000 gallons of groundwater to meet the budget requirements.

Mr. Mahoney briefly explained the history of the EUWCD and its formation. He also explained the budget and amount of groundwater used. He then explained the EUWCD's permitting process. Each new well requires two permits – one for drilling and one for production. The drilling permit costs \$125. However, once the well is drilled if the driller's log is registered at the District, \$75 is reimbursed. The production permit depends on the production requested. They do actively enforce by issuing fines. The most recent incident occurred when a farmer was flood irrigating and refused to stop flooding his neighbors' properties. The EUWCD's budget is \$700,000 per year. 40% of the budget is composed of administrative costs. The EUWCD is a tax-based district and the current rate is \$0.0137 or \$13.70 per \$100,000 in property value. This amount generates the budget requirements without putting a heavy burden on any one person.

Mr. Mahoney recommended the District pursue joining the Texas Alliance of Groundwater Districts. It is free to join for one year after the District confirmation. The free members are non-voting, but can attend meetings and have access to resources. The website is www.texasgroundwater.org.

Vice President Olson thanked Mr. Mahoney for his insight. He knows the District has much to accomplish, but has no idea where to begin and appreciates all the assistance. President Henderson confirmed the Board's thanks.

V. Receive presentation by Gary Westbrook, District Manager of Post Oak Savannah Groundwater Conservation District

Mr. Westbrook of the POSGCD explained that some of the first steps taken in his District included hiring for hydrology services. They created a budget, determined what the expenses would

be without staff, and only hired a General Manager. He worked from his home for some time before an office was acquired.

Mr. Westbrook explained briefly the creation of the POSGCD and their unique situation. The POSGCD area is very controversial due to water marketing. The POSGCD assesses fees based on permitted amounts. This is much better for the district because in wet years not enough revenue will be accumulated to meet the budgetary requirements.

Mr. Westbrook emphasized how important planning and evaluation of current and future needs is to the District. With adequate planning, drawdowns can be modified with no problem and groundwater use can be more carefully controlled. Adequate planning can also help protect shallow wells so they do not receive more drawdown they necessary.

The POSGCD budget is \$2 million. More than \$1 million is given in grants to rural water providers for conservation and repair projects. As far as Mr. Westbrook is aware, the POSGCD is the only entity to provide grants to local water providers. Mr. Westbrook explained the POSGCD's rules and procedures. The well spacing is based on production. A 1,000 gallon per minute (GPM) well would need to be 1,000 feet from the property line or 2,000 feet from a neighboring well. The rule is 1 foot per GPM from property line or 2 feet per GMP from well. The permit for a new well is \$100 and if it is non-agricultural, a hearing must be held. Existing wells cannot be repaired without registering the well first. The well drillers were disgruntled at first, but were pacified by being able to register the well themselves. The cost to register an existing well is \$10. The POSGCD charges a transport fee to send water out of the district. Due to water marketers, they have to treat all entities the same.

Mr. Westbrook recommended the Board be transparent in developing rules and procedures. The Board should post notices publicly and invite well drillers to comment and make recommendations. Encourage the public to participate in the meetings.

VI. Discuss the development of policies and procedures for the Board of Directors

President Henderson recommended the Board not reinvent the wheel while developing policies and procedures. The enabling legislation provides the basic information for the bylaws and most of the policies. The Board discussed hosting a workshop to discuss policies and procedures and developing a time line. Policies and procedures need to be well thought out to avoid catastrophes and controversy. The Board discussed using the North Texas GCD (NTGCD) bylaws as a template. The NTGCD used the North Trinity GCD bylaws as a template. The NTGCD has approved the bylaws and the rules should be in place by September. More info about management plans. The Board recommended inviting well drillers to future meetings to discuss policies and procedures. President Henderson stated the District was formed for a reason and the Board should not be spending time accomplishing nothing. Board Member Latham stated it was his understanding the Red River GCD is a political subdivision and it does not seem like the Board is being responsible by not accomplishing goals. He stated he was not sure what needed to be accomplished first, but felt that reading the enabling legislation was a good start. Vice President Olson stated the Board should take time and do things right, but that things need to be accomplished as quickly as is responsible. President Henderson recommended using a meeting to establish a time line and discuss developing strategies. He recommended a workshop be held.

VII. Discuss future meeting date and agenda

Board Member Morrison motioned to hold the next meeting on July 12 at 1:00 PM to discuss creating bylaws and reviewing the enabling legislation to create draft rules and procedures. The motion was seconded by Secretary/Treasurer Wortham and passed unanimously.

VIII. Citizens to be Heard


No citizen comments were received.

IX. Adjourn

Upon motion by Vice President Olson seconded by Board Member L atham and passed unanimously, the Board adjourned at approximately 4:38 p.m.

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Recording Secretary


Secretary-Treasurer