

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

THURSDAY, JULY 25 2019

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

Members Present: Chuck Dodd, David Gattis (arrived 10:05), Harold Latham, Mark Patterson, Mark Gibson, Mark Newhouse, and Billy Stephens

Members Absent:

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

Visitors: Kristen Fancher, Fancher Legal
Robin McCoy, Senator Pat Fallon's Office

Board Meeting

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

Board President Mark Patterson called the meeting to order at 10 a.m., established a quorum was present, and declared the meeting open to the public.

2. Public comment

No public comments.

3. Consider and act upon approval of Minutes of June 27, 2019, Board Meeting.

Board Member Chuck Dodd made a motion to approve the minutes of the June 27, 2019 meeting. The motion was seconded by Board Member Billy Stephens. The motion passed unanimously.

4. 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 2019-07-25-01. Board Member Mark Gibson seconded the motion. Motion passed unanimously.

5. Receive monthly financial information.

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

Board moved to Item 7 to allow time for Board Member David Gattis to arrive. Board Member David Gattis arrived as the Committee was being appointed.

6. Budget and Finance.

a. Consider and act upon 2020 Operating Budget.

General Manager Drew Satterwhite provided background information for the Board. 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 fiscal years that begin October 1st through September 30th. The Budget Committee met on July 17th and reviewed the proposed budget. During the Budget Committee meeting, discussion was held regarding the well registration and permit application fees. The Budget Committee directed staff to review the amount of effort involved with the new permit applications and to report back to the full Board for discussions of a tiered system for application and permit fees. The Committee would like for the Board to discuss the possibility of have 3 tiers for 1) exempt wells, 2) non-exempt wells that do not require a hydro report (<200 gpm), and 3)non-exempt wells that require a hydro report as a part of the application process (>200 gpm). The Board discussed the 3 tiers and the rates for each. The Board discussed the Fund Balance and decided it was adequate until clarified by Fund Balance Committee consisting of David Gattis, Mark Newhouse and Harold Latham.

Board Member David Gattis made the motion to divide the fees into 3 tiers:

1. Exempt wells, \$100
2. Non-exempt wells that do not require a hydro report (<200 gpm), \$600
3. Non-exempt wells that require a hydro report as a part of the application process (>200 gpm), \$1500

These fees will become effective January 1, 2020. Board Member Chuck Dodd seconded the motion. Motion passed unanimously.

Board Member Chuck Dodd made the motion to approve the Budget and Rate Fees as presented. Board Member David Gattis seconded the motion. Motion passed unanimously.

b. Consider and act upon 2020 Groundwater Production Fee and Fee Schedule.

Board Member Chuck Dodd made the motion to approve the Budget and Rate Fees as presented. Board Member David Gattis seconded the motion. Motion passed unanimously.

c. Receive Quarterly Investment Report.

General Manager Drew Satterwhite reviewed the Quarterly Investment Report with the Board.

7. Establish committee to elect officers.

General Manager Drew Satterwhite informed the Board that the Bylaws need an update regarding the wording pertaining to when officers are to be elected. The terms of Board members end August 31 and the wording states the officers should be elected at the August meeting. The Committee to elect officers was established with Harold Latham, David Gattis and Mark Newhouse.

At this time, the Board addressed Item 6.

8. Discuss upcoming rules changes based on legislative changes and establish committee to review potential rule changes.

Kristen Fancher, legal counsel, informed the Board that spacing clarification and rule clarification will need to be addressed in September. The Board appointed Rule Changes Committee members Chuck Dodd, Mark Gibson and Harold Latham.

9. Consider and act upon amendments to the District's Hydrogeological Report Requirements.

General Manager Drew Satterwhite informed the Board that Staff would like the Board to consider minor amendments to the Hydrogeological Report Requirements. The staff has identified a few items that the Board may want to consider adding or changing within the requirements to make the guidelines more clear as well as making the end product more versatile for future permit requests. The staff provided a redlined version detailing the proposed changes.

Board Member David Gattis made the motion to approve the changes as presented. Chuck Dodd seconded the motion. Motion passed unanimously.

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

General Manager Drew Satterwhite informed the Board that future model runs will be discussed at the GMA 8 meeting on Friday, July 26.

11. Consider and act upon compliance and enforcement activities for violations of District Rules.
 - a. JT Rivers, LLC

Mr. Satterwhite provided a summary of the events taking place. The Corp of Engineers has been contacted and is aware of the situation. There are two wells running into ponds and water appears to be leaking into surrounding landowner's property killing trees. The Board discussed the information under which the wells were drilled and the fact that there is no livestock, no meters on wells and new owner of property. Attempts to reach the new owner have not been successful at the time of this meeting. Kristen Fancher, legal counsel, informed the Board what actions could be taken such as a Violation for Waste and failure to put meters on 2 wells for a total of \$1,500 dollars. Board Member David Gattis made the motion to send the Violation Letter and fines in the total amount of \$1,500. Board Member Mark Newhouse seconded the motion. Motion passed unanimously.

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

General Manager Drew Satterwhite reported that there are a total of 6 new well registrations in the District for a total of 906 wells.

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

The next meeting is scheduled for Thursday, August 29, 2019.

14. Adjourn.

President Patterson declared the meeting adjourned at 11:02 a.m.

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Recording Secretary



Secretary-Treasurer