

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

THURSDAY, OCTOBER 17, 2013

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

Members Present: Mark Patterson, Harold Latham, Don Wortham, Mark Gibson, Mark Newhouse, William Purcell

Members Absent: David Gattis

Staff: Jerry Chapman, Drew Satterwhite, Carolyn Bennett, and Carmen Catterson

Visitors: Ron Cannon, Rock Creek Resorts
Bill Chapman, Rock Creek Resorts
Dave Gonier, Herald Democrat
Butch Henderson
Don Morrison
Alex Moser, Moser Drilling
George Olson, City of Sherman
Joey Rickman, City of Honey Grove

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

Secretary/Treasurer Wortham called the meeting to order at 2:01 PM. Secretary/Treasurer Wortham explained that he was the last remaining officer still remaining on the Board and the meeting would be turned over to the new president upon election. The Board members introduced themselves to the public. All members were present except Board Member Gattis.

2. Administer Oaths of Office

Mrs. Catterson issued the Oaths of Office to Board Members Gibson, Newhouse, Purcell, and Wortham.

3. Consider and act upon election of Officers for October 2013 through August 2015.

A nominating committee was appointed at the previous Board meeting. The chair, George Olson presented the recommendations of the committee. The previous officers included President Butch Henderson, Vice President George Olson and Secretary/Treasurer Don Wortham. However, Mr. Henderson and Mr. Olson are no longer on the Board of Directors. The committee recommended, based on the amount of new members, that the officers should be Board members that have served a previous term. Mr. Olson provided the Committee's recommendation that Board Member Patterson to serve as president, Board

Member Latham to serve as Vice President and Board Member Wortham to serve as Secretary/Treasurer. Resolution number 2011-03-21-1 establishes that the elected officers are authorized signators for checks.

Board Member Newhouse motioned to elect Board Member Patterson as President, Board Member Latham as Vice President and Board Member Wortham as Secretary/Treasurer. The motion was seconded by Board Member Gibson and passed unanimously.

At this time, President Patterson presided over the meeting.

4. Consider and act upon Resolutions of Appreciation for and presentation of Plaques of Appreciation to previous Board members

The three previous Board members of the District were in attendance at the meeting. President Patterson thanked Mr. Henderson, Mr. Morrison and Mr. Olson for their service. He presented the Plaques of Appreciation to Mr. Henderson, Mr. Morrison and Mr. Olson.

Secretary/Treasurer Wortham motioned to approve Resolutions of Appreciation for Butch Henderson, Don Morrison and George Olson. The motion was seconded by Vice President Latham and passed unanimously.

5. Public Comment.

No comments received.

6. Consider approval of Minutes of August 15, 2013 board meeting

Vice President Latham motioned to approve the Minutes of the August 15, 2013 board meeting. The motion was seconded by Secretary/Treasurer Wortham and passed unanimously.

7. Review and approval of monthly invoices.

Mr. Chapman presented the invoices in 2013-10-17-04 for a total of \$37,507.81. Included in the invoices is one bill for Lloyd Gosselink firm for approximately \$6,000. This bill includes activities requested by the staff for open records requests, property ownership issues, electronic signatures, and other requests. The property ownership issues were regarding oil and gas leases, which have now been resolved by requiring landowner signatures on all well registration applications.

Secretary/Treasurer Wortham motioned to approve the monthly invoices for a total of \$37,507.81. The motion was seconded by Board Member Newhouse and passed unanimously.

8. Receive Monthly Financial Information

Mr. Chapman reviewed the monthly financial information with the Board. The revenue is for the first two quarters of the year. The third quarter will be billed out shortly. Several line items are over the budgeted amount, including legal expenses and the field technician. The field technician is over budget as Operations Supervisor Alan Moore has been assisting the field technician.

Board Member Purcell addressed the Board and asked if all members are required to vote for each item. President Patterson explained that the legislation was designed to not overwhelm the Fannin County representatives. All items of substance must have agreement by six of the seven Board members.

9. Consider and act upon Administrative Services Contract with the Greater Texoma Utility Authority for 2014

This is an item that is presently annually to the Board. The Authority has been providing administrative services to the District since the District became active in 2011 to save the District the cost of an office and full-time staff. The amounts in the agreement are tied to the budgeted amounts of the District. Board Member Purcell asked if it was a competitive bid with a request for proposals and Mr. Chapman responded that it was not.

Vice President Latham motioned to approve the Administrative Services contract with the Authority for 2014. The motion was seconded by Secretary/Treasurer Wortham and passed unanimously.

10. Consider and act upon authorization to seek proposals for the management and maintenance of the well registration website

Mr. Chapman explained that the District has a website to register wells and track well information. The website is also available to the public for information on the location of wells. The website was designed two years ago by Alan Plummer Associates and subcontracted to IT Nexus for the development of the database. After completion of the project, a maintenance contract was issued with IT Nexus. Initially, the maintenance contract worked well. However over the course of the past year, the contractor has become increasingly slow to respond to requests for assistance and to provide enhancements to the site. In some cases it has taken two weeks for a confirmation response and another four weeks for the request to be fulfilled. For example, the Board requested the staff have water loss information added to the website in July and that request has still not been fulfilled. The staff has researched the problem and spoken with Alan Plummer Associates to research possible solutions.

Mr. Adam Rose with Alan Plummer Associates was the lead in the creation of the well registration website. He provided the staff with three options. 1. He could provide a list of possible candidates to maintain the website as it stands. The problem with this solution is that most website maintenance firms are not experienced in GIS websites and would not have any background on the District. 2. Alan Plummer Associates has hired a GIS specialist to maintain GIS websites. The problem with this solution is that they are unfamiliar with the current design of the system and would need to research the set up. Or, 3. They could upgrade the system and then maintain it. The current website was designed using Adobe Select. This product has now been purchased by ESRI and is being converted to proprietary software. If the District desires to stop using an ESRI server license, which costs \$2,500 per year, the system will need to be upgraded to run off a more common database.

Vice President Latham motioned for the staff to submit Requests for Proposals to interested parties and present the responses to the Board at the next meeting for review. The motion was seconded by Board Member Purcell and passed unanimously. Mrs. Catterson requested the Board appoint a committee to review the proposals and provide a recommendation to the Board at the next meeting. President Patterson asked for volunteers to serve on the Committee. The Committee was appointed to include Vice President Latham, President Patterson and Board Member Purcell.

11. Consider and act upon appointing a representative for Groundwater Management Area 8 and receive update on Groundwater Management Area 8 activities

Mr. Chapman offered to the new Board members to review in detail the current groundwater issues in Texas at a time where they could meet with the staff. Mr. Chapman explained that the State is divided into

16 groundwater management areas, which are identified in large part by the major aquifers. The District is in Groundwater Management Area 8 (GMA 8), which is identified by the Trinity Aquifer. GMA 8 encompasses 57 counties from the Red River to north of Austin. GMA 8 will be required to determine by 2016 desired future conditions for the aquifers for 50 years in the future. Not all 57 counties have groundwater conservation districts. There are already disputes over groundwater in GMA 8. Mr. Chapman reviewed the differences of opinion that are currently being experienced. The District will need to be proactive in GMA 8 in order to stay informed of activities being undertaken.

Due to the financial limitations of the Texas Water Development Board (TWDB), the existing Groundwater Availability Model was not going to be updated. Four North Texas groundwater conservation districts including the North Texas GCD, Northern Trinity GCD, Prairielands GCD and the Upper Trinity GCD agreed to fund the update of the model. The new model will be completed in 2014. Mr. Chapman recommended that the District make sure to participate in the GMA 8 meetings and discussions of defined future conditions. The Board member appointed to represent the District needs to be able to participate in all GMA 8 meetings. President Patterson confirmed that the State has now revised the definition of desired future conditions for them to be defined and be the maximum amount of drawdown.

Board Member Gattis has offered to serve as the representative on GMA 8 for the District. Board Member Gattis has a professional background and is familiar with the process. Mr. Chapman did explain that any Board member may serve as a representative for GMA 8. Board Member Purcell asked if the other groundwater conservation district areas meet. Mr. Chapman explained that the four districts participating in the model update meet regularly. The southern districts in GMA 8 have been formed for many years and have historical information to support their defined future condition needs. Board Member Purcell explained his concern is because two lakes are being created in Fannin County, which has provided a negative impression for Fannin County because they will not receive revenue from the new lakes. Mr. Chapman explained that the District was invited to participate in the new groundwater model, but the cost would have doubled the budget and the Board did not feel it was fiscally responsible.

Board Member Purcell asked how the other groundwater conservation districts were able to afford to participate in the model update. Mr. Chapman explained that some of the older districts are tax based and the other districts have much higher fees.

Secretary/Treasurer Wortham nominated Board Member Gattis to serve as the GMA 8 representative and Board Member Newhouse as an alternate representative. The motion was seconded by Vice President Latham and passed unanimously.

The next meeting of the GMA 8 will be on January 21, 2014.

12. Receive Management Plan Quarterly Report Regarding Assessment of Drought in District

Mrs. Bennett explained that at the time of the development of the drought report, the area was still considered in a moderate drought. Rainfall was normal, but the storage index was below normal. The temperatures in Texas are expected to increase in the future. Lake Texoma was 88.7% full and was not impacted strongly by the recent rains.

Mr. Chapman explained that the quarterly drought report is a requirement of the Management Plan.

13. Consider and act upon enforcement actions on non-compliant well owners

Most of the well owners have been compliant and been very responsive. Some have needed additional encouragement to comply with the District's rules. However, it has reached a point where the staff has exhausted all knowledge of gaining compliance on four golf courses in Grayson County. Golf courses at one time thought they were exempt from registration and reporting. However, the staff has explained the need for registration and reporting. In some cases ownership has changed and finding the correct contact has been difficult, which applies to two of the golf courses. One of the golf courses has refused to comply at all and the other has refused to provide meter readings. These four cases have been turned over to the Lloyd Gosselink Firm. Mrs. Fitzsimmons has been handling the enforcement, as her fees are lower than Brian Sledge's. She has been working to receive compliance, but they may result into a civil suit.

President Patterson explained that he represents the small cities in Grayson County and he is sure that they feel that the rules need to be enforced across the board. He expressed that it was not fair for the cities and water providers to be paying their invoices as required and golf courses not being required to comply. The Board agreed unanimously that the Rules should be enforced equally. Mr. Chapman explained that several entities have taken time to come into compliance, but in almost all cases once the correct contact is located, compliance happens very quickly. The turf growers have been very cooperative.

Board Member Newhouse motioned to pursue enforcement. The motion was seconded by Vice President Latham and passed unanimously.

14. General Manager's Report

Mr. Chapman introduced Mr. Satterwhite, who has started working with the Authority as the General Manager. Mr. Satterwhite is a civil engineer and started work with the Authority on September 23rd.

Mr. Chapman offered to the new members to provide information to them on the history of the District and information about groundwater throughout the State.

The District will need to update the Rules, which were adopted on August 29, 2011 and amended in 2012. They are designated as Temporary Rules because there are items that are discovered that need to be updated and addressed. The staff has a list of several items that need to be addressed in the Rules. Before the Rules can be amended, a public hearing must be held to receive comments from the public. Budgets must be adopted in October of each year, but are generally adopted in the summer in order to provide the rates to the rate payers in time for their budget cycles in September.

President Patterson asked about the item listed for consideration on the North Texas GCD's rule changes that included recouping legal fees. The staff responded that the North Texas GCD decided to add a tiered late fee for payment of production fees. Board Member Purcell asked about using a collection agency for late fees instead of utilizing an attorney. Mr. Chapman agreed to review the possibility with the District's legal counsel.

In addition to having a representative on GMA 8, the District will need a hydrologist to advise on the relationship between the groundwater availability model between other districts. Mr. Chapman explained that he would recommend having a hydrologist attend the GMA 8 meetings to represent the District and provide an expert opinion. The District's hydrologist is Bill Hutchison, who is a professional engineer and hydrologist. Mr. Hutchison used to operate the TWDB's groundwater division and helped prepare the District's management plan. The cost for Mr. Hutchison is \$150 per hour, which is very reasonable. Mr. Hutchison is very capable of summarizing the activities of GMA 8 for the Board. The budget will most likely need to be amended to include extra fees for hydrologist.

Board Member Purcell asked if there were any other sources of revenue for the District other than production fees and registration fees, such as the funding that would be authorized by Proposition 6. Mr. Chapman responded that no other sources of revenue are available to the District. The funds that would be authorized by the approval of Proposition 6 would be for water infrastructure projects in the State.

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

The next Board meeting was scheduled for November 21, 2013 at 2:00 PM.

16. Adjourn

Vice President Latham motioned to adjourn the meeting, seconded by President Patterson and passed unanimously. The Board adjourned at approximately 3:20 PM.

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Carmen Catheron
Recording Secretary

John Wathorn
Secretary-Treasurer