

**NORTH TEXAS
GROUNDWATER
CONSERVATION
DISTRICT**

BOARD MEETING

**MUSTANG SUD ADMINISTRATIVE OFFICES
7985 FM 2931
AUBREY, TEXAS**

**TUESDAY
AUGUST 11, 2015
10:00 AM**

NOTICE OF PUBLIC MEETING

OF THE
BOARD OF DIRECTORS of the

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
at the

Mustang SUD Administrative Offices
7985 FM 2931
Aubrey, Texas
Tuesday, August 11, 2015 at 10:00 a.m.

Board Meeting

The regular Board Meeting will begin at 10:00 a.m.

Notice is hereby given that the Board of Directors of the North Texas Groundwater Conservation District ("District") may discuss, consider, and take all necessary action, including expenditure of funds, regarding each of the agenda items below:

Agenda:

1. Pledge of Allegiance and Invocation.
2. Call to order, establish quorum; declare meeting open to the public.
3. Administer Oath of Office to reappointed Board Member
4. Public comment
5. Consider and act upon approval of the minutes from the July 14, 2015, board meeting.
6. Consider and act upon approval of invoices and reimbursements.
7. Receive reports from the following Committees*:
 - a. Budget and Finance Committee
 - 1) Receive Monthly Financial Information
 - 2) Consider and act preliminary 2016 Operating Budget
 - b. Investment Committee
 - c. Rules and Bylaws Committee
 - d. Groundwater Monitoring and Database Committee
 - e. Policy and Personnel Committee
 - f. Conservation and Public Awareness Committee
 - g. Management Plan Committee
 - h. Desired Future Condition Committee

8. Update and possible action regarding the process for the development of Desired Future Conditions (DFCs).
9. Consider and act upon compliance and enforcement activities for violations of District.
10. Consider and act upon agreements regarding groundwater availability model runs 7 & 8:
 - a. Interlocal contract with Prairielands, Red River, and Upper Trinity Groundwater Conservation Districts
 - b. Consultant agreement with Intera Inc. to perform the project work
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 public meeting.

* Reports from District standing committees will include a briefing by each committee for the Board on the activities of the committee, if any, since the last regular Board meeting.

The above agenda schedules represent an estimate of the order for the indicated items and is subject to change at any time.

These public meetings are available to all persons regardless of disability. If you require special assistance to attend the meeting, please call (855) 426-4433 at least 24 hours in advance of the meeting to coordinate any special physical access arrangements.

For questions regarding this notice, please contact Velma Starks at (855) 426-4433, at ntgcd@northtexasgcd.org, or at 5100 Airport Drive, Denison, TX 75020.

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 North Texas 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.

ATTACHMENT 5

**MINUTES OF THE BOARD OF DIRECTORS' PUBLIC MEETING
NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT**

TUESDAY, JULY 14, 2015

**MUSTANG SUD ADMINISTRATIVE OFFICES
7985 FM 2931
AUBREY, TEXAS**

Members Present: Joseph Helmberger, Philip Sanders, Eddy Daniel, Kenny Klement (arrived at 10:10 a.m.), Ron Sellman, Ronny Young, Thomas Smith

Members Absent: Evan Groeschel and Chris Boyd

Staff: Drew Satterwhite, P.E., Carolyn Bennett, Debi Atkins, Velma Starks

Legal Counsel:

Visitors: Peter M. Schulmeyer, Collier Consulting Inc.
Neal Welch, City of Sanger
Axel and May Haubald, Greenwood
Bob Patterson, Northern Trinity GCD

1. Pledge of Allegiance and Invocation

Ronny Young provided the invocation and led the group in the pledge of allegiance.

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

President Smith called the meeting to order at 10:00 a.m., and established that a quorum was present, declaring the meeting open to the public.

3. Administer Oath of Office to reappointed Board Members

Carolyn Bennett administered the Oath of Office to reappointed Board members, Ron Sellman and Philip Sanders.

4. Consider report from Nominating Committee and Election of Officers

The Nominating Committee, comprised of Thomas Smith, Ronny Young and Eddy Daniel, met and provided a recommendation to the Board of Directors for Officers for the period of July 2015 through July 2017. Motion was made by Board Member Philip Sanders to nominate Eddy Daniel as President of North Texas Groundwater Conservation District, with Evan Groeschel as Secretary/Treasurer and Ronny Young as Vice President. The motion was seconded by Joseph Helmberger, and passed unanimously with a vote three members absent.

5. Public comment

There were no public comments from the visitors present.

6. Consider and act upon approval of Minutes from the May 12, 2015 board meeting

Mr. Satterwhite reported that changes needed to be made to the minutes of the May 12, 2015 meeting, Item #9, as requested by General Counsel Brian Sledge. The first paragraph was changed to read: "Pursuant to the Texas Open Meetings Act, Chapter 551.071, Government Code, President Thomas Smith convened the

Board into Executive Session to consult with the District's attorney regarding compliance and enforcement activities for violations of the District's Rules at 10:11 a.m." Motion by Thomas Smith to approve the Minutes of the May 12, 2015 board meeting with the revisions requested by General Counsel. The motion was seconded by Ron Sellman and passed with a unanimous vote, with three members absent.

7. Consider and act upon approval of invoices and reimbursements.

General Manager Drew Satterwhite, P.E., presented and discussed the invoices and reimbursements with the Board of Directors. After discussion, motion was made by Philip Sanders to approve Res 2015-07-14-1. The motion was seconded by Ronny Young and passed unanimously with two members absent.

8. Consider and act upon 2014 Audit

The 2014 audit was presented to the Board of Directors by Carl Deaton of Hankins Eastup Deaton Tonn & Seay. Mr. Deaton reviewed the financial statement, balance sheets, and liability statement with the Board, and discussed governmental accounting standards requirements for reporting.

Motion was made by Joseph Helmberger, seconded by Thomas Smith, and passed unanimously with two members absent to approve the audit for Fiscal Year Ending December 2015.

9. Receive reports from the following Committees*:

a. Budget and Finance Committee

1) Receive Monthly Financial Information

The Board received and discussed the monthly financial information.

2) Consider and act preliminary 2016 Operating Budget and Fee Schedule

Mr. Satterwhite discussed the preliminary operating budget and fee schedule with the Board of Directors. Philip Sanders, Chairman of the Budget and Finance Committee, discussed with the Board the budget for 2016 and the Committee's review of the budget. Mr. Sanders compared the percentage differences between the averages of the previous years. Mr. Sanders stated the Committee is comfortable with leaving the fee schedule as is but wanted to wait to present the budget for approval until the next second quarter revenue is determined.

The Board discussed the budget line item for consulting for model runs, repayment of the interest-free loan from the three counties, and revenues expected for 2015.

Motion was made by Philip Sanders and seconded by Ronny Young to adopt Resolution No. 2015-07-14-2 and passed unanimously with two members absent, approving the fee schedule for 2016:

\$0.10 per gallon for non-exempt wells

\$1.00 per acre-foot for agriculture use

b. Investment Committee

No report provided

c. Rules and Bylaws Committee

No report provided

d. Groundwater Monitoring and Database Committee

No report provided

e. Policy and Personnel Committee

No report provided

f. Conservation and Public Awareness Committee

No report provided

g. Management Plan Committee

1) Receive Quarterly Report

General Manager Satterwhite presented the quarterly report to the Board of Directors.

h. Desired Future Condition Committee

This matter will be discussed under Item 10.

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

President Eddy Daniel stated a meeting of the GMA8 Board has been scheduled for September 2nd if any of the North Texas GCD Board Members wish to attend. GMA8 has agreed as a group on the initial model runs for the Desired Future Conditions. These should be completed prior to the September meeting. GMA8 members were provided an opportunity to revise the 2010 numbers provided by the Texas Water Development Board in their GAM run, and this effort should result in a better GAM run for the GMA8 members.

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

General Manager Satterwhite stated there are no new violations to report, the two from the last meeting have provided the necessary funds or data to bring them into compliance. District staff is working on another group of violators and will report to the Board on them if it becomes necessary.

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

Mr. Satterwhite reported to the Board regarding injection wells and the legislative session.

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

Next Board meeting to be August 11th, at Mustang SUD at 10:00 a.m.

Kenny Klement discussed detention dams being constructed in the future to provide water.

14. Adjourn public meeting

The Board adjourned at 11:01 a.m.

#####

ATTACHMENT 7 A-2



AGENDA COMMUNICATION

DATE: August 5, 2015

SUBJECT: AGENDA ITEM NO. 7 a. 2

CONSIDER AND ACT UPON PRELIMINARY 2016 OPERATING BUDGET

ISSUE

2016 Operating Budget

BACKGROUND

Over the past 5 years, the Board of Directors of the North Texas Groundwater Conservation District (District) has established the practice of adopting 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 fiscal years that begin October 1st extending through September 30th. For this reason, the Board has attempted to establish production fees as early as possible in the budget planning process.

A draft 2016 budget was presented to the Budget Committee in late June. The committee provided a draft budget to the board in July, but did not recommend adoption at that meeting. This will enable the committee to consider the 2015 2nd quarter production fees when forecasting revenues for the 2016 budget. The attached draft budget addresses all comments received thus far by the Budget Committee. However, the revised revenue projection will not be available until the meeting.

At the July 2015 meeting, the Board adopted the 2016 fee schedule which included no changes from the previous year.

OPTIONS/ALTERNATIVES

The staff is available to meet with the Budget Committee again to discuss any issues that the Board would like addressed in the proposed 2016 budget.

CONSIDERATIONS

At the July 2015 meeting, the Board adopted the 2016 fee schedule which included no changes from the previous year. The proposed 2016 budget is based upon the recently adopted fee schedule. The budget committee will have a production fee revenue recommendation at the meeting.

The Board should feel an additional level of confidence in the District's financial position due to the fund balance of \$1,198,946 as of December 31, 2014. This fund balance is sufficient to provide a source of funding should production fees drastically decrease for any reason.

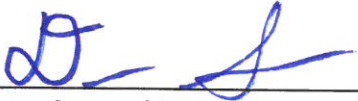
STAFF RECOMMENDATIONS

After discussing this matter with the Budget Committee, the staff recommends adopting the proposed 2016 budget.

ATTACHMENTS

Draft 2016 Operating Budget
Resolution
2016 Fee Schedule

PREPARED AND SUBMITTED BY:



Drew Satterwhite, P.E., General Manager

SUBMITTED BY:



Debi Atkins, Finance Officer

**NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
BUDGET 2016**

	Actual 2012	Actual 2013	Actual 2014	Adopt 2015	Actual @ 4/30/2015	EST FOR 12/31/2015	Proposed 2016
Ordinary Income/Expense							
Income							
46003 GMA#8	7,497	625	35,407	64,575	119,687.60	478,750	36,354
*46001 PRODUCTION FEES	816,378	928,254	698,005	615,000			591,500
46005 Drillers Fees			2,400				
46006 WELL REG FEES		23,736	15,500	5,000	4,800.00	9,600	5,000
46016 Penalty & Fines			4,150		2,727.62	2,728	
46100 Interest			1,953		598.03	1,794	1,000
46015 LATE FEES			3,203				
Total Income	823,875	952,614	760,618	684,575	127,813	492,872	633,864
Expense							
77010 ADMINISTRATIVE	98,579	113,385	114,405	120,000	34,839.15	104,517	120,000
77030 ADS-LEGAL	626	420	468	1,000		1,000	1,000
77025 ACCOUNTING	10,624	21,720	18,918	20,000	4,990.00	14,970	20,000
77027 AUDITING	4,975		9,975	5,200		5,200	5,000
77050 BANKING FEES	270						
77100 CONSULTING UPDATE	134,298	214,085	148,748	0			
77150 CONSULTING-HYDROGEO			18,676	30,000	1,257.98	30,000	34,400
77175 CONSULTING-MODEL RUNS				20,000		20,000	5,000
77550 CONTRACT FIELD PERSON	72,487	43,601	57,431	70,000	29,024.60	87,074	95,000
77325 DIRECT COSTS-REIMB	3,322	3,910	3,648	4,000	1,077.26	3,232	4,000
77450 DUES & SUBSCRIPTION	458	1,250	1,583	1,000	332.75	998	1,600
77480 EQUIPMENT	4,040	1,082	9,388	2,500		2,500	2,500
77500 FEES-GMAS	3,615	2,429	44,900	73,800	2,409.69	7,229	40,000
77650 FUEL/MAINTENANCE	1,548	1,610	2,138	3,000	649.44	1,948	3,000
77800 Inject Well Monitoring					398.90	1,197	700
77810 INSURANCE & BONDING	4,587	4,909	4,016	5,000	1,094.96	5,000	5,000
77970 LEGAL	46,406	20,576	63,813	50,000	6,052.99	24,212	50,000
77980 LEGAL-LEGISLATION		9,979		10,000	9,193.00	10,000	
77975 LEGAL-INJECTION					1,233.90	3,702	7,500
78000 LOAN REIMB		45,000	330,000	225,000		225,000	225,000
78010 MEETINGS & CONFERENCES	878	1,295	2,183	2,000	114.70	344	2,000
78310 RENT		2,400	2,400	2,400	800.00	2,400	2,400
78600 SOFTWARE MAINT	2,885	9,373	8,313	7,500	3,420.00	7,500	7,500
78610 TELEPHONE	1,905	2,173	1,766	2,000	573.49	1,720	2,000
78775 WATER QUALITY ISSUES			32,058				
78780 WELL MONITORING/TESTING							
Total Expense	391,503	499,197	874,824	654,400	97,463	559,744	633,600
Net to Fund Balance	432,372	453,418	(114,206)	30,175			

- * 1. LBG General DFC Guidance - similar to last year @ \$17,400
- 2. Visioning workshop - \$4k
- 3. Develop spacing requirements - \$5k
- 4. Permitting workshops - \$8k

RESOLUTION 2015-08-11-2

ADOPTING A BUDGET FOR 2016

THE STATE OF TEXAS

§
§
§

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

Whereas, North Texas Groundwater Conservation District (the “District”) was created as a groundwater conservation district by the 81st Texas Legislature under the authority of Section 59, Article XVI, of the Texas Constitution, and in accordance with Chapter 36 of the Texas Water Code by the Act of May 19, 2009, 81st Leg., R.S., ch. 248, 2009 Tex. Gen. Laws 686, codified at TEX. SPEC. DIST. LOC. LAWS CODE ANN. ch. 8856 (“the District Act”);

Whereas, the District’s Board of Directors (“Board”) has considered the anticipated activities of the District for January 1, 2016 through December 31, 2016, all anticipated expenses and revenues, and has reviewed the proposed budget prepared by the District’s Budget & Finance Committee;

Whereas, pursuant to § 36.154 of the Texas Water Code, the District has developed a budget that contains a complete financial statement, including a statement of the outstanding obligations of the District, the amount of cash on hand to the credit of each fund of the District, the amount of money received by the District from all sources during the previous year, the amount of money available to the District from all sources during the ensuing year, the amount of the balances expected at the end of the year in which the budget is being prepared, the estimated amount of revenues and balances available to cover the proposal budget, and the estimated fee revenues that will be required; and

Whereas, the Board finds that the adoption of the attached budget is merited to support the District’s activities and related expenses from January 1, 2016 through December 31, 2016, and that the attached budget will allow the District to carry out the District’s objectives and responsibilities as prescribed by the District Act and Chapter 36 of the Texas Water Code.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT AS FOLLOW:

- (1) The above recitals are true and correct.
- (2) The Board of Directors of the North Texas Groundwater Conservation District hereby adopts an operating budget for January 1, 2016, to December 31, 2016, as provided in the budget appended hereto as “Attachment A”, which is incorporated herein by reference and hereby approved and adopted.
- (3) The Board of Directors, its officers, and the District employees are further authorized to take any and all actions necessary to implement this resolution.

AND IT IS SO ORDERED.

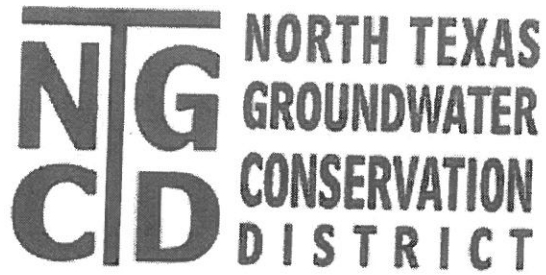
PASSED AND ADOPTED on this 11th day of August, 2015.

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

By: _____
President

SEAL

Secretary



2016 Fee Schedule

Well Registration Fee****	\$100
Well Driller Log Deposit Fee***	\$100 (refundable if log submitted within 60 days)
Agricultural Water Use Fee**	\$1 per acre-foot
Non-Exempt Water use Fee**	\$0.10 per 1,000 gallons
Failure to Pay Water Use Fee within 30-days*	15%
Failure to Pay Water Use Fee within 60-days*	Major Violation – See Appendix A of the Temporary Rules for schedule of Violations

* Adopted on August 12, 2014 in Temporary Rules

** Adopted on August 12, 2014 by Resolution No. 2014-08-12-2

*** Adopted on January 10, 2012 by Resolution No. 2012-01-10-3

**** Adopted on February 12, 2013 by Resolution No. 2013-02-12-2

ATTACHMENT 10



AGENDA COMMUNICATION

DATE: August 5, 2015

SUBJECT: AGENDA ITEM NO. 10 a & b

CONSIDER AND ACT UPON AGREEMENTS REGARDING GROUNDWATER AVAILABILITY MODEL RUNS 7 & 8

ISSUE

Consider and act upon entering into contracts for the work associated with Groundwater Availability Model (GAM) runs 7 & 8. This includes 1) a consultant agreement with Intera Inc. and 2) an Interlocal agreement with four (4) area Groundwater Conservation Districts.

BACKGROUND

On February 18th, the District staff accepted Statements of Qualifications from four (4) firms to perform the next round of modeling on behalf of Groundwater Management Area (GMA) 8. These qualifications were forwarded to all GMA-8 districts with the request that they arrive at the March 2015 GMA-8 meeting prepared to rank and take action on selecting a consultant. At the March 2015 meeting, the GMA-8 representatives voted unanimously to select Intera to perform the future GAM runs. After selection, Intera provided a proposal to the GMA which included costs for runs 5, 6, 7 and 8. Ultimately, the GMA representatives voted to authorize Intera to perform runs 5 & 6 as they felt these were the runs that the entire group would support. At the May North Texas Groundwater Conservation District meeting, the Board authorized an agreement with Intera Inc. to perform the work associated with GAM runs 5 & 6 on behalf of GMA-8.

Since the decision by GMA-8 to support only runs 5 & 6, four (4) of the districts within GMA-8 have expressed interest in performing runs 7 and 8 outside of the GMA-8 group.

Run 7 is a series of simulations where 5,000 acre-feet per year of pumping will be added to the baseline pumping (2010) pumping distribution on a county-by-county basis.

Run 8 involves running the model with the well package (pumping) turned off. While it is not realistic or practical to assume no pumping from the aquifers, this simulation will allow for comparison of the model's response to no simulated pumping and allow for comparison of the response to other runs.

CONSIDERATIONS

The proposed agreements were developed by the District's legal counsel and are based upon the agreements from the recent GAM Overhaul Project.

The Desired Future Condition Committee and the Board has discussed participating in GAM runs 7 & 8 at past meetings which resulted in the Board amending the 2015 budget for model runs to \$30,000. The District's share of runs 7 & 8 would be \$8,000 which is an equal share of the \$32,000 Intera is charging to perform the work. Although the modeling will have to be done aquifer wide for runs 7 & 8, the participating Districts will save approximately \$7,500 by only developing graphs, tables and reports for the counties within the four (4) participating districts.

STAFF RECOMMENDATIONS

The District staff recommends the board authorize entering into agreements for the work associated with GAM runs 7 & 8. This includes 1) a consultant agreement with Intera Inc. and 2) an Interlocal agreement with four (4) area Groundwater Conservation Districts.

ATTACHMENTS

Consultant Agreement
Interlocal Agreement
Project Scope

PREPARED AND SUBMITTED BY:



Drew Satterwhite, P.E., General Manager

hydrogeologic conditions of the aquifers and impacts to the aquifers from pumping, which will enable the Parties to establish more sound DFCs and more accurate MAGs that will be invaluable to the Parties as they implement their management plans and develop their rules to achieve the DFCs; and

WHEREAS, the Parties desire to contract with each other and with a third party consultant to carry out the NTWGAM Runs 7 and 8 project (collectively the “**Project**” as further defined below) in support of their development of DFCs and in support of GMA 8 joint planning; and

WHEREAS, the Parties intend to use the results of the Project to help develop DFCs in accordance with the joint planning process and statutory requirements set forth in Section 36.108 of the Texas Water Code; and

WHEREAS, each Party has all of the authority provided in Chapter 791, Texas Government Code, its respective enabling act, Chapter 36 of the Texas Water Code, including, but not limited to, Sections 36.1086, 36.205, and 36.207 of the Texas Water Code, to enter into any and all such contracts as necessary to achieve the intent and purposes of the Project; and

WHEREAS, the Parties desire to create a committee (the “**Contract Management Committee**”), whereby the Contract Management Committee will include representatives appointed by each Party (the “**Party Appointee**”) to carry out the intent of the Parties in pursuing the Project; and

WHEREAS, the Parties intend to enter into a contract with a third-party consultant (the “**Consultant Contract**”), whereby the third-party consultant shall gather and incorporate technical information and perform such other services as necessary or appropriate to undertake and complete the Project pursuant to the terms of the Consultant Contract, and the Parties shall pay for such costs of the Consultant Contract as further described herein; and

WHEREAS, the Parties intend to execute the Consultant Contract either simultaneously with this Agreement or within sixty (60) days of the final execution of this Agreement; and

WHEREAS, the Parties desire to enter into this Agreement to: (i) memorialize the general concepts of agreement relative to the Project and Consultant Contract, including the purposes and intent of the Parties in participating in the Project; and (ii) evidence the ultimate rights and responsibilities of the Parties, including the provision of funds by the Parties for the Project; and

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements of the Parties contained in this Agreement, the Parties agree as follows:

I. DEFINITIONS

When used in this Agreement, capitalized terms not otherwise defined shall have the meanings set forth below:

1.01 “*Agreement*” means this “Interlocal Agreement Regarding Groundwater Availability Model Runs 7 and 8 Project.”

1.02 “*Consultant*” means Intera, Inc., which is the third-party consultant that the Parties will contract with through the Consultant Contract to carry out the terms, intent, and purposes of the Project and to complete and deliver the Project Work Product in accordance with the terms of this Agreement and Consultant Contract.

1.03 “*Consultant Contract*” means the contract contemplated to be executed either simultaneously with this Agreement or within sixty (60) days of the Effective Date by the Parties and the Consultant for the Consultant to undertake all technical work necessary under the Project for the creation of the Project Work Product.

1.04 “*Contract Management Committee*” means the committee created by virtue of this Agreement that is responsible for all decisions on the scope and direction of the work related to the Project, and that is comprised of one Party Appointee of each Party.

1.05 “*Effective Date*” means the last date of execution of this Agreement by the Parties as indicated on the signature pages; provided each of the Parties must execute this Agreement for it to be effective.

1.06 “*Party*” or “*Parties*” means the North Texas Groundwater Conservation District, the Red River Groundwater Conservation District, the Prairielands Groundwater Conservation District, and/or the Upper Trinity Groundwater Conservation District, individually or collectively, as applicable.

1.07 “*Party Appointee*” means the individual appointed by a Party to the Contract Management Committee as set forth under Section II of this Agreement.

1.08 “*Project*” means, collectively, the work, as more specifically set forth in the Consultant Contract, related to the NTWGAM model simulations for Runs 7 and 8, including the presentation of simulation results for Runs 7 and 8.

1.09 “*Project Work Product*” means the deliverables for each Party created by the Consultant through the Consultant Contract that achieves the purposes and intent of the Project, this Agreement, and the Consultant Contract.

1.10 “*Term*” means the term of this Agreement, which shall commence on the Effective Date and will continue until November 1, 2015, or as otherwise extended or terminated in accordance with the provisions herein.

1.11 “*Total Contract Price*” means the total amount the Parties shall collectively pay under the Consultant Contract for the Project, which shall not exceed Thirty-Two Thousand and 00/100 Dollars (\$32,000.00).

1.12 “*Total Party Expense*” means the equal one-quarter portion that each Party shall pay to reimburse the Consultant for payment for the Project, which portion shall not exceed in the aggregate a sum of Eight-Thousand and 00/100 Dollars (\$8,000.00) for all invoices

collectively paid by each Party to the Consultant.

II. STRUCTURE & SCOPE OF PROJECT

2.01 General.

(a) **Responsibility for the Project.** The Parties acknowledge and agree that the Parties shall be jointly and severally responsible for the Project, as set forth in this Agreement.

(b) **Contracts to Carry Out Project.** The Parties acknowledge and agree that the Parties shall enter into a separate contract with the Consultant to carry out the Project and that the Consultant may unilaterally enter into any and all agreements necessary to effectuate the Project as necessary. Notwithstanding the foregoing, the Parties maintain full control and responsibility for the Project and all decisions that relate thereto.

2.02 Structure for Decision-Making Related to Project

(a) General.

(i) **Contract Management Committee.** Each Party shall appoint one individual to represent the Party on the Contract Management Committee as the Party Appointee, thus making four (4) total members on the Contract Management Committee. An individual is only eligible to be appointed as a Party Appointee by a Party if the individual serves on the Party's Board of Directors or is an employee of the Party. Each Party maintains sole responsibility over its respective Party Appointee and has the sole discretion to remove and/or replace its Party Appointee appointed to the Contract Management Committee. The Party Appointees may elect one Party Appointee to serve as the Chair of the Contract Management Committee Chair to schedule meetings, preside over meetings, or otherwise coordinate activities under this Agreement.

(ii) **Project Decisions Made by Contract Management Committee.** Each Party Appointee on the Contract Management Committee shall have one (1) vote so that each Party is equally represented on the Contract Management Committee. The Contract Management Committee is responsible for making all decisions presented for decision by the Consultant and all decisions regarding the performance, scope, and outcome of the Project and Project Work Product.

(iii) **Project Meetings.** Throughout the term of this Agreement, the Contract Management Committee shall hold meetings regarding the Project at least once each quarter, with meetings held at a minimum in March, June, September, and December of each calendar year, unless the Contract Management Committee unanimously agrees otherwise. Meetings may also be held by teleconference from time to time, as deemed necessary or appropriate by the

Contract Management Committee.

(iv) **Quorum and Majority Voting Structure for Contract Management Committee.** A majority (three) of the Contract Management Committee members constitutes a quorum of the members of the Contract Management Committee and is required for an affirmative vote on any matters related to the Project. The Contract Management Committee will strive to achieve a consensus on all matters, to the maximum extent achievable, as such consensus is important for the public policy, intent, purposes, and cooperation related to the Project. In the absence of consensus, an affirmative vote of a majority (three) of the members is required to approve any action or transact any business. For purposes of this Agreement, a consensus is a unanimous vote on a particular matter. In instances where the quorum is comprised of only three members, an affirmative consensus of all three members present is required to approve any action or transact any business.

III. CONSULTANT CONTRACT

3.01 Generally.

(a) The Parties shall enter into the Consultant Contract with terms consistent with this Agreement either simultaneously with this Agreement or not later than sixty (60) days after the execution of this Agreement.

(b) The Consultant Contract shall include terms that the Consultant is responsible for the technical work related to the Project and for completion of the Project Work Product. The Consultant Contract shall include terms that the Contract Management Committee is the Parties' liaison to the Consultant and that the Project and Project Work Product shall be completed in accordance with the terms of the Consultant Contract and the direction of the Contract Management Committee.

(c) The Consultant Contract shall include terms that all payments made under such contract shall be from current revenues received, as appropriated by each Party's Board of Directors, through each annual budget adopted in accordance with the applicable procedures of each Party.

(d) The Parties have selected the Consultant under the terms provided in the Professional Services Procurement Act, Chapter 2254, Texas Government Code.

(e) The term of the Consultant Contract shall terminate on the earlier date of November 1, 2015, or on the date the Project Work Product is accepted by the Contract Management Committee as provided herein. Upon termination of the Consultant Contract, all fees due and owed to the Consultant shall be paid under the terms of this Agreement and as provided in the Consultant Contract.

(f) The Consultant Contract shall include terms that the Contract

Management Committee has the authority delegated by the Parties to direct all work to be done under the Consultant Contract and that the Consultant is to take all direction related to the Project from the the Contract Management Committee.

(g) The Consultant Contract shall include terms that within fifteen (15) days after completion of the Project Work Product, the Consultant shall notify the Contract Management Committee that the Project and associated Project Work Product have been completed under the Consultant Contract and the Contract Management Committee shall review the Project Work Product to determine whether the Project Work Product fulfills the terms of the Consultant Contract.

(h) The Consultant Contract shall also include all provisions typical of such an agreement including, but not limited to, provisions of Force Majeure, remedies for breach, and any applicable representations and warranties.

3.02 Payment for Project. The Parties agree that the process for payment of Consultant's invoices is for Consultant to submit invoices on a monthly basis for the previous month's work in the amount of one-fourth of the total invoice to each of the Party Appointees comprising the Contract Management Committee. The Contract Management Committee will then review the invoice and determine whether payment shall be made by the Parties. If the Contract Management Committee finds a discrepancy or finds clarification of an invoice submitted by the Consultant to be necessary, the Contract Management Committee shall work with the Consultant to resolve the discrepancy or receive the clarification, and the Consultant shall submit any revised invoices or explanation of an unsolved discrepancy to the Contract Management Committee for consideration and decision. Once an invoice is approved for payment by the Contract Management Committee, each of the Parties shall pay their one-quarter share of the total Consultant invoice directly to the Consultant, provided however that the payment of invoices collectively by all of the parties shall not exceed in the aggregate for all invoices received for the Project a sum greater than the Total Contract Price of Thirty-Two Thousand and 00/100 Dollars (\$32,000.00) (the "**Total Contract Price**"), and further provided that the payment of invoices by an individual Party shall not exceed in the aggregate for all invoices received by that individual Party for the Project a sum greater than Eight-Thousand and 00/100 Dollars (\$8,000.00) (the "**Total Party Expense**"). All expenses, including any travel expenses, incurred by Consultant related to the Project are included in the total Consultant Contract price for the Project. In the event an individual Party requests the Consultant to attend a meeting or event of the Party, the individual Party shall pay the Consultant's travel expenses related to such meeting or event separately and apart from the Total Party Expense and the Total Contract Price. Each Party shall mail payment for an invoice directly to the Consultant without further action required by the Party's Board of Directors within fifteen (15) days of the Contract Management Committee's decision to approve Consultant's invoice.

3.03 Failure to Pay

(a) A Party Appointee shall only have the right to vote on any Contract Management Committee decisions if the Party Appointee's respective Party has made timely payments to the Consultant in accordance with this Agreement and the Consultant Contract.

(b) A Party's failure to make timely payment as set forth under Section 3.02 and the terms of the Consultant Contract shall result in the loss of the Party Appointee's right to vote in meetings of the Contract Management Committee if payment is not made within sixty (60) days of the due date under Section 3.02 of this Agreement, unless the Contract Management Committee agrees to extend the payment due date or agrees to allow the Party to make payments on a payment plan schedule.

3.04 Termination of Consultant Contract. Upon a default by the Consultant under the Consultant Contract, the Contract Management Committee may vote on whether to suspend or terminate the Consultant Contract. Any decision by the Contract Management Committee to terminate the Consultant Contract made under Section 2.02 of this Agreement shall be binding on each Party.

IV.

OWNERSHIP AND MAINTENANCE OF PROJECT WORK PRODUCT

4.01 Acceptance of Project Work Product.

(a) The Parties shall accept the Project Work Product as completed under the terms of the Contract at such time that the Contract Management Committee has determined that the Project Work Product has been completed in accordance with the direction of the Contract Management Committee and Consultant Contract and the Contract Management Committee has accepted the Project Work Product through a majority vote of the Party Appointees.

(b) Upon acceptance of the Project Work Product, the Parties hereby acknowledge and agree that the Project Work Product is to be owned collectively by the Parties. However, the Parties collectively or each Party individually may share the Project Work Product with third parties in the sole discretion of the Parties or Party, as applicable, or as required by law.

V.

GENERAL PROVISIONS

5.01 Recitals. The recitals in this Agreement are true and correct.

5.02 Cooperation. During the Term of this Agreement, the Parties agree to cooperate at all times in good faith to effectuate the purposes and intent of this Agreement and to carry out the purposes and intent of the Project.

5.03 Compliance with Laws. All activities of the Parties under this Agreement and the Consultant Contract Agreement shall be in compliance with all applicable Federal, State, and Local rules, laws, and regulations.

5.04 Agreement Regarding Remedies. The Parties agree that the breach of this Agreement or the Consultant Contract will allow the non-breaching Party/Parties to seek liquidated damages from the breaching Party/Parties limited to the breaching Party's Total Party

Expense owed and remaining under the term of this Agreement or the Consultant Contract, attorney's fees, and any other fees due and owed by the breaching Party under this Agreement or the Consultant Contract.

5.05 Authority. This Agreement is made in part under the authority conferred in Chapter 791, Texas Government Code and Sections 36.1086, 36.205, and 36.207 of the Texas Water Code. Each Party represents and warrants that it has the full right, power and authority to execute this Agreement.

5.06 Severability. The provisions of this Agreement are severable and, if any provision of this Agreement is held to be invalid for any reason by a court or agency of competent jurisdiction, the remainder of this Agreement will not be affected and this Agreement will be construed as if the invalid portion had never been contained herein.

5.07 Assignment. The assignment of this Agreement by any Party is prohibited without the prior written consent of all of the other Parties. All of the respective covenants, undertakings, and obligations of each of the Parties will bind that Party and will apply to and bind any successors or assigns of that Party.

5.08 Source of Payment; Pledge to Secure Payment. The Parties represent and covenant that payments to be made by it under this Agreement and under the Consultant Contract shall constitute funds from the current fiscal year's revenues, as appropriated by each Party's Board of Directors through each Party's annual budget adopted in accordance with the applicable procedures of each Party. Once the Contract Management Committee has voted in favor of making any payments as set forth in this Agreement, each Party may issue a check from the Party's depository bank account without further action by the Party's Board of Directors.

5.09 Third Party Beneficiaries. Except as expressly provided for herein with regard to the Consultant, nothing in this Agreement, express or implied, is intended to confer upon any person or entity, other than the Parties, any rights, benefits, or remedies under or by reason of this Agreement.

5.10 Entire Agreement. This Agreement contains the entire agreement of the Parties regarding the subject matter hereof and supersedes all prior or contemporaneous understandings or representations, whether oral or written, regarding the subject matter. The Parties confirm that further agreements regarding the Project in accordance with the Consultant Contract are contemplated and will not be affected or limited by this Agreement.

5.11 Interpretation and Reliance. No presumption will apply in favor of any Party in the interpretation of this Agreement or in the resolution of any ambiguity of any provisions hereof.

5.12 Relationship of Parties. This Agreement is based upon the active participation of the Parties. Neither the execution nor the delivery of this Agreement shall create or constitute a partnership, joint venture, or any other form of business organization or arrangement between the Parties, except for the contractual arrangements specifically set forth in this Agreement. No Party shall have any power to assume or create any obligation on behalf of the other Party.

5.13 Amendments. Any amendment of this Agreement must be in writing and will be effective if it is signed by the authorized representatives of each the Parties.

5.14 Applicable Law; Venue. This Agreement will be construed in accordance with Texas laws. Venue for any action arising hereunder will be in the appropriate court in any county in which the boundaries of any of the Parties' groundwater conservation districts are located.

5.15 Notices. Any notices given under this Agreement will be effective if (i) forwarded to a Party by hand-delivery; (ii) transmitted to a Party by confirmed telecopy; or (iii) deposited with the U.S. Postal Service, postage prepaid, certified, to the address of the Party indicated below:

North Texas Groundwater Conservation District: North Texas GCD
Attn: General Manager
5100 Airport Drive
Denison, TX 75020
Telephone: (855) 426-4433
Facsimile: (903) 786-8211

Red River Groundwater Conservation District: Red River GCD
Attn: General Manager
5100 Airport Drive
Denison, TX 75020
Telephone: (855) 426-4433
Facsimile: (903) 786-8211

Prairielands Groundwater Conservation District: Prairielands GCD
Attn: General Manager
205 South Caddo Street
Cleburne, TX 76033
Telephone: (817) 556-2299
Facsimile: (817) 556-2305

Upper Trinity Groundwater Conservation District: Upper Trinity GCD
Attn: General Manager
P.O. Box 1749
Springtown, TX 76082
Telephone: (817) 523-5200
Facsimile: (817) 523-7687

5.16 Counterparts; Effect of Partial Execution. This Agreement may be executed simultaneously in multiple counterparts, each of which will be deemed an original, but all of which will constitute the same instrument.

(Signature Pages Follow)

(Signature page of North Texas Groundwater Conservation District to Interlocal Agreement Regarding Groundwater Availability Model Runs 7 and 8 Project)

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT:

By: _____

Printed Name: _____

Title: _____

Date: _____

(Signature page of Red River Groundwater Conservation District to Interlocal Agreement Regarding Groundwater Availability Model Runs 7 and 8 Project)

RED RIVER GROUNDWATER CONSERVATION DISTRICT:

By: _____

Printed Name: _____

Title: _____

Date: _____

(Signature page of Prairielands Groundwater Conservation District to Interlocal Agreement Regarding Groundwater Availability Model Runs 7 and 8 Project)

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT:

By: _____

Printed Name: _____

Title: _____

Date: _____

(Signature page of Upper Trinity Groundwater Conservation District to Interlocal Agreement Regarding Groundwater Availability Model Runs 7 and 8 Project)

UPPER TRINITY GROUNDWATER CONSERVATION DISTRICT:

By: _____

Printed Name: _____

Title: _____

Date: _____

WHEREAS, the Parties further recognize that utilization of the NTWGAM to generate results from multiple predictive simulations will enable the Parties to better understand the hydrogeologic conditions of the aquifers and impacts to the aquifers from pumping, which will enable the Parties to establish more sound DFCs and more accurate MAGs that will be invaluable to the Parties as they implement their management plans and develop their rules to achieve the DFCs; and

WHEREAS, the Parties desire to contract with each other to undertake the work related to the NTWGAM Runs 7 and 8 project (collectively the “**Project**” as further defined below) in support of their development of DFCs and in support of GMA 8 joint planning; and

WHEREAS, the Districts have the authority to contract with one another and with the Consultant to carry out the Project under their respective enabling acts, and Chapter 36 of the Texas Water Code, including, but not limited to, Sections 36.1086, 36.205, and 36.207 of the Texas Water Code, to enter into any and all such contracts as necessary to achieve the intent and purposes of the Project; and

WHEREAS, the Districts have entered into an “Interlocal Agreement Regarding Groundwater Availability Model Runs 7 and 8 Project” (the “**Interlocal Agreement**”) with one another and intend for this Agreement to be consistent with and effectuate the intent and purposes set forth in the Interlocal Agreement, a copy of which is attached hereto as **Exhibit A**; and

WHEREAS, in accordance with the Interlocal Agreement, each District will appoint one individual to represent the District (the “**Party Appointee**”) on a committee (the “**Contract Management Committee**”) that is responsible for carrying out the intent of the Districts in pursuing the Project; and

WHEREAS, the Parties acknowledge that the scope, direction, and review of work related to the Project and the performance of services necessary or appropriate to undertake and complete the Project will involve coordination between and among the Contract Management Committee and the Consultant to fulfill the terms of this Agreement; and

WHEREAS, the Parties desire to enter into this Agreement to evidence the ultimate rights and responsibilities of the Parties, including: (i) the provision of funds by the Districts for Consultant to complete the Project; and (ii) Consultant’s duties related to the Project and for ultimate completion and acceptance of services performed to complete the Project by the Contract Management Committee.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements of the Parties contained in this Agreement, the Parties agree as follows:

I. DEFINITIONS

When used in this Agreement, capitalized terms not otherwise defined shall have the meanings set forth below:

1.01 “*Agreement*” means this “Agreement Regarding Groundwater Availability Model Runs 7 and 8 Project.”

1.02 “*Consultant*” means Intera, Inc., a Texas corporation.

1.03 “*Contract Management Committee*” means the committee created by virtue of the Interlocal Agreement that is responsible for all decisions on the scope and direction of the work related to the Project, and that is comprised of one Party Appointee of each District.

1.04 “*District*” or “*Districts*” means the North Texas Groundwater Conservation District, the Red River Groundwater Conservation District, the Prairielands Groundwater Conservation District, and/or the Upper Trinity Groundwater Conservation District, individually or collectively, as applicable.

1.05 “*Effective Date*” means the last date of execution of this Agreement by the Parties as indicated on the signature pages; provided each of the Parties must execute this Agreement for it to be effective.

1.06 “*Force Majeure*” means and shall be limited to any event or circumstance which is beyond the reasonable control of, without the fault or negligence of, and should not, in the exercise of reasonable caution, have been foreseen and avoided or mitigated by, the Party asserting Force Majeure (the “*Affected Party*”), and which delays or prevents the Affected Party from timely performing any obligation hereunder, including, without limitation: (i) acts of God, earthquakes, fire, storms, severe droughts, floods, lightning, hurricanes, tornadoes, and severe snow storms; (ii) explosions, wars, civil insurrections, acts of the public enemy, acts of civil or military authority, sabotage, and terrorism; (iii) strikes, lockouts or other labor disputes with respect to which the Affected Party has not been determined by the National Labor Relations Board to have engaged in any unfair labor practices; and (iv) any change in any Requirement of Law or the interpretation thereof by a responsible governmental agency or political subdivision of the State of Texas which shall in any circumstances under this subsection impact a Party’s ability to perform its obligations of the Agreement; provided, a “Force Majeure” shall not include economic conditions that render a Party’s performance of this Agreement unprofitable or otherwise uneconomic, or the inability of Party to make payment when due under this Agreement, unless the cause of such inability is an event that physically prevents payment and that would otherwise constitute Force Majeure as described above.

1.07 “*Interlocal Agreement*” means that certain “Interlocal Agreement Regarding Groundwater Availability Model Runs 7 and 8 Project” executed by and between the Districts memorializing the general concepts of agreement relative to the Project and this Agreement, including the purposes and intent of the Districts in participating in the Project and that evidences the ultimate rights and responsibilities of the Districts, including the provision of funds by the Districts for Consultant’s completion of the Project to be used by the District in joint planning and DFC development.

1.08 “*Party*” or “*Parties*” means the North Texas Groundwater Conservation District, the Red River Groundwater Conservation District, the Prairielands Groundwater Conservation District, the Upper Trinity Groundwater Conservation District, and/or Intera, Inc., individually or

collectively, as applicable.

1.09 “*Party Appointee*” means the individual appointed by a District to the Contract Management Committee.

1.10 “*Project*” means, collectively, the work, as more specifically set forth herein and in the Project Scope and Work Plan, related to the NTWGAM model simulations for Runs 7 and 8, including the presentation of simulation results for Runs 7 and 8.

1.11 “*Project Scope and Work Plan*” means the written scope for completion of the Project and Project Work Product that provides detail and the method by which Consultant shall carry out the Project and complete the Project Work Product in order to be accepted by the Contract Management Committee and that also provides a timeline for completion of certain components of the Project and Project Work Product to ensure that the Project Work Product is completed timely and that shall be used by the Contract Management Committee on whether a Consultant invoice should be paid. The Project Scope and Work Plan is attached to this Agreement as **Exhibit B** and is incorporated herein for all purposes.

1.12 “*Project Work Product*” means the presentation of the NTWGAM model simulation results from the Project to the Districts, which shall include contour maps, average drawdown, well impacts, a water budget, and a technical memorandum as more specifically described in the Project Scope and Work Plan.

1.13 “*Term*” means the term of this Agreement, which shall commence on the Effective Date and will continue until November 1, 2015, or as otherwise extended or terminated in accordance with the provisions herein.

1.14 “*Total Contract Price*” means the total amount the Districts shall collectively pay the Consultant under this Agreement for the Project, which shall not exceed Thirty-Two Thousand and 00/100 Dollars (\$32,000.00).

1.15 “*Total District Expense*” means the equal one-quarter portion that each Party shall pay to reimburse the Consultant for payment for the Project, which portion shall not exceed in the aggregate a sum of Eight-Thousand and 00/100 Dollars (\$8,000.00) for all invoices collectively paid by each Party to the Consultant.

1.16 “*TWDB*” means the Texas Water Development Board.

II. STRUCTURE & SCOPE OF PROJECT

2.01 General.

(a) **Responsibility for the Project.** The Parties acknowledge and agree that the Consultant shall be responsible for performing the services related to the Project and that the Districts shall be jointly and severally responsible for payment of compensation for the Project and for making all decisions that relate to the Project and Project Work Product through the Contract Management Committee, as set forth in this Agreement.

(b) **Scope of Project for Completion of Project Work Product.** The Parties acknowledge and agree that the Project Scope and Work Plan is intended to provide the scope for how the Project and Project Work Product must be completed in order to be accepted by the Contract Management Committee in accordance with Section 4.01(b) of this Agreement. The Parties also acknowledge and agree that the target deadline for completion of the Project and Project Work Product are included in the Project Scope and Work Plan to ensure completion of the Project Work Product during the Term of this Agreement and that the Contract Management Committee's approval of payments of the Consultant's invoices under Section 3.01(a) of this Agreement will be based on the Consultant's achievement of the Project Scope and Work Plan. The Parties further agree that the target deadline for completion of the Project and the Project Work Product is September 30, 2015, but that the Consultant shall in no event complete the Project and the Project Work Product later than October 31, 2015, unless this Agreement is extended by the Parties as set forth herein.

(d) **Consultant Indemnification.** The Parties agree that the Consultant may contract separate and apart from this Agreement in order to complete the Project and Project Work Product and that the Consultant shall indemnify and hold the Districts, their employees, and Board of Directors harmless for any claims made by third parties against the Consultant related to the Project and Project Work Product, except to the extent that such claims arise due to the negligence, gross negligence, willful misconduct, or default under the terms of this Agreement by the Districts, their employees, Board(s) of Directors, or agents.

2.02 Structure for Decision-Making Related to Project

(a) The Parties agree that the Contract Management Committee is responsible for making all decisions regarding the Project, the performance of the Consultant, and all decisions regarding the performance, scope, and outcome of the Project and Project Work Product. The Parties acknowledge and agree that the Consultant shall coordinate with the Contract Management Committee as necessary on all aspects of the Project in order for the Project Work Product to be completed in accordance with the terms of this Agreement.

(b) The Consultant is responsible for the technical work related to the Project and for completion of the Project Work Product in accordance with the Project Scope and Work Plan. The Contract Management Committee has the authority delegated by the Districts to direct all work to be done under this Agreement and Consultant is to take all direction related to the Project from the Contract Management Committee.

III.

TERMS OF PAYMENT AND TERMINATION OF CONSULTANT SERVICES

3.01 Payment for Services Related to Project and Project Work Product.

(a) The Parties agree that the process for payment of the Consultant's invoices for Project services is for the Consultant to submit invoices by the thirtieth (30th) day of the month for payment of the previous month's work on the Project to the Contract Management Committee. The Contract Management Committee will then review the invoice in conjunction with the Consultant's progress as set forth in the Project Scope and Work Plan and shall

determine whether payment shall be made by the Districts. If the Contract Management Committee finds a discrepancy or finds clarification of an invoice submitted by the Consultant to be necessary, the Contract Management Committee shall work with the Consultant to resolve the discrepancy or receive the clarification, and shall review any revised invoices or explanation of an unsolved discrepancy for consideration and final decision. Once a Consultant invoice is approved for payment by the Contract Management Committee, each District shall pay an equal portion of the Consultant invoice, but in no event shall the total amount paid by each District exceed the Total District Expense. As set forth in the Project Scope and Work Plan, it is anticipated by the Parties that each District will only receive one invoice for the entire Project under this Agreement, as the Project Scope and Work Plan contemplates that the Consultant will be compensated in one lump sum payment at the conclusion of the work.

(b) All expenses, including any travel expenses, incurred by Consultant related to the Project are included in the Total Contract Price for the Project. In the event an individual District requests that Consultant attend a meeting or event of the District, the individual District shall pay Consultant's travel expenses and other expenses related to such meeting or event separate and apart from the Total District Expense. Each District shall mail payment to the Consultant without further action required by the District's Board of Directors within fifteen (15) days of the Contract Management Committee's decision to approve Consultant's invoice.

3.02 Termination of Agreement and Penalties for Late Completion

(a) This Agreement shall terminate on the earlier of: (i) November 1, 2015, or (ii) on the date the Project Work Product is accepted by the Contract Management Committee as provided herein. Upon termination of this Agreement, all fees due and owed to Consultant for work performed in accordance with this Agreement shall be paid under the terms of this Agreement.

(b) If Consultant fails to comply with the terms of this Agreement and/or to carry out the Project and complete the Project Work Product as set forth herein, the failure will be considered a breach of this Agreement and the Contract Management Committee may suspend or terminate this Agreement upon written notice thereof to Consultant. Any decision by the Contract Management Committee to terminate this Agreement shall be made in accordance with the Interlocal Agreement and shall be binding on each of the Parties to this Agreement.

IV.

OWNERSHIP AND MAINTENANCE OF PROJECT WORK PRODUCT

4.01 Delivery and Acceptance of Project Work Product.

(a) Within fifteen (15) days after completion of the Project Work Product, the Consultant shall notify the Contract Management Committee that the Project and associated Project Work Product has been completed and shall coordinate delivery of the Project Work Product to the Contract Management Committee. The completed Project Work Product must be delivered to the Contract Management Committee within five (5) days of the notification required under this section.

(b) The Contract Management Committee's acceptance of the Project Work Product shall be accomplished by a majority vote of the Party Appointees on the Contract Management Committee in accordance with the Interlocal Agreement.

(c) In the event the Contract Management Committee is not able to accept the Project Work Product because the Project Work Product has not been completed in accordance with this Agreement, the Contract Management Committee shall immediately inform and work with Consultant to correct the deficiencies that prevent the Project Work Product from being accepted.

(d) Upon acceptance of the Project Work Product under Subsection (b) of this section, the Parties hereby acknowledge and agree that the Project Work Product is to be owned collectively by the Districts. The Project Work Product may be provided by any District individually, or by the Districts collectively, to any third party.

V. FORCE MAJEURE

5.01 Notice of Force Majeure. The Affected Party shall give prompt notice to the other Parties of any event or circumstance of Force Majeure as soon as reasonably practicable after becoming aware of such event or circumstance. Each notice served by an Affected Party to the other Party shall specify the event or circumstance of Force Majeure in respect of which the Affected Party is claiming relief. Noncompliance by the Affected Party with the procedure specified in this section shall relieve the other Party from accepting the Affected Party's claim of Force Majeure until the Affected Party so complies, and the Affected Party shall not be excused from performance of any obligation under this Agreement until it so complies.

5.02 Obligations During Pendency of Force Majeure. The Affected Party shall, by reason of any event or circumstance of Force Majeure in respect of which it has claimed relief under this section:

(a) use its best efforts to mitigate the effects of such Force Majeure and to remedy any inability to perform its obligations hereunder due to such event or circumstance as promptly as reasonably practicable;

(b) furnish weekly reports to the other Parties regarding the progress in overcoming the adverse effects of such event or circumstance of Force Majeure; and

(c) resume the performance of its obligations under this Agreement as soon as is reasonably practicable after the event or circumstance of Force Majeure is remedied or such event or circumstance, or the effect thereof on the Affected Party, ceases to exist.

5.03 Resumption of Performance. When the Affected Party is able, or would have been able if it had complied with its obligations under this section, to resume the performance of any or all of its obligations under this Agreement affected by the occurrence of an event or circumstance of Force Majeure, then the period of Force Majeure relating to such event or circumstance shall be deemed to have ended.

5.04 Relief from Obligation of Performance. Except as otherwise provided herein, and provided it has complied with its obligations under this section, the Affected Party shall be relieved from any liability for the non-performance of its obligations under this Agreement where and to the extent that such non-performance is attributable directly to the event or circumstance of Force Majeure asserted.

5.05 Relief from Obligation of Counterperformance. Except as otherwise provided herein, the non-Affected Parties shall not be required to perform or resume performance of its obligations to the Affected Party, if such obligations exist under this Agreement, corresponding to the obligations of the Affected Party excused by reason of Force Majeure. If a District becomes an Affected Party, all Districts that are non-Affected Parties shall continue to make payments under Section 3.01(a) of this Agreement to the Consultant to the extent the Consultant is also a non-Affected Party, and the Consultant shall continue performance of its obligations under this Agreement. A District that is an Affected Party shall tender all payments owed and not paid to the Consultant during the period of Force Majeure as soon as reasonably practicable after the event or circumstance of Force Majeure is remedied or such event or circumstance, or the effect thereof on the Affected Party, ceases to exist. Nothing in this section shall be construed as requiring any District that is a non-Affected Party to make payments on behalf of another District that is an Affected Party during a period of Force Majeure.

5.06 Limitations on Force Majeure

(a) **Scope and Duration.** No event or circumstance of Force Majeure shall relieve the Affected Party of any obligation that accrued prior to the commencement of such event or circumstance of Force Majeure.

(b) **No Extension of Term.** Except as agreed in writing in the future by the Parties, no suspension, delay or failure of performance caused by a Force Majeure event shall extend this Agreement beyond the Term.

(c) **Suspension of Payments.** In the event the Consultant is an Affected Party, the Districts shall pay Consultant invoices under Section 3.01 up to the point that the Districts received notice of the Force Majeure, and shall suspend payment to Consultant until such time that Consultant resumes the work under Section 5.03 of this Agreement.

VI. GENERAL PROVISIONS

6.01 Recitals. The recitals in this Agreement are true and correct.

6.02 Cooperation. During the Term of this Agreement, the Parties agree to cooperate at all times in good faith to effectuate the purposes and intent of this Agreement and to carry out the purposes and intent of the Project.

6.03 Compliance with Laws. All activities of the Parties under this Agreement shall be in compliance with all applicable Federal, State and Local rules, laws, and regulations.

6.04 Agreement Regarding Remedies.

(a) The Parties agree that if a District breaches this Agreement, the Consultant shall first make a recommendation to the Contract Management Committee on whether this Agreement can still be performed despite the breach, and the Contract Management Committee shall meet to vote on the Consultant's recommendation. If the Contract Management Committee determines that this Agreement can still be performed, then the non-breaching Party/Parties may seek liquidated damages from the breaching District/Districts limited to the Annual District Expense owed by the breaching District for each year remaining under the term of this Agreement, attorney's fees, and any other fees due and owed by the breaching District under this Agreement. Damages accrued under this subsection for the Annual Party Expense owed by the breaching District/Districts for each year remaining under the term of this Agreement, attorney's fees incurred by the Consultant, and any other fees due and owed by the breaching District shall be paid to the Consultant to ensure performance of this Agreement. Any attorney's fees accrued by the non-breaching District/Districts to recover damages under this subsection shall be paid directly to the non-breaching District/Districts.

(b) The Parties agree that if, after a District breaches this Agreement and the Consultant makes a recommendation and the Contract Management Committee meets to vote on the recommendation under Subsection (a) of this section, the Contract Management Committee determines that this Agreement cannot be performed due to the breach, then this Agreement shall terminate and all non-breaching Districts shall be limited to seeking the remedies provided in the Interlocal Agreement and the Consultant may seek liquidated damages from the breaching District/Districts limited to the amount of the Total Contract Price that has not yet been paid to the Consultant under this Agreement, attorney's fees, and any other fees due and owed by the breaching District under this Agreement. The Consultant shall only seek to recover damages under this subsection for a breach against the breaching District/Districts and shall not seek recovery under this subsection against the non-breaching Districts.

(c) The Parties agree that the breach of this Agreement by the Consultant will allow the non-breaching Districts, through a decision of the Contract Management Committee, to seek any one of the following remedies or combination thereof, as determined necessary by the Contract Management Committee: (i) specific performance of this Agreement and any District Late Completion Payments due and owed by the Consultant under Section 3.02(c) of this Agreement; (ii) attorney's fees and other court costs; and (iii) any expenses paid by the non-breaching Districts to the Consultant under 3.01(a) of this Agreement and/or damages that result from the Consultant's breach and/or failure to perform under the terms of this Agreement.

6.05 Authority. Each Party represents and warrants that it has the full right, power and authority to execute this Agreement.

6.06 Severability. The provisions of this Agreement are severable and, if any provision of this Agreement is held to be invalid for any reason by a court or agency of competent jurisdiction, the remainder of this Agreement will not be affected and this Agreement will be construed as if the invalid portion had never been contained herein.

6.07 Assignment. The assignment of this Agreement by any Party is prohibited without the prior written consent of all of the other Parties. All of the respective covenants, undertakings, and obligations of each of the Parties will bind that Party and will apply to and

bind any successors or assigns of that Party.

6.08 Source of Payment; Pledge to Secure Payment. The Districts represent and covenant that payments to be made under this Agreement shall constitute funds from the current fiscal year's revenues, as appropriated by each District's Board of Directors through each District's annual budget adopted in accordance with the applicable procedures of each District. After a District has made an appropriation in accordance with this section and after the Contract Management Committee has voted in favor of making any payments as set forth in this Agreement, each District may issue a check from the District's depository bank account without further action by the District's Board of Directors.

6.09 Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer upon any person or entity, other than the Parties, any rights, benefits, or remedies under or by reason of this Agreement.

6.10 Entire Agreement. This Agreement contains the entire agreement of the Parties regarding the subject matter hereof and supersedes all prior or contemporaneous understandings or representations, whether oral or written, regarding the subject matter.

6.11 Interpretation and Reliance. No presumption will apply in favor of any Party in the interpretation of this Agreement or in the resolution of any ambiguity of any provisions hereof.

6.12 Captions and Headings. All titles of sections in this Agreement have been inserted for reference purposes only and shall in no way affect the interpretation of this Agreement.

6.13 Relationship of Parties. This Agreement is based upon the active participation of the Parties. Neither the execution nor the delivery of this Agreement shall create or constitute a partnership, joint venture, or any other form of business organization or arrangement between the Parties, except for the contractual arrangements specifically set forth in this Agreement. No Party shall have any power to assume or create any obligation on behalf of the other Party.

6.14 Amendments. Any amendment of this Agreement must be in writing and will be effective if it is signed by the authorized representatives of each the Parties.

6.15 Applicable Law; Venue. This Agreement will be construed in accordance with Texas laws. Venue for any action arising hereunder will be exclusively in the appropriate court in Tarrant County, Texas.

6.16 Notices. Any notices given under this Agreement will be effective if (i) forwarded to a Party by hand-delivery; (ii) transmitted to a Party by confirmed telecopy; or (iii) deposited with the U.S. Postal Service, postage prepaid, certified, to the address of the Party indicated below:

North Texas Groundwater Conservation District:

North Texas GCD
Attn: General Manager
5100 Airport Drive

Denison, TX 75020
Telephone: (855) 426-4433
Facsimile: (903) 786-8211

Red River Groundwater Conservation District:

Red River GCD
Attn: General Manager
5100 Airport Drive
Denison, TX 75020
Telephone: (855) 426-4433
Facsimile: (903) 786-8211

Prairielands Groundwater Conservation District:

Prairielands GCD
Attn: General Manager
205 South Caddo Street
Cleburne, TX 76033
Telephone: (817) 556-2299
Facsimile: (817) 556-2305

Upper Trinity Groundwater Conservation District:

Upper Trinity GCD
Attn: General Manager
P.O. Box 1749
Springtown, TX 76082
Telephone: (817) 523-5200
Facsimile: (817) 523-7687

Intera, Inc.:

Intera, Inc.
Attn: Van Kelley
1812 Centre Creek Dr., Suite 300
Austin, TX 78754

6.17 Counterparts; Effect of Partial Execution. This Agreement may be executed simultaneously in multiple counterparts, each of which will be deemed an original, but all of which will constitute the same instrument.

(Signature Pages Follow)

(Signature page of Intera, Inc. to Agreement Regarding Groundwater Availability Model Runs 7 and 8 Project)

CONSULTANT:

INTERA, INC.:

By: _____

Printed Name: _____

Title: _____

Date: _____

(Signature page of North Texas Groundwater Conservation District to Agreement Regarding Groundwater Availability Model Runs 7 and 8 Project)

DISTRICTS:

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT:

By: _____

Printed Name: _____

Title: General Manager, North Texas Groundwater Conservation District

Date: _____

(Signature page of Red River Groundwater Conservation District to Agreement Regarding Groundwater Availability Model Runs 7 and 8 Project)

RED RIVER GROUNDWATER CONSERVATION DISTRICT:

By: _____

Printed Name: _____

Title: General Manager, Red River Groundwater Conservation District

Date: _____

(Signature page of Prairielands Groundwater Conservation District to Agreement Regarding Groundwater Availability Model Runs 7 and 8 Project)

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT:

By: _____

Printed Name: _____

Title: General Manger, Prairielands Groundwater Conservation District

Date: _____

(Signature page of Upper Trinity Groundwater Conservation District to Agreement Regarding Groundwater Availability Model Runs 7 and 8 Project)

UPPER TRINITY GROUNDWATER CONSERVATION DISTRICT:

By: _____

Printed Name: _____

Title: General Manager, Upper Trinity Groundwater Conservation District

Date: _____

EXHIBIT A

EXHIBIT B

EXHIBIT B: PROJECT SCOPE AND WORK PLAN; COMPENSATION

1.0 STATEMENT OF SERVICES

Model Simulations

The scope is amended to add Runs 7 and 8 as originally described by the “GMA-8 Request for Qualifications – Predictive Simulations in Support of GMA-8 Joint Planning” that was presented by Intera to the GMA-8 District representatives, attached hereto and incorporated by reference.

- **Run 7** – Like Run 6, this simulation will be a series of simulations where 5,000 acre-feet per year of pumping will be added to the baseline pumping (2010) pumping distribution on a county-by-county basis. For example, a run will be conducted with 5,000 acre-feet per year added to Lamar County and the results extracted, then a run conducted with 5,000 acre-feet per year added to Lampasas County and the results extracted, and so on. For each simulation conducted during Run 7, only one county at a time will have increased pumping while all others will remain at the baseline pumping distribution.

To distribute the 5,000 acre-feet per year, the total pumping in the county from each aquifer, as represented in the 2010 pumping distribution, will be divided by the total pumping in the county from all aquifers. For each layer, the 5,000 acre-feet will be multiplied by the percentage of total pumping from the layer. The amount to be applied to the layer will be added to the 2010 pumping total for that layer and each cell in the layer within the county will be multiplied by the percentage increase. Run 7 will involve 52 individual simulations.

- **Run 8** – This simulation will involve running the model with the well package turned off. While it is not realistic or practical to assume no pumping from the aquifers, this simulation will allow for comparison of the model’s response to no simulated pumping and allow for comparison of the response to Run 5.

Presentation of Simulation Results for Runs 7 and 8

The following presentations of the results shall be included for Run 8.

- **Contour Maps** - Drawdown by layer in 2070 from 2010 simulated water levels for Run 8 will be contoured at the GMA-8 scale. The only results for Run 8 required in the report are GMA-8 wide contour maps of:
 1. Feet of water level decline in 2010 compared to simulated predevelopment water level
 2. Feet of water level decline in 2070 compared to simulated predevelopment water level
 3. Percent recovery between 2010 and 2070

The following presentations of the results shall be included for Run 7. Results, both tabular and contour plots will only be presented for counties represented collectively as the “*Districts*”.

- **Contour Maps and Average Drawdown** - Run 7 contours will be the difference between the heads simulated in the baseline simulation (Run 5) and the heads simulated in Run 7. Run 7 heads in 2070 should be subtracted from Run 5 heads. The scale of the maps should show the county of interest as well as the full extent of the counties that share a boundary with the county of interest. The smallest contour line shown should not be less than 5 percent of the maximum value. To the degree possible, the same contour intervals should be used in areas where the aquifer is confined. A different set of contours may be required in unconfined areas to and to the degree possible, the same contour intervals should be used in unconfined areas. Average drawdown will be calculated on a county-aquifer basis for the same time period of 2010 to 2070 and tabulated.
- **Well Impacts** – The impacts to existing wells will be prepared using GCD, TWDB, and TCEQ data regarding well completion intervals compared to the simulated 2070 water levels. Some wells do not have the complete information regarding screened intervals, but the total depth and other assumptions for those wells can be used to supplement the information from wells for which screened intervals are known. Results will be presented as the percentage of wells that will “go dry,” have reduced capacity, or have no/limited impact, with definitions for each category defined. For Run 7 the impacts on wells will be presented as a change from baseline (Run 5) conditions and will be presented for only the counties in the funding districts.
- **Water Budget** – For Run 7 for each county where additional pumping is applied a water balance will be developed which represents the change from baseline. The purpose of this will be to identify the water balance components that comprise the 5,000 additional acre foot of pumping and the source. The water budget difference will graphed showing the evolution through time from 2010 through 2070.

Reporting

- **Technical Memorandum** – The technical memorandum will include a brief discussion of each Run conducted. The discussion will include a description of the run and the results of the simulation as they relate to the presentation materials. In addition, the technical memorandum shall include a discussion of the model limitations as they affect the results from each run.

Schedule

INTERA is scheduled to deliver the initial GMA-8 currently under contract on August 24, 2015, in preparation for a GMA-8 Meeting on September 1, 2015. We will begin work on Runs 7 and 8 in parallel with Runs 5 and 6.

INTERA will make every effort to finalize the work set forth herein and present all work product related to the results of Runs 7 and 8 to the participating Districts by September 30, 2015, but in no event shall INTERA fail to complete the work and present all work product to the participating Districts later than October 31, 2015.

2.0 DELIVERABLES

The deliverables will be delivered to each of the funding Districts:

- An electronic PDF report containing all text, maps, figures, and charts with data broken out by County and GCD and a discussion of the methodology used to produce the reported results;
- One hard copy of the report will also be provided;
- A portable hard drive with a well-organized directory structure containing all the electronic files, including the MODFLOW input and output files, GIS files (including .mxd and all supporting shapefiles and grid files);
- Source and executable codes used for pre and post processing of model data and results; and
- Presentation of the results to the Contract Management Committee.

A readme file containing an explanation of files will also be included if the files are not contained in the TWDB archive of the NTGAM.

COMPENSATION

The total cost of services will be \$32,000 payable in a lump sum upon submittal of deliverables to the participating Districts.

ATTACHMENT 11

North Texas Groundwater Conservation District

Well Registration Summary As of July 31, 2015

County	Exempt Wells	Non-Exempt Wells	Total Registered Wells
Collin County	101	94	195
Cooke County	268	117	385
Denton County	489	373	862
Total	858	584	1442

Monthly Summary July 2015

County	New Exempt Well Registrations	New Non-Exempt Well Registrations	Existing Exempt Well Registrations	Existing Non-Exempt Well Registrations	Exempt Wells Completed	Non-Exempt Wells Completed	Wells Plugged
Collin County	1	0	0	0	1	0	0
Cooke County	6	0	0	0	5	0	0
Denton County	10	2	0	0	12	0	0
Total	17	2	0	0	18	0	0

ADJOURN