

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

MONDAY, FEBRUARY 8, 2010

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

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

Members Absent: None

Staff: Jerry Chapman and Carmen Catterson

Visitors: Bill Hutchison, Texas Water Development Board
David Howerton, City of Denison
Dean Rylant, City of Denison
Joe Shephard, City of Howe
Mayor Jeff Stanley, City of Howe
Warren Williams, Luella Special Utility District
Cheryl Reynolds, Pink Hill Water Supply Corporation
Kevin Farley, City of Pottsboro
John Keen, Southwest Fannin Special Utility District
Mayor Ruth Ann Collins, City of Van Alstyne
Bill Herrington, City of Van Alstyne

I. Call to Order

President Henderson called the meeting to order at 2:00 p.m. President Henderson announced that the entire Board was present.

II. Consider and act upon approval of Minutes of November 5, 2009 Meeting.

President Henderson explained that one change would be made on the last page to correct the speaker of a comment.

Board Member Gattis motioned to approve the Minutes of the November 5, 2009 Meeting. The motion was seconded by Secretary-Treasurer Wortham and passed unanimously.

Mr. Chapman introduced visitors John Keen with the Southwest Fannin Special Utility District (SUD), Kevin Farley with the City of Pottsboro, David Howerton and Dean Rylant with the City of Denison, Bill Herrington and Mayor Ruth Ann Collins with the City of Van Alstyne, Mayor Jeff Stanley and Joe Shephard with the City of Howe, Warren Williams with Luella SUD, and Cheryl Reynolds with

Pink Hill Water Supply Corporation (WSC). Also attending the meeting as a guest speaker is Mr. Bill Hutchison with the Texas Water Development Board (TWDB).

III. Receive presentation by Bill Hutchison of the Texas Water Development Board

Mr. Chapman provided an introduction for Mr. Hutchison. Mr. Hutchison presented a slide show to the Board with information on Groundwater Conservation Districts (GCDs) and their roles and requirements in managing groundwater.

Mr. Chapman and Mr. Hutchison explained that each Groundwater Management Area (GMA) must develop Desired Future Conditions (DFCs) for the counties in their area. The Red River GCD is a member of GMA 8, which includes 57 counties and thirteen (13) GCDs. Within one year of the DFCs being submitted to the TWDB, persons of interest can object on the reasonableness of the DFCs. However, GMA 8 submitted their DFCs in 2008. However, if the Red River GCD Board desired, they can request the DFCs be revisited before the five-year period ends. The DFC for the Red River GCD may not be accurate or adequate. The information was determined with no input from the Red River GCD, since the GCD had not been formed at the time the DFCs were created. In GMA 8 DFCs will apply until 2013 or until they are changed.

GCDs are required to regulate wells. First, the Board will need to determine where to begin. Exempt wells are usually small domestic or livestock wells that are not capable of producing more than 25,000 gallons per day (GPD). Exempt wells also include oil and gas wells, except for the North Texas GCD and the Upper Trinity GCD. Those GCDs included provisions in their legislation to regulate oil and gas wells. However, in all other GCDs, the oil and gas wells are supposed to be registered, but cannot be regulated. If the Red River GCD desires to regulate oil and gas wells, the legislation will have to be revised.

Mr. Herrington asked a question on the right of capture. Mr. Hutchison explained that GCDs could modify or reject the rule of capture, depending on their policies. Mr. Chapman explained that this part of the state is not as heavily dependent upon groundwater as is the rest of the state. According to the Region C Water Plan, 85% of municipal use in the area is from surface water. Surface water use is growing with three or four large providers extending their surface water system to smaller communities. In Collin County, most communities purchase water from the North Texas Municipal Water District (NTMWD) because the water is less expensive. Groundwater will be revisited in the 2011 legislative session. Many places like El Paso buy land to drill wells for 10 or 20 years.

A GCD can establish how many acre-feet of water can be used based on how many acre-feet owned. This method also works well for well spacing. The GCD Board can also determine how many acres must be owned to drill a well.

IV. Consider and act upon Bois d'Arc MUD Application for Funding Assistance

This type of request will become routine. This request only requests that the Board specify no standards have been established at this point in time.

Board Member Gattis motioned to advise the engineering consultants for Bois d'Arc MUD that no rules or permitting requirements have been adopted at this time. The motion was seconded by Secretary-Treasurer Wortham and passed unanimously.

V. Consider and discuss well plugging report from Double Diamond Companies

This type of correspondence will also become routine. Well plugging reports must be submitted to governing GCDs. Double Diamond owns 1,500-1,600 acres near Lake Texoma. Double Diamond is required to inform the Board that they are plugging a well. The only action requested is to acknowledge receipt of the report.

VI. Consider and act upon appointment of a representative for Groundwater Management Area 8

President Henderson suggested appointing two representatives to attend the GMA 8 meetings to allow for one alternate representative if the first is unable to attend. He recommended having someone willing and able to attend meetings and speak for the Board. It would also be beneficial to have multiple people listening to the meeting to verify the information provided. President Henderson volunteered attending the meetings.

Board Member Gattis nominated Vice President Olson to serve as the primary contact with GMA 8 and for President Henderson to serve as alternate representative of the Red River GCD for GMA 8. The motion was seconded by Board Member Morrison and passed unanimously. After further discussion, the Board unanimously consented to change the order of representatives, with President Henderson as the primary representative and Vice President Olson as the alternate.

VII. Consider and act upon website and letterhead.

Board Member Latham provided examples of websites from other GCDs. Board Member Young suggested using both seals from the two counties to create the letterhead and the website. The Board recommended keeping both the letterhead simple and clean to provide an easy to read layout.

Vice President Olson Motioned to authorize Carmen Catterson to develop the website and letterhead based on the information provided. The motion was seconded by Board Member Young and passed unanimously.

VIII. Consider and act upon unpaid legal billing.

Bills were generated before the GCD was established for the legal assistance required to create the legislation. Thirteen out of fifty-two entities have not paid. President Henderson suggested that since he represents four of the entities, invoices be prepared and the representing Board members deliver the entities to try to obtain payment. The bills were developed by 2006 groundwater use, the last full year of groundwater production when the effort began. The list represents all the groundwater users in the two counties. Several of the entities, such as TXU probably do not know they owe the money. Lattimore Materials is most likely in the same situation. President Henderson recommended a letter be written to explain the situation and delivered to the entities along with an invoice.

Board Member Gattis motioned to create a letter and an invoice for each entity that owes money for the Board to distribute. The motion was seconded by Board Member Young and passed unanimously.

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

Action on this item is not immediately required. However, as time goes on, the Board will need to be able to make decisions. The Board needs to consider developing policies and procedures by possibly reviewing those of other GCDs. President Henderson appointed Board Members Latham, Wortham and Young to form a committee to develop recommendations for policies and procedures using examples from other GCDs. He requested they be prepared to present their findings at the next meeting.

X. Discuss Desired Future Conditions adopted by Groundwater Management Area 8

There is currently not enough information to reopen the DFCs. However, it is unsure when GMA 8 will meet again and several new GCDs are not satisfied with the numbers. Some areas have more permits than they have Managed Available Groundwater (MAG). The Board may learn at the GMA 8 meeting on the 24th more information about reopening the DFCs. The current amounts are provided in the agenda packet. The DFCs are partly the counties faults. The usage information is not being provided as promptly as it should be and the counties are in the current situation because they have not been proactive. It will be important to receive reports as quickly as possible to prevent a similar situation from happening again.

XI. Discuss future meeting date and agenda

The Board discussed whether to meet four times a year or every other month. Policies and procedures need to be developed and the Board will need to meet more often to discuss. President Henderson recommended waiting until after the GMA 8 meeting to set a time and date for a future meeting. President Henderson feels the counties have let the rest of the area dictate the policies for too long and need to move faster so the Red River GCD will have more input. A sense of urgency is growing. The GCD will eventually need to spend money, but cannot spend any money until policies and procedures are established.

XII. Citizens to be Heard

Mr. Howerton commented on the legal fees. He recommended the Board consider using a three-year running data for fee management to create an equal environment.

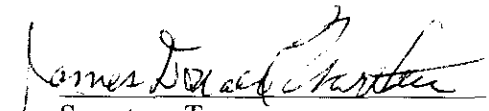
Mr. Herrington apologized to the Board for asking questions out of turn during Mr. Hutchison's presentation. President Henderson assured him that when a presentation with experts from out of region is available, it is a good time to ask questions and make comments. A presentation would be considered a public information item, rather than an action item.

XIII. Adjourn

Upon motion by Vice President Olson seconded by Board Member Latham and passed unanimously, the Board adjourned at approximately 3:45 p.m.

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Recording Secretary


Secretary-Treasurer