

**NORTH TEXAS
GROUNDWATER
CONSERVATION
DISTRICT**

PERMIT HEARING AND BOARD MEETING

Pilot Point ISD Administration Office
829 S. Harrison St.
Pilot Point, TX 76258

**TUESDAY
OCTOBER 12, 2021
10:00 AM**

NOTICE OF PUBLIC MEETING

OF THE
BOARD OF DIRECTORS of the

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

Tuesday, October 12, 2021 at 10:00 a.m.

MEETING LOCATION:

**Pilot Point ISD Administration Office
829 S. Harrison St.
Pilot Point, TX 76258**

Permit Hearing

The Permit Hearing will begin at 10:00 a.m.

Notice is hereby given that the Board of Directors of the North Texas Groundwater Conservation District ("District") will conduct a permit hearing on the following Production Permit Applications:

Agenda:

1. Call to Order; establish quorum; declare hearing open to the public; introduction of Board.
2. Public Comment on the Production Permit Applications (verbal comments limited to three (3) minutes each).
3. Review the Production Permit Applications of:

New Production Permit Applications:

- a. **Applicant:** Elemental Management; 15443 Knoll Trail Dr., Suite 130, Dallas, TX 75248
Location of Well: State Highway 78 and FM 6 in Lavon, TX; Latitude: 33.037058°N, Longitude: 96.420217°W; About 1,500 feet east of the State Highway 78 and FM 6 intersection and about 2,300 feet south of FM 6.
Purpose of Use: Landscape Irrigation and Surface Impoundment
Requested Amount of Use: 15,950,000 gallons per year
Production Capacity of Well: 100 gallons/minute
Aquifer: Woodbine

- b. **Applicant:** Tim Sutton, 3983 S. Bonnie Brae St., Argyle, TX 76226
Location of Well: Hovenkamp Ln and Eakin Cemetery Rd, Justin, TX 76247; Latitude: 33.138467°N, Longitude: 97.311138°W; About 800 feet north of the Hovenkamp Ln and Eakin Cemetery Rd intersection.
Purpose of Use: Agriculture (Irrigating Fruit Trees/Plants)
Requested Amount of Use: 1,500,000 gallons per year
Production Capacity of Well: 40 gallons/minute
Aquifer: Trinity (Paluxy)

Request for Exception to Spacing Requirements:

Applicant: Lawrence & Lorene Autrey; 916 Cove Trail, Little Elm, TX 75068
Location of Well: 916 Cove Trail, Little Elm, TX 75068; Latitude: 33.174030°N, Longitude: 96.95394°W; About 400 feet southeast of the Cove Trail and Carter Road intersection and about 20 feet northeast of Cove Trail.
Purpose of Use: Domestic
Requested Amount of Use: Exempt Well
Production Capacity of Well: 17 gallons/minute
Aquifer: Woodbine
Request for Exception to Spacing Requirements: Applicant requests an exception to the property line spacing requirement. The proposed well location is approximately 20 feet from the property line and the spacing requirement is 50 feet from the property line.

4. Consider and act upon the Production Permit Applications, including designation of parties and/or granting or denying the Production Permit Applications in whole or in part, as applicable.
5. Adjourn or continue permit hearing.

Board Meeting

The regular Board Meeting will begin upon adjournment of the above noticed Permit Hearing.

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. Public comment.
4. Consider and act upon approval of the minutes from the August 10, 2021, Board meeting.
5. Consider and act upon approval of invoices and reimbursements, Resolution No. 2021-10-12-1.

6. Receive reports from the following Committees*:
 - a. Budget and Finance Committee
 - 1) Receive Monthly Financial Information
 - b. Management Plan Committee
 - 1) Receive Quarterly Report
 - 2) Discuss the District's Proposed Management Plan
 - c. Investment Committee
 - 1) Receive Quarterly Investment Report
7. Review and act upon approval of the District's Investment Policy.
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 rules.
 - a. Lone Star Water Well Drilling & Service Company
10. General Manager's Report: The General Manager will update the board on operational, educational and other activities of the District.
 - a. District's Disposal/Injection Well Program
 - b. Well Registration Summary
 - c. Monitoring Well Update
 - d. Legislative Update
11. Open forum / discussion of new business for future meeting agendas.
12. 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 schedule represents 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); deliberation regarding personnel matters (§551.074); deliberation regarding security devices (§551.076); and deliberation regarding cybersecurity (§551.089). Any subject discussed in executive session may be subject to action.

ATTACHMENT 4

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

Tuesday, August 10, 2021 at 10:00 a.m.

**Pilot Point ISD Administration Office
829 S. Harrison St.
Pilot Point, TX 76258**

Please note for in-person attendance that the Board meeting location can only accommodate a limited number of attendees in order to comply with state requirements related to in-person gatherings. In the event in-person attendance exceeds any state or local requirements, the District may provide an option for virtual participation for any overflow attendees as necessary and authorized by law.

Members Present: Lee K. Allison, Joe Helmberger, Greg Peters, Allen Knight, Thomas Smith, Jimmy Arthur, and Ronny Young

Members Absent: Ron Sellman and David Flusche

Staff: Drew Satterwhite, Paul Sigle, and Velma Starks

Visitors: Kristen Fancher, Legal Counsel

Permit Hearing

Agenda:

1. Call to Order; establish quorum; declare hearing open to the public; introduction of Board.

Board President Joe Helmberger called the Permit Hearing to order at 10:05 a.m.
2. Public Comment on the Production Permit Applications (verbal comments limited to three (3) minutes each).

No public comment.
3. Review the Production Permit Applications of:

New Production Permits

- a. **Applicant:** City of Anna; 111 N. Powell Parkway, Anna, TX 75409
Location of Well: Collin P.S. 104 E. CR 421, Anna, Texas 75409; Latitude: 33.316908°N, Longitude: 96.557303°W; About 450 feet east of the Outer Loop Road and Hwy 5 intersection and about 420 feet north of Outer Loop Road.
Purpose of Use: Municipal/Public Water System
Requested Amount of Use: Total: 361,185,127 gallons per year; Production Permit: 116,801,981 gallons per year; and Historic Use Permit: 244,383,146 gallon per year.
Production Capacity of Well: 450 gallons/minute (System Total: 1,355 gallons/minute)
Aquifer: Trinity (Twin Mountains)
- b. **Applicant:** City of Anna; 111 N. Powell Parkway, Anna, TX 75409
Location of Well: Collin P.S. 104 E. CR 421, Anna, Texas 75409; Latitude: 33.356236°N, Longitude: 96.551224°W; About 480 feet east of the Outer Loop Road and Hwy 5 intersection and about 480 feet north of Outer Loop Road.
Purpose of Use: Municipal/Public Water System
Requested Amount of Use: Total: 201,541,578 gallons per year; Production Permit: 56,308,008 gallons per year; and Historic Use Permit: 145,233,570 gallon per year.
Production Capacity of Well: 200 gallons/minute (System Total: 676 gallons/minute)
Aquifer: Woodbine
- c. **Applicant:** City of Anna; 111 N. Powell Parkway, Anna, TX 75409
Location of Well: 817 N Powell Parkway, Anna, Texas 75409; Latitude: 33.316908°N, Longitude: 96.557303°W; About 0.25 miles north of the Hackberry Lane and Hwy 5 intersection and about 200 feet west of Hwy 5.
Purpose of Use: Municipal/Public Water System
Requested Amount of Use: Total: 55,000,000 gallons per year; Production Permit: 9,429,000 gallons per year; and Historic Use Permit: 45,571,000 gallon per year.
Production Capacity of Well: 150 gallons per minute
Aquifer: Trinity (Paluxy)
- General Manager Drew Satterwhite reviewed the City of Anna permits with the Board. Brief discussion was held. Board Member Ronny Young made the motion to approve the Anna Permits. Board Member Thomas Smith seconded the motion. Motion passed unanimously.
- d. **Applicant:** Olex (United States), Inc; 6125 Luther Lane, Ste 401, Dallas, TX 75225
Location of Well: Well 1) Hwy 156 and US Hwy 380, Krum, TX 76249; Latitude: 33.229676°N, Longitude: 97.254253°W; About 0.5 miles south of the US Hwy 380 and Hwy 156 intersection and about 330 feet west of Hwy 156. Well 2) Hwy 156 and US Hwy 380, Krum, TX 76249; Latitude: 33.229649°N, Longitude: 97.254197°W; About 0.5 miles south of the US Hwy 380 and Hwy 156 intersection and about 330 feet west of Hwy 156. Well 3) US Hwy 380, Krum, TX 76249; Latitude: 33.231799°N, Longitude: 97.265034°W; About 0.9 miles west of the US Hwy 380 and Hwy 156 intersection and about 0.25 miles south of US Hwy 380.
Purpose of Use: Municipal/Public Water System and Landscape Irrigation
Requested Amount of Use: 73,673,977 gallons per year (Full system total after fully developed by 2030: 247,024,509 gallons per year)

Production Capacity of Well: Well 1) 300 gallons per minute, Well 2) 80 gallons per minute, and Well 3) 300 gallons per minute.

Aquifer: Trinity (Antlers)

General Manager Drew Satterwhite reviewed the Olex permit with the Board. Discussion was held. Board Member Ronny Young made the motion to approve the 3 Olex wells for 73,673,977 gallons per year with the Special Condition wording to be changed from *authorized* to *proposed*. Board Member Thomas Smith seconded the motion. Motion passed unanimously

4. Consider and act upon the Production Permit Applications, including designation of parties and/or granting or denying the Production Permit Applications in whole or in part, as applicable.

Anna Permits and Olex Permit were approved separately.

5. Adjourn or continue permit hearing.

Board President Joe Helmberger adjourned the permit hearing at 10:51 a.m.

Board Meeting

Agenda:

1. Pledge of Allegiance and Invocation

Board President Joe Helmberger led the Pledge of Allegiance and Board Member Ronny Young provided the invocation.

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

Board President Joe Helmberger called the meeting to order at 10:52 a.m., established a quorum was present, and declared the meeting open to the public.

3. Public Comment

There were no public comments.

4. Consider and act upon approval of the minutes from the June 8, 2021 and July 13, 2021, Board meeting.

Board President Joe Helmberger asked for approval of the minutes from the June 8, 2021 and July 13, 2021 meeting. Board Member Thomas Smith made the motion to approve the minutes. Board Member Gary Peters seconded the motion. Motion passed.

5. Consider and act upon approval of invoices and reimbursements, Resolution No. 2021-08-10-01.

General Manager Drew Satterwhite reviewed the liabilities with the Board. Board Member Allen

Knight made the motion to approve Resolution No. 2021-8-10-01. Board Member Ronny Young seconded the motion. Motion passed unanimously.

6. Consider and act upon 2020 Audit.

General Manager Drew Satterwhite introduced April Hatfield, auditor with McClanahan and Holmes, LLP. April reviewed the audit report with the Board. Board Member Thomas Smith made the motion to accept the Audit as presented. Board Member Allen Knight seconded the motion. Motion passed unanimously.

7. Receive reports from the following Committees*:

a. Budget and Finance Committee

1) Receive Monthly Financial Information

General Manager Drew Satterwhite reviewed the Financial Report with the Board. Brief discussion was held.

2) Consider and act upon 2022 Operating Budget and Adopt Rate Schedule

General Manager Drew Satterwhite reported that Budget Committee (Jimmy Arthur, Ron Sellman and Allen Knight) reviewed the budget last week. Discussion was held. Board discussed adding a contingency line item to balance the budget. Fee schedule rate was discussed.

The Board Adjourned into Executive Session at 11:25 a.m. The Board reconvened into regular session at 11:44 a.m. No action was taken on any items discussed during Executive Session.

Board Member Ronny Young made the motion to accept budget adding a contingency line item and accepting the 10 cent per 1,000 gallons fee. Board Member Thomas Smith seconded the motion. Motion passed unanimously.

b. Investment Committee

1) Receive Quarterly Investment Report

General Manager Drew Satterwhite reviewed the Quarterly Investment Report.

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

General Manager Drew Satterwhite informed the Board that we are waiting until we have the explanatory report before scheduling the GMA 8 meeting.

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

No report at this time.

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

- a. District's Disposal/Injection Well Program

No report at this time.

- b. Well Registration Summary

General Manager Drew Satterwhite reviewed the well registration summary.

General Manager Drew Satterwhite informed the Board that we have 10 requests for the monitoring equipment.

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

Update possible permit requests.

- 12. Adjourn public meeting

Board President Joe Helmberger declared the meeting adjourned at 11:47 a.m.

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Recording Secretary

Secretary-Treasurer

ATTACHMENT 5

RESOLUTION NO. 2021-10-12-1

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS GROUNDWATER
CONSERVATION DISTRICT AUTHORIZING PAYMENT OF ACCRUED LIABILITIES FOR THE
MONTHS OF AUGUST & SEPTEMBER

The following liabilities are hereby presented for payment:

| <u>Administrative Services</u> | <u>Amount</u> |
|--|----------------------|
| GTUA - August | 34,164.55 |
| GTUA - September | 28,997.06 |
| <u>Advertising</u> | |
| Gainesville Daily Register - Water conservation ad | 148.60 |
| <u>Auditing</u> | |
| McClanahan & Holmes LLP CPA - Audit | 8,150.00 |
| <u>Consultant</u> | |
| Advanced Groundwater Solutions LLC - July Hydro-Geo services | 7,887.50 |
| Texas A&M AgriLife Extension Service - irrigation evaluation fee | 700.00 |
| <u>Direct Costs</u> | |
| Nextraq - September | 39.95 |
| Nextraq - October | 39.95 |
| <u>GMA-8</u> | |
| WSP - Joint groundwater planning efforts through July | 13,606.00 |
| WSP - Joint groundwater planning efforts through August | 1,945.00 |
| <u>Insurance</u> | |
| Bayless-Hall Blanton Insurance | 330.00 |
| <u>Legal</u> | |
| Kristen Fancher PLLC - services through 9/30/21 | 2,444.00 |
| <u>Legal- Injection</u> | |
| Sledge Law - June 2021 | 418.00 |
| Sledge Law - July 2021 | 562.00 |
| Sledge Law - August 2021 | 461.80 |
| <u>Meetings & Conferences</u> | |
| Pilot Point ISD - Meeting Room | 75.00 |
| <u>Refunds</u> | |
| NP-OV Fort Worth Project CY LLC - wells plugged refunding overpayment | 107.50 |
| Mathew & Kaite Murph - Refund Driller Deposit for well # 5160 | 100.00 |
| Prater Water Well - Refunding Driller Deposits, closing account with District. | 300.00 |

Well Injection Monitoring

Statewide Plat Service - July & August

115.60

GRAND TOTAL:

\$ 100,592.51

On motion of _____ and seconded by _____ the foregoing Resolution was passed and approved on this, the 12th day of October, 2021 by the following vote:

AYE:

NAY:

President

Secretary/Treasurer

ATTACHMENT 6 A-1

NORTH TEXAS GROUNDWATER

Balance Sheet

As of September 30, 2021

ASSETS

Current Assets

Checking/Savings

| | |
|---------------------------------|--------------|
| 10001 Checking Account | 1,612,457.82 |
| 10005 Cash-Index Account | 719,391.40 |
| 10008 Cash - Tex Star | 88,130.13 |
| 10025 Accounts Receivable | 6,378.01 |
| 10033 A/R Penalties | 3,750.00 |
| 10035 A/R GMA8 Members | 12,996.69 |
| 10070 A/R Liens | 14,000.00 |
| 10026 Allowance for Uncollectib | -22,900.00 |
| 12001 Prepaid Expenses | 3,229.48 |

TOTAL ASSETS

2,437,433.53

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

| | |
|------------------------------|-----------|
| 23100 Accounts Payable | 30,941.06 |
| 23150 Well Drillers Deposits | 37,450.00 |

Total Liabilities

68,391.06

Equity

| | |
|-------------------------|--------------|
| 35100 Retained Earnings | 2,379,839.41 |
| Net Income | -10,796.94 |

Total Equity

2,369,042.47

TOTAL LIABILITIES & EQUITY

2,437,433.53

NORTH TEXAS GROUNDWATER
Profit & Loss Budget vs. Actual
September 30, 2021

| | TOTAL | | | | |
|---------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Sept 21 | 1 mo. Budget | YTD Actual | Total Budget | % of Budget remaining |
| Ordinary Income/Expense | | | | | |
| Income | | | | | |
| 46003 - Registration Fees | 2,000.00 | 1,750.00 | 26,700.00 | 21,000.00 | -27.14% |
| 46004 - Well Driller Fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.0% |
| 46005 - PRODUCTION FEES | 268.71 | 0.00 | 312,775.41 | 700,000.00 | 55.32% |
| 46006 Income GMA8 | 12,925.36 | 0.00 | 15,882.71 | 31,820.00 | 50.09% |
| 46007 - Penalties | 0.00 | 0.00 | 3,500.00 | 0.00 | 0.0% |
| 46008 - Online Pay Fees | 23.20 | 0.00 | 120.09 | | |
| 46015 Late Fees | 0.00 | 0.00 | 27,511.53 | 0.00 | 0.0% |
| Total Income | <u>15,217.27</u> | <u>1,750.00</u> | <u>386,489.74</u> | <u>752,820.00</u> | <u>48.66%</u> |
| Gross Profit | 15,217.27 | 1,750.00 | 386,489.74 | 752,820.00 | 48.66% |
| Expense | | | | | |
| 77010 ADMINISTRATIVE | - | | | | |
| 77013 Admin-Secretarial | 616.00 | 1,833.34 | 11,872.00 | 22,000.00 | 46.04% |
| 77014 Admin-Project Coordinator | 416.25 | 1,666.67 | 7,413.75 | 20,000.00 | 62.93% |
| 77015 Admin-GM | 5,347.50 | 5,416.67 | 49,622.50 | 65,000.00 | 23.66% |
| 77016 Admin-Clerical | 3,952.50 | 3,500.00 | 32,504.00 | 42,000.00 | 22.61% |
| 77040 ADMIN-MILEAGE | 224.78 | 250.00 | 756.62 | 3,000.00 | 74.78% |
| 77025 ACCOUNTING | 2,256.50 | 2,708.34 | 27,630.25 | 32,500.00 | 14.98% |
| 77027 AUDITING | 0.00 | 0.00 | 8,150.00 | 5,665.00 | 0.0% |
| 77030 ADVERTISING | 148.60 | 167.00 | 1,000.25 | 2,000.00 | 49.99% |
| 77050 BANKING FEES | 0.00 | 0.00 | 173.89 | 100.00 | 0.0% |
| 77150 CONSULTING-HYDROGEO SVC | 0.00 | 3,750.00 | 20,485.52 | 45,000.00 | 54.48% |
| 77325 DIRECT COSTS-REIMB | 396.94 | 583.00 | 3,351.07 | 7,000.00 | 52.13% |
| 77450 DUES & SUBSCRIPTION | 0.00 | 250.00 | 5,000.00 | 3,000.00 | -66.67% |
| 77480 EQUIPMENT | 0.00 | 0.00 | 1,668.47 | 2,000.00 | 16.58% |
| 77485 Equipment Database | 0.00 | 1,250.00 | 0.00 | 15,000.00 | 100.0% |
| 77500 FEES-GMA8 | 2,081.00 | 2,917.00 | 19,135.95 | 35,000.00 | 45.33% |
| 77550 FIELD TECH | 9,234.00 | 10,417.00 | 97,815.50 | 125,000.00 | 21.75% |
| 77560 Field Permitting/Geologis | 5,096.00 | 5,833.00 | 55,536.00 | 70,000.00 | 20.66% |
| 77650 FUEL/MAINTENANCE | 323.30 | 292.00 | 2,879.15 | 3,500.00 | 17.74% |
| 77800 INJECTION WELL MONITORING | 0.00 | 0.00 | 434.80 | 700.00 | 37.89% |
| 77810 INSURANCE & BONDING | 688.84 | 600.00 | 3,851.52 | 7,205.00 | 46.54% |
| 77970 LEGAL | | | | | |
| 77975 Legal-Injection | 0.00 | 833.00 | 5,681.15 | 10,000.00 | 43.19% |
| 77980 Legal-Legislation | 0.00 | 1,250.00 | 15,000.00 | 15,000.00 | 0.0% |
| 77970 LEGAL - Other | 2,444.00 | 3,750.00 | 23,456.00 | 45,000.00 | 47.88% |
| 78010 MEETINGS & CONFERENCES | 752.56 | 667.00 | 3,449.86 | 8,000.00 | 56.88% |
| 78310 Rent | 200.00 | 200.00 | 1,800.00 | 2,400.00 | 25.0% |
| 78600-SOFTWARE MAINT | 0.00 | 83.00 | 4,316.71 | 1,000.00 | -331.67% |
| 78610 TELEPHONE | 84.68 | 250.00 | 2,379.96 | 3,000.00 | 20.67% |
| 78780 Well Monitoring/Testing | 0.00 | 375.00 | 203.76 | 4,500.00 | 95.47% |
| Total Expense | <u>34,263.45</u> | <u>48,842.02</u> | <u>405,568.68</u> | <u>594,570.00</u> | <u>31.79%</u> |
| Other Income/Expense | | | | | |
| Other Income | | | | | |
| 46100 INTEREST INC | 0.00 | 417.00 | 8,282.00 | 5,000.00 | |
| Total Other Income | <u>0.00</u> | <u>417.00</u> | <u>8,282.00</u> | <u>5,000.00</u> | |
| Net Other Income | 0.00 | 417.00 | 8,282.00 | 5,000.00 | |
| Net Income | <u><u>-19,046.18</u></u> | <u><u>-46,675.02</u></u> | <u><u>-10,796.94</u></u> | <u><u>163,250.00</u></u> | |

ATTACHMENT 6 B-1



COLLIN COUNTY - COOKE COUNTY - DENTON COUNTY

General Manager’s Quarterly Report

Date: September 30, 2021

North Texas GCD Management Plan

This quarterly briefing is being provided pursuant to the adopted Management Plan for the quarter ending September 30, 2021.

Well Registration Program:

Current number of wells registered in the District: 2,805

Aquifers in which the wells have been completed: Trinity and Woodbine

Well Inspection/Audit Program:

**2021
Well Inspections**

| Month | Collin | Cooke | Denton | Total |
|--------------|-----------|-----------|------------|------------|
| January | 1 | 3 | 8 | 12 |
| February | 0 | 3 | 1 | 4 |
| March | 8 | 29 | 16 | 53 |
| April | 2 | 2 | 17 | 21 |
| May | 2 | 4 | 9 | 15 |
| June | 7 | 2 | 13 | 22 |
| July | 2 | 15 | 23 | 40 |
| August | 1 | 7 | 17 | 25 |
| September | 0 | 13 | 18 | 31 |
| October | | | | |
| November | | | | |
| December | | | | |
| Total | 23 | 78 | 122 | 223 |

ATTACHMENT 6 b.-2



AGENDA COMMUNICATION

DATE: October 7, 2021

SUBJECT: AGENDA ITEM NO. 6 b. 2)

DISCUSS THE DISTRICTS PROPOSED MANAGEMENT PLAN

ISSUE

The District needs to adopt a new Management Plan to include as our current plan is expiring on May 12, 2022. The District's management plan must be adopted at least 90 days before the existing plan expires and be submitted to the TWDB for approval review at least 60 days before the existing plan expires, or by February 12, 2022, and March 12, 2022, respectively.

BACKGROUND

The District's current Management Plan became effective on February 11, 2020. This plan was an amendment to the March 14, 2017 management plan in order to include the Modeled Available Groundwater tables from the last round of joint planning. The Texas Water Development Board ("TWDB") requires each district's management plans to be renewed every 5 years. The current plan was largely developed by LBG Guyton.

As we prepare for a public hearing in January of 2022, the staff wanted to provide the Board with an opportunity to review and provide input on the proposed management plan prior to that hearing. Paul Sigle has taken the lead on updating our management plan.

CONSIDERATIONS

The staff will plan to display the proposed amendments on the projector at the meeting to go through these items line-by-line with the Board. The staff is not asking the Board to adopt any changes at this meeting. Following discussions with the Board a public hearing will be scheduled to consider adopting amendments to the management plan.

PREPARED AND SUBMITTED BY:



Drew Satterwhite, P.E., General Manager

ATTACHMENT 6 C-1

North Texas Groundwater Conservation District
Quarterly Investment Report
For the Quarter Ended
September 30, 2021

The investment portfolio of the North Texas Groundwater Conservation District is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

Presented by North Texas Groundwater Conservation District Investment Officers:

| | |
|---|--|
|  |  |
| Drew Satterwhite General Manager | Debi Atkins Finance Officer |

Book/Market Value Comparison

| Description | Coupon/ Discount | Maturity Date | June 30, 2021 | | Purchases/ Adjustments | Sales/Adjust/ Call Maturity | September 30, 2021 | |
|-------------------|---------------------|------------------|---------------------------|------------------------|---------------------------|--------------------------------|---------------------------|------------------------|
| | | | Face Amount/ Par Value | Book/Market Value | | | Face Amount/ Par Value | Book/Market Value |
| Independent (DDA) | 0.50% | 10/1/2021 | \$ 1,543,687.34 | \$ 1,543,687.34 | 202,949.47 | 133,978.99 | \$ 1,612,657.82 | \$ 1,612,657.82 |
| Independent (ISS) | 0.25% | 10/1/2021 | 718,997.36 | 718,997.36 | 394.04 | | \$ 719,391.40 | \$ 719,391.40 |
| TexStar | 0.01% | 10/1/2021 | 88,128.79 | 88,128.79 | 1.34 | | \$ 88,130.13 | \$ 88,130.13 |
| | | | <u>\$ 2,350,813.49</u> | <u>\$ 2,350,813.49</u> | <u>\$ 203,344.85</u> | <u>\$ 133,978.99</u> | <u>\$ 2,420,179.35</u> | <u>\$ 2,420,179.35</u> |

Investment Holdings
9/30/2021

| Description | Ratings | Coupon/ Discount | Maturity Date | Settlement Date | Face Amount/Par Value | Book Value | Market Price | Market Value | Life (Day) | Yield |
|-------------------|---------|---------------------|---------------|-----------------|--------------------------|------------------------|-----------------|------------------------|------------|-------|
| Independent (DDA) | | 0.50% | 10/1/2021 | 9/30/2021 | \$ 1,612,457.82 | \$ 1,612,457.82 | 1.00 | \$ 1,612,457.82 | 1 | 0.50% |
| Independent (ISS) | | 0.25% | 10/1/2021 | 9/30/2021 | 719,391.40 | 719,391.40 | 1.00 | 719,391.40 | 1 | 0.25% |
| TexStar | | 0.01% | 10/1/2021 | 9/30/2021 | 88,130.13 | 88,130.13 | 1.00 | 88,130.13 | 1 | 0.10% |
| | | | | | <u>\$ 2,419,979.35</u> | <u>\$ 2,419,979.35</u> | | <u>\$ 2,419,979.35</u> | <u>1</u> | |

(1)

(1) Weighted average life - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have an one day maturity.

ATTACHMENT 7

DATE: October 1, 2021

SUBJECT: AGENDA ITEM NO. 7

REVIEW AND ACT UPON APPROVAL OF INVESTMENT POLICY

ISSUE

Review and act upon the Investment Policy as required by the Public Funds Investment Act ("PFIA").

BACKGROUND

The North Texas Groundwater Conservation District initially adopted an Investment Policy in 2012. This policy is required to be reviewed annually in order to comply with Public Funds Investment Act. During this last legislative session, nothing changed in regard to the PFIA act that would necessitate any amendments to our current policy. However, the staff has offered one (1) amendment to this policy that would remove the requirement of an investment committee. The staff does not have a strong opinion on this recommended change and will be ready to discuss the possible change at the Board meeting.

The policy states that the Board of Directors will approve broker/dealers and PFIA training sources on an annual basis. Below, is a list of the broker/dealers and PFIA training sources:

Independent training sources:

- Association of Water Board Directors
- Texas Rural Water Association
- Texas Water Utilities Association
- Government Finance Officers' Association
- Government Finance Officers' Association of Texas
- Government Treasurers' Organization of Texas
- Council of Governments
- University of North Texas Center for Public Management
- American Institute of Certified Public Accountants
- Association of Governmental Accountants

Broker/Dealer List:

- BOKF Financial
- FTN Financial
- Raymond James

OPTIONS/ALTERNATIVES

The Board could adopt the attached policy, modify the policy, or defer to committee for review.

CONSIDERATIONS

The adoption of this policy will be evidence that the Board is responsible in its use of public funds.

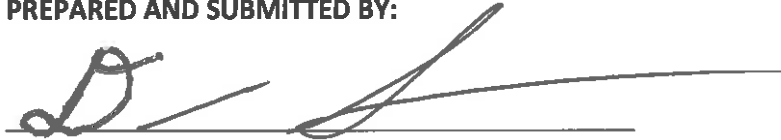
STAFF RECOMMENDATIONS

The staff recommends adopting the Investment Policy as well as the broker/dealers and PFIA training sources.

ATTACHMENTS

Draft Investment Policy
Resolution

PREPARED AND SUBMITTED BY:

A handwritten signature in black ink, appearing to read 'Drew Satterwhite', is written over a horizontal line. The signature is stylized and extends to the right.

Drew Satterwhite, P.E.
General Manager

EXHIBIT "A"

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

INVESTMENT POLICY

REVIEWED AND APPROVED: October 12, 2021

EXHIBIT "A"

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

INVESTMENT POLICY

1.01 PURPOSE

This policy with respect to district investments has been adopted by the Board of Directors (the "Board") of North Texas Groundwater Conservation District (the "District") to establish the principles and criteria by which the funds of the District should be invested and secured (a) to preserve the principal, (b) to earn interest, (c) to address investment diversification, yield, and maturity, (d) to fulfill the duties of the designated Investment Officer of the District, (e) to comply with the types of authorized investments and to specify the maximum allowable stated maturity of the District's investments, and (f) to comply with the provisions of Texas law related to the investment and security of funds applicable to groundwater conservation districts ("Investment Laws"). The provisions of Chapter 36 of the Texas Water Code relating to investments and securities, the Public Funds Investment Act (the "Act") as amended in Chapter 2256 of the Texas Government Code, and other appropriate statutes are applicable to the investment of the District's funds.

1.02 POLICY OF INVESTMENT

- A. The preservation of principal shall be the primary concern of the District and the District Investment Officer. To the extent that the principal is protected, District funds shall be invested to yield the highest possible rate of return to meet the current and future financial needs of the District and to maintain liquidity, all while taking into consideration the strength of the financial institution, and complying with any Internal Revenue Code laws or regulations and procedures set forth in any bond resolutions or orders, adopted from time to time by the Board. Funds of the District shall be invested by the District's staff in accordance with the policy. Any resolution or order adopted by the Board relating to investment policies or procedures shall be in writing and shall be made available to requesting members of the public.
- B. Investment of funds shall be governed by the following investment objectives, in order of priority:
 1. Understanding suitability of investments to the District's requirements;
 2. Preservation and safety of principal;
 - a. Credit risk - the District will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment
 - b. Interest rate risk - the District will minimize the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates
 3. Liquidity;
 4. Marketability prior to maturity of each investment;
 5. Diversification; and
 6. Yield.

- C. The investment of the District's funds should be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. The Investment Officer, to the extent possible, will attempt to match investments with anticipated cash flow requirements. Matching securities with cash flow dates will normally increase yield, will lock in higher yields, and reduce the need to sell securities prior to maturity, thus reducing market risk.

1.03 DELEGATION OF INVESTMENT AUTHORITY

- A. The Board shall designate by resolution one or more officers and/or General Manager and Finance Officer of the District to be responsible for the investment of its funds and be the District's Investment Officer(s). The Board resolution shall also authorize the Investment Officer to engage in investment transactions, deposit, withdraw, wire funds for investments, transfer and manage funds on behalf of the District. However, there shall be no transfer, expenditure, or appropriation of District funds, other than a transfer of the funds from one District account to another account of the District as stated above, unless by check or draft signed by two (2) members of the Board or authorized by separate order or resolution of the Board.
- B. The Investment Officer is responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. The Board retains ultimate fiduciary responsibility.
- C. The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this Investment Policy. Procedures will include reference to safekeeping, wire transfer agreements, banking services contracts, and other investment related activities.
- D. All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer or designee may engage in an investment transaction except as provided under the terms of this Policy and the procedures established.
- E. The Investment Officer's authority is effective until the District rescinds the authority or until: (1) termination of employment with the District for an Investment Officer who is an employee of the District; or (2) vacating the office of director for an Investment Officer who is a director of the Board.
- F. An officer or employee of a regional planning commission, council of governments or similar regional planning agency created under Chapter 391, Local Government Code, is ineligible to be designated as an investment officer under this policy.

~~G. Should total District funds exceed \$50,000, there is hereby established an investment committee, composed of the Investment Officer, and at least two directors. The investment committee shall meet annually or as needed to monitor and review the investments and collateral pledge agreements of the District. The Investment Officer shall be the chairman of the committee. The committee shall report concerning the District's investments~~

~~transaction for the preceding year describing the investment portion of the District at the end of each fiscal year. The report shall be written and signed by members of the committee. The committee also shall report to the Board on its review the month following each quarterly meeting.~~

~~H.G.~~ No person may deposit, withdraw, invest, transfer, or manage in any other manner funds of the District without the express written authority of the Investment Officer.

~~H.H.~~ Obtain and review competitive rates from qualified investment providers, financial institutions and broker/dealers.

1.04 PRUDENT PERSON RULE

- A. The actions of the Investment Officer in the performance of his or her duties as manager of the District's funds shall be evaluated using the "prudent person" standard. Investments shall be made with judgment and care under prevailing circumstances which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived.
- B. The Investment Officer acting in accordance with written procedures exercising due diligence shall be relieved by personal responsibility for an individual security's performance provided that deviations from expectations are reported in a timely fashion to the governing body and appropriate action is taken to control adverse developments.

1.05 INVESTMENT STRATEGY BY FUND

Funds in the District accounts shall be invested by the Investment Officer as follows:

- a. Capital Projects Account: The District may choose to have a Capital Projects Account from time to time, and, if so, shall maintain as its primary objective to maximize the suitability of the investment in such funds to the financial requirements of the District while preserving the safety of principal with regard to monies collected or allocated for such fund.
- b. Operating Account: Funds in this account shall be invested to meet the operating requirements of the District as determined by the annual operating budget of the District, or by resolution of the Board.
- c. Debt Service Account: Funds in this account shall be invested to meet the debt service requirements of the District. In order to accomplish this, the District will invest such funds in amounts and maturity dates that most likely match the debt service requirements of the District.

1.06 AUTHORIZED INVESTMENTS

- A. Acceptable investments under this Policy shall be limited to the instruments listed below and as further described by the Act. If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the District until this Policy has been amended and the amended version is adopted by the

Board:

1. Obligations of the United States Government, its agencies and instrumentalities, , including the Federal Home Loan Banks, but excluding principal-only and interest-only mortgage backed securities, collateralized mortgage obligations, and real estate mortgage investment conduits; not to exceed two years to stated maturity,;
2. Fully insured or collateralized certificates of deposit and other forms of deposit placed in compliance with the Act from any bank doing business in the State of Texas and under the terms of a written depository agreement with that bank, not to exceed one year to stated maturity, to include certificates of deposit purchased through the CDARS program with a Texas bank; and
3. AAA-rated, constant dollar Texas Local Government Investment Pools as defined by the Act.

B. Bids for investments, including certificates of deposit, may be solicited:

1. Orally;
2. In writing;
3. Electronically; or
4. In any combination of those methods.

C. All purchases of securities shall be made on a delivery versus payment basis assuring that no District funds are released before the security is received by the custodian.

1.07 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

A. All investments made by the District will be made through either the District's banking services bank or an approved broker/dealer. The Board will review the list of broker/dealers annually. A list of at least three broker/dealers will be maintained of approved investment broker/dealers. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 153C-1 (uniform net capital rule).

B. Securities broker/dealers supply the following as appropriate and when requested:

1. Proof of certification by the Financial Industry Regulatory Authority (FINRA) and provision of FINRA CRD number,
2. Audited financial statements, and
3. Proof of current registration with the Texas State Securities Board.

C. Every broker/dealer and bank with which the District transacts business will be provided a copy of this Investment Policy for review. A qualified representative of the business organization shall execute a written instrument substantially to the effect that the organization has received and reviewed this policy. The business organization acknowledges the implementation of procedures and controls to preclude imprudent investment activities that are not authorized by the Investment Policy

1.08 SAFEKEEPING AND COLLATERALIZATION

A. Safekeeping of District Owned Securities.

1. All purchased securities shall be cleared to safekeeping on a delivery versus payment basis and held in safekeeping by an independent third party financial institution, or the District's banking services depository.
2. All safekeeping arrangements shall be approved by the Investment Officer and an agreement of the terms executed in writing. The independent third party custodian shall be required to issue safekeeping receipts to the District listing each specific security, rate, description, maturity, cusip number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is being held for the District or pledged to the District.

B. Securities Pledged as Collateral

1. All securities pledged to the District for all bank time or demand deposits shall be held by an independent third party bank doing business in Texas. The safekeeping bank may not be within the same holding company as the bank from which securities are pledged.
2. Collateralization is required on all time and demand deposits over the FDIC insurance coverage.
 - a. In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level will be 102% of the deposit amount plus accrued interest on the deposit, less the applicable level of FDIC insurance.
 - b. Collateral will be held by an independent third party custodian. The custodian shall provide a written monthly report directly to the District listing all pledged collateral by description and par at a minimum. The investment officers will monitor adequacy of collateralization levels to verify market values and total collateral positions.
 - c. If the collateral pledged for a deposit falls below the deposit value of the deposit, plus accrued interest, less FDIC insurance, the institution holding the deposit will be notified by the investment officers and will be required to pledge additional collateral no later than the end of the next business day.

C. Authorized Collateral

1. The only types of collateral authorized by the District are:
 - a. Obligations of the U. S. Government, its agencies and instrumentalities including mortgage-backed securities which pass the bank test.
 - b. Obligations of a state or subdivision, city, county, school district of any state which is rated A or better by two nationally recognized rating agencies.
 - c. Letters of Credit issued by a Federal Agency or Instrumentality.
2. If the depository proposes a collateral pooling program, the Investment Officer will review and evaluate the program's risk and cost to the District for presentation to the Board. The pooling of collateral allows a bank to create a pool of securities for collateral purposes for multiple governments and will not result in securities pledged directly/specifically to each government.
3. Collateralized deposits often require release or substitution of collateral. Any

broker/, dealer, or financial institution may automatically collateral of equal or greater value than the replaced security. The investment officers, or a designee, must provide written notification of the decision to the custodian/safekeeping agent holding the security prior to any security release. Substitution is allowable for all transactions, but should be limited, if possible, to minimize potential administrative problems and transfer expense. The investment officers may limit substitution and assess appropriate fees if substitution becomes excessive or abusive.

1.09 INVESTMENT TRAINING

- A. The Investment Officer shall attend training, as required by Water Code 36.1561, from an independent source approved by the Board involving at least six (6) hours of instruction. The initial training shall occur within 12 months after the Investment Officer takes office or assumes his or her duty. The Investment Officer shall attend an investment training session not less than once in a two-year period and receive not less than four (4) hours of instruction related to the duties and investment responsibilities under Subchapter 2256 of the Act from an independent source approved by the Board.
- B. Training under this section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act.

1.10 REPORTING AND PERFORMANCE EVALUATION

- A. The Investment Officer shall submit a monthly report to the District Manager.
- B. Not less than quarterly, the Investment Officer shall prepare and submit to the Board a written report of investment transactions for all funds subject to this policy for the preceding reporting period. The report must:
 - 1. Describe in detail the District's investment position on the date of the report;
 - 2. Be prepared by the Investment Officer;
 - 3. Be signed by the Investment Officer;
 - 4. State the maturity date of each separately invested asset that has a maturity date;
 - 5. State the book value and the market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested; and
 - 6. State the compliance of the investment portfolio of the District with:
 - a. The investment strategy expressed in the District's Investment Policy; and
 - b. Relevant provisions of the Act.
- C. Market prices for market evaluations will be obtained from an independent source.
- D. In addition, the report shall explain the quarter's total investment return and compare the return with budgetary expectations.
- E. All reports shall be in compliance with the Act.

1.11 MISCELLANEOUS

- A. The District, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to the District's established investment policies to review investment performance and to ensure investment security. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions.

- B. The District shall review this policy at least annually and adopt a resolution confirming the continuance of the policy without amendment or adopt an amended investment policy.

- C. This investment policy was reviewed and approved on December 12, 2017 and supersedes any prior policies adopted by the Board regarding investment or securitization of District funds.

RESOLUTION NO. 2021-10-12-2

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT RELATING TO AN INVESTMENT POLICY

WHEREAS, the North Texas Groundwater Conservation District ("District") was created by an act of the 81st Legislature on May 19, 2009, R.S., ch. 248, 2009 Tex. Gen. Laws 686, codified at TEX. SPEC. DIST. LOC. LAWS CODE ANN. ch. 8856 ; and

WHEREAS, the District has a responsibility of approving investments for the resources in its care and custody; and

WHEREAS, the Staff and Board has reviewed this document and believes it to be in conformance with the State statutes regarding the investment of public funds;

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

1. The Investment Policy attached as Exhibit "A" is hereby re-adopted by this resolution and shall be in full force until further change by Board action.
2. The District's Investment Officers are designated by this resolution to be the Secretary of the Board of Directors, the General Manager and the Finance Officer.

Upon motion by _____, seconded by _____, the foregoing Resolution was passed and approved on this 12th day of October, 2021 by the following vote:

AYE:

NAY:

ABSTAIN:

At a regular meeting of the Board of Directors of the North Texas Groundwater Conservation District.

President

ATTEST:

Secretary-Treasurer

ATTACHMENT 10 b.

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

Well Registration Summary

(as of 8/31/2021)

| Well Type | Collin | Cooke | Denton | Total NTGCD | New Registrations August 2021 |
|----------------------------|------------|------------|-------------|-------------|-------------------------------|
| Domestic | 84 | 539 | 914 | 1537 | 27 |
| Public Water System | 33 | 75 | 224 | 333 | 0 |
| Irrigation | 96 | 4 | 185 | 285 | 0 |
| Surface Impoundment | 56 | 17 | 115 | 188 | 2 |
| Livestock | 7 | 81 | 63 | 151 | 0 |
| Oil / Gas | 1 | 6 | 66 | 73 | 0 |
| Agriculture | 10 | 13 | 42 | 65 | 1 |
| Commercial | 6 | 8 | 39 | 53 | 0 |
| Golf Course Irrigation | 15 | 2 | 21 | 38 | 0 |
| Other | 9 | 5 | 20 | 34 | 0 |
| Industrial / Manufacturing | 7 | 13 | 9 | 29 | 0 |
| Monitoring | 0 | 0 | 3 | 3 | 0 |
| TOTALS | 324 | 763 | 1701 | 2789 | 30 |

NOTE: Plugged wells have been excluded

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

Well Registration Summary

(as of 9/30/2021)

| Well Type | Collin | Cooke | Denton | Total NTGCD | New Registrations September 2021 |
|----------------------------|------------|------------|-------------|-------------|----------------------------------|
| Domestic | 84 | 544 | 923 | 1551 | 14 |
| Public Water System | 33 | 75 | 224 | 333 | 0 |
| Irrigation | 96 | 4 | 186 | 286 | 2 |
| Surface Impoundment | 56 | 17 | 116 | 189 | 1 |
| Livestock | 7 | 81 | 63 | 151 | 0 |
| Oil / Gas | 1 | 6 | 66 | 73 | 0 |
| Agriculture | 10 | 13 | 42 | 65 | 0 |
| Commercial | 6 | 8 | 39 | 53 | 0 |
| Golf Course Irrigation | 15 | 2 | 21 | 38 | 0 |
| Other | 9 | 5 | 20 | 34 | 0 |
| Industrial / Manufacturing | 7 | 13 | 9 | 29 | 0 |
| Monitoring | 0 | 0 | 3 | 3 | 0 |
| TOTALS | 324 | 768 | 1712 | 2805 | 17 |

NOTE: Plugged wells have been excluded

ADJOURN