



Red River Groundwater District Water Well Construction Photo

2018 Annual Report
Red River Groundwater Conservation District
Management Plan

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Billy Stephens, Member

Grayson County

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David Gattis, Member

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Paul M. Sigle, EIT, Groundwater Technical Lead

Allen Burks, Groundwater Field Technician

Wayne Parkman, Groundwater Field Technician

Theda Anderson, Registration Coordinator

Debi Atkins, Finance Officer

Tamera Flores, Accountant

Tasha Hamilton, Accountant

Carolyn Bennett, Administrative Manager/Project Coordinator

Velma Starks, Administrative Assistant

I. Introduction

In 1997 Senate Bill 1, enacted by the Texas Legislature, confirmed a state policy that “groundwater conservation districts... are the state’s preferred method of groundwater management through rules developed, adopted and promulgated by a district...” Subsequently, the Texas Commission on Environmental Quality issued a report in 2007 advising that one or more groundwater conservation districts would need to be created in the 13-county area of North Central Texas, including the Counties of Fannin and Grayson. Red River Groundwater Conservation District (“District”) was created by Senate Bill 2529 May 25, 2009 for Fannin and Grayson Counties. Three directors are appointed to Fannin County and four directors are appointed to Grayson County. The District’s boundaries are coterminous with the boundaries of Fannin and Grayson Counties.

The Board of Directors of the District adopted its initial Temporary Rules August 29, 2011. The District’s Temporary Rules were last amended effective January 1, 2017. The District’s Permanent Rules were adopted December 11, 2018.

The adopted Permanent Rules provide protection to existing wells, prevent waste, promote conservation, provide a framework that will allow availability and accessibility of groundwater for future generations, protect the quality of the groundwater in the recharge zone of the aquifer, insure that the residents of Fannin and Grayson Counties maintain local control over their groundwater, and operate the District in a fair and equitable manner for all residents of the District.

The District adopted its initial Management Plan in May of 2012. As required, the District’s Management Plan was updated and readopted March 16, 2017. The Texas Water Development Board subsequently approved the updated and readopted Plan. One requirement of this Plan is an Annual Report be provided to the Board of Directors. This report is presented to the Board of Directors of the Red River Groundwater Conservation District pursuant to this requirement.

The District is committed to manage and protect the groundwater resources within its jurisdiction and to work with others to ensure a sustainable, adequate, high quality and cost effective supply of water, now and in the future. The District will strive to develop, promote, and implement water conservation, augmentation, and management strategies to protect water resources for the benefit of the citizens, economy and environment of the District. The preservation of this most valuable resource can be managed in a prudent and cost effective manner through conservation, education, and management. Any action taken by the District shall only be after full considerations and respect has been afforded to the individual property rights of all citizens of the District.

II. General Manager's Report

This annual report has been prepared by District staff for presentation to the Board to keep them informed of the status of goals adopted by this Plan.

Mandatory well registration began April 1, 2012. This applies to all existing non-exempt wells, and all new wells drilled after April 1, 2012. All new wells must be approved and registered before construction begins.

During 2018, the Red River GCD Board of Directors and staff accomplished the following tasks:

- Continued to work with consultants on updating the District's geodatabase, including development of a water well management system
- Continued development of Permanent Rules and held workshops with consultants
 - January 25, 2018
 - March 15, 2018
 - May 17, 2018
 - July 31, 2018
- Held Public Hearing for review of Permanent Rules
 - October 25, 2018
- Adopted Permanent Rules
 - November 29, 2018
- Developed District Flow Testing Procedures
- Developed Hydrogeological Report Guidelines
- Continued meter inspection program, including the meter sealing policy to assure meters stay with the well for which it is assigned
- Well inspection program sustained
- Continued injection/disposal well monitoring program
- Initiated expansion of well monitoring program to include additional monitoring wells
 - Developed brochure detailing program overview of well monitoring program and expansion of the program to add additional monitoring wells
- Continued public information program - the General Manager gave presentations on the activities and purpose of the District.
 - February 18, 2018 – Sherman Kiwanis Club
 - April 25, 2018 – Grayson Rotary
- Completed Decennial Review of District Representation

III. Management Goals

The District Management Plan provides that an Annual Report be prepared by the General Manager and staff of the District, covering the activities of the District, including information concerning the District's performance in regards to achieving the District's management goals and objectives.

Goal 1 – Providing the most efficient use of water

Management Objective 1.1 – The District will require that all wells be registered in accordance with its current rules. All new wells drilled after April 1, 2012 and all existing non-exempt wells are required to be registered with the District in accordance with its current rules.

Performance Standard 1.1 – Subsequent to adoption of the Plan, briefings are being provided by the General Manager to the Board of Directors regarding well registration program at the monthly board meetings. Quarterly Reports regarding well registration are provided to the Board as well. In addition, a handout was developed by District staff to be provided annually to local realtor associations detailing the requirement of new property owners to register their existing wells within ninety (90) days of transfer of ownership.

Current number of wells registered in the District: 857

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

Management Objective 1.2 – It is the goal of the District that all non-exempt wells and exempt wells be registered. Beginning in April 2011 District launched an on-line registration program in order to register and collect important information regarding all non-exempt wells drilled on or after April 1, 2011. The District's Field Technicians manage a Field Inspections Program, with the objective of conducting field inspections of at least five (5) wells per month. These inspections confirm that a well has been registered, accuracy of well location, and accuracy of certain other required well registration information.

Performance Standard 1.2 – Quarterly briefings are provided by the General Manager to the Board of Directors regarding the number of well sites inspected each month to confirm well registration requirements have been met. Requirement to inspect/audit well sites each month to confirm well registration requirements has been met. This information is reported in Table 1.2.

**Table 1.2
2018
Well Inspections**

Month	Fannin	Grayson	Total
January	2	36	38
February	5	10	15
March	0	31	31
April	0	7	7
May	9	19	28
June	1	11	12
July	4	35	39
August	4	29	33
September	6	1	7
October	4	4	8
November	10	5	15
December	2	5	7
Total	47	193	240

This information is updated and presented quarterly to the Board of Directors. (Attachment A)

Management Objective 1.3(a) – A groundwater monitoring program was launched in 2017, to collect information on the quantity and quality of groundwater resources throughout the District. For the first two years, beginning in 2017, District staff began to work with Texas Water Development Board (“TWDB”) staff to monitor water levels in wells the TWDB staff currently monitors on an annual basis. After the initial two-year period, District staff will assume the responsibility of monitoring these wells at least annually. District staff is working on agreements with well owners for additional monitoring wells to add wells to the District’s groundwater monitoring program.

For the purpose of water quality sampling, the samples collected for water quality taken by the Texas Commission on Environmental Quality staff every five years will be used for monitoring purposes initially, and may be supplemented as determined by the Board in the future. All information collected will be entered into the District’s geodatabase.

Performance Standard 1.3(a)(1) – Number of wells in Fannin and Grayson Counties for which water levels were measured per year:

**Table 1.3A
Wells Measured**

Year	Wells Measured
2017	16
2018	16

Performance Standard 1.3(a)(2) – Number of wells per year in Fannin and Grayson Counties for which water samples were collected for testing of water quality: The Texas Commission on Environmental Quality provides a Consumer Confidence Report that provides consumers with information about the quality of drinking water. This data may be reviewed at www.tceq.texas.gov/drinkingwater/ccr/ for water systems.

Management Objective 1.3(b) – In order to ensure the efficient use of groundwater, adequate data must be collected to facilitate groundwater availability modeling activities necessary to understand current groundwater resources and the projected availability of those resources in the future. Monitoring wells will be established by the District for continuous time information on water levels in targeted locations on a schedule as determined by the District’s Board of Directors, as funds become available.

Performance Standard 1.3(b) – Number of wells for which water level data is available will be accessible online after the current geodatabase improvements project is complete.

Management Objective 1.4 – A critical component of the District’s goal of ensuring the efficient use of groundwater is the collection of accurate water use information. The District has established by permanent rule a requirement that all non-exempt wells are to be equipped with meters to measure use of groundwater. The well owner/operator is responsible for maintaining a meter log with at least monthly records of water use. Cumulative water use to be reported by well owner/operator on a quarterly basis. All water use information is entered and maintained in the District’s geodatabase. It is the objective of the District that 95 percent of all registered non-exempt wells will report water use by the reporting deadlines established in the District’s rules.

Performance Standard 1.4 – Percentage of registered non-exempt wells meeting reporting requirements of water use:

Table 1.4
Percentage of Registered Non-Exempt Wells Meeting
Reporting Requirements of Water Use

Year	Percentage Meeting Reporting Requirements
2017	88%
2018	92%

Management Objective 1.5 – In order to ensure that registered non-exempt wells have been equipped with District-approved meters and that water use is being accurately reported, a meter inspection program has been implemented by District staff. The District Field Technicians facilitate a meter inspection program to ensure that meters for all registered non-exempt wells will be inspected on at least a five-year cycle by District personnel. These inspections at a minimum verify proper installation and operational status of meters and record the meter reading at the time of inspection. This meter reading is compared to the most recent water use

report for the inspected well. Any potential violation of District Rules regarding meter installation and reporting requirements will be reported to the Board of Directors at their next practicable meeting for consideration of possible enforcement actions. Information containing annual water use, by registered well, by county, and by aquifer, will be included in the Annual Report presented by the General Manager. The report will include a comparison of reported water use versus the estimate of modeled available groundwater (the sum of exempt and permitted groundwater) established as a result of the Desired Future Conditions for aquifers in the District. This will be available to be included in future Annual Reports to the Board of Directors, after the District’s new geodatabase is implemented.

Performance Standard 1.5(a) - Percentage of registered non-exempt wells inspected by District personnel annually to verify meters meet District requirements:

Table 1.5
Percentage of Registered Non-Exempt Wells
Inspected Annually

Year	Percentage of Wells Inspected
2017	44%
2018	48%

Performance Standard 1.5(b) - Comparison of annual water use versus estimates of modeled available groundwater established as a result of the adopted Desired Future Conditions to be included in Annual Report provided by the General Manager at the first regularly scheduled meeting after which the current geodatabase improvements project is completed.

Management Objective 1.6 – A critical component to accomplishing the District’s mission is to ensure that proper data is being collected and that the data is being utilized to the fullest extent and efficiently. Shortly after the District was created, the District hired a consultant to build an online geodatabase that would make workflows, data entry and data utilization easier and more efficient for well owners, well drillers, general public, District staff and Board of Directors. After several years of utilizing the geodatabase the District had built, the District staff has identified areas in which the existing system can be upgraded.

Performance Standard 1.6 – The District has hired a consultant to upgrade the District’s geodatabase. The consultant is in the process of finalizing an upgraded database to make workflows, data entry and data utilization easier and more efficient.

Management Objective 1.7 – The District will develop methodology to quantify current and projected annual groundwater production from exempt wells.

Performance Standard 1.7 – The District will provide the Texas Water Development Board with its methodology and estimates of current and projected annual groundwater production from exempt wells. The District will also utilize the information in the future in developing and achieving desired future conditions and in developing and implementing its production allocation and permitting system and rules. Information pertaining to the implementation of this objective will be included in the Annual Report to the Board of Directors after the District’s new geodatabase is implemented.

Table 1.7
Estimated Production From Exempt Wells in Red River GCD

Primary Use	Active Wells	Sum Of Capacity (GPM)	Estimated Production (Gal)	Estimated Production (Ac-ft)	Methodology
Agriculture	18	1,895.0	249,003,000	764	Average time pumping per day of 6 hours
Commercial	8	154.0	438,000	1	Assumed average consumption is 150 gallons per day
Domestic	340	5,142.0	18,615,000	57	Assumed average consumption is 150 gallons per day
Golf Course	2	90.0	3,942,000	12	Average time pumping per day of 2 hours
Irrigation	4	78.0	3,416,400	10	Average time pumping per day of 2 hours
Livestock	33	623.0	81,862,200	251	Average time pumping per day of 6 hours
Oil / Gas	3	80.0	3,504,000	11	Average time pumping per day of 2 hours
Surface Impoundments	10	230.0	30,222,000	93	Average time pumping per day of 6 hours
Total	418	8,292	391,002,600	1,200	

Goal 2 – Controlling and preventing waste of groundwater

Management Objective 2.1 – The District will annually provide information to the public on eliminating and reducing wasteful practices in the use of groundwater by publishing information on groundwater waste reduction on the District’s website at least once a year.

Performance Standard 2.1 – A link has been provided on the District website to Best Management Practices and helpful hints to control and prevent waste of groundwater. The following is an excerpt of information available on the District website:

Conservation Tips:

[Home Water Conservation Guide](#)

[Home Water Works home water usage water calculator](#)

[25 things you can do to save water](#)

[How to Conserve Water in the Bathroom](#)

[Home Intelligence At-Home Water Conservation Guide](#)

[Drought Preparedness Council Situation Report](#)

Brochures in Spanish

Cuarenta Y Nueve Consejos Practicos Para Conservar Agua (Forty-Nine Water Saving Tips)

Xeriscape (Xeriscape - Principles and Benefits)

The Dillos Demonstrate Wordless Water Conservation

Management Objective 2.2 – The District will encourage the elimination and reduction of groundwater waste through a collection of water-use fees for non-exemption production wells within the District.

Performance Standard 2.2 – See Table 2.2

Table 2.2
Fees Paid and Groundwater Usage

Year	Total Fees Paid	Total Groundwater Used (gallons)
2013	\$297,037.92	4,243,398,860
2014	\$284,250.06	4,060,715,143
2015	\$322,861.01	4,612,300,150
2016	\$303,474.94	4,331,070,580
2017	\$302,897.59	4,327,108,428
2018	\$337,667.83	4,823,826,143

Management Objective 2.3 – The District will identify well owners that are not in compliance with District well registration, reporting, and fee payment requirements, and request they comply.

Performance Standard 2.3 – District staff compares existing state records and field staff observations with well registration database to identify noncompliant well owners.

**Table 2.3
Non-Compliant Well Owners**

Well Owner	Violation	Enforcement Action/Fine
Texas Rain Holding Co.	Failure to transfer well ownership within required period (2/16/2017)	\$100.00
	Failure to submit water production report within required period (2/16/2017)	\$500.00
	Failure to submit water use fee payments within 60 days of due date (2/26/2017)	\$500.00
	Failure to install water meter (2/26/2017)	\$500.00
	Continued noncompliance with District Rules (6/22/2017)	\$500.00
	Continued non-response and noncompliance with District Rules (11/2/2017) Letter dated 11/6/2017 final written notice lawsuit to be commenced	\$500.00
Buena Vista Turf Farm LLC	Failure to transfer well ownership within required period (5/17/2018)	\$100.00
	Failure to submit water production report within required period (5/17/2018)	\$500.00
	Show Cause Hearing 9-27-18 Lawsuit initiated Continued non-response and noncompliance	\$500.00
Bid D Ready Mix Concrete 873 Wall Street Road Gunter Texas 75058	Use of bypass to avoid recording groundwater production on a well meter March 20, 2018	Bypass removed

Management Objective 2.4 – The District will investigate instance of potential waste of groundwater.

Performance Standard 2.4 – District staff will report to the Board of Directors as needed regarding potential waste of groundwater and include number of investigations in Annual Report.

Table 2.4
Investigations of Potential
Waste of Groundwater

Year	Entity	Details
2018	None Reported	N/A

Goal 3 – Controlling and preventing subsidence – not applicable to Red River GCD

Goal 4 – Addressing conjunctive surface water management issues

Management Objective 4.1 – Coordinating with surface water management agencies. Designated Board Member or General Manager shall attend a minimum of 75 percent of meetings and events of Region C Water Planning Group. Participation in the regional water planning process will ensure coordination with surface water management agencies that are participating in the regional water planning process.

Performance Standard 4.1 – Report on actions of Region C Water Planning Group shall be provided to the Board as appropriate. General Manager to document meetings attended and significant actions of the planning group in Annual Report.

Region C Water Planning Group held 2 meetings in 2018, on April 9, 2018 and August 20, 2018. General Manager Drew Satterwhite attended the April 9, 2018 meeting, and Vice President Harold Latham attended both the April 9, 2018 and August 20, 2018 meetings.

April 9, 2018 Meeting:

The Group received an update from Kathleen Jackson, Texas Water Development Board concerning relevant water topics, elected the 2018 officers, recognized Jody Puckett’s service while serving on the Board, approved a letter to the TWDB requesting hydrologic variances to the TCEQ’s water availability models, designated the Major Water Providers:

- North Texas Municipal Water District
- Tarrant Regional Water District
- Dallas Water Utilities
- Upper Trinity River Water District
- Greater Texoma Utility Authority
- Trinity River Authority of Texas
- City of Fort Worth

The Group approved use of the same availability data for the Nacatoch Aquifer as contained in the 2016 State Water Plan as the methodology for determining availability of non-relevant aquifers, approved Task 5A Evaluation of Strategies scope/fee with TWDB, voted unanimously to form a Task 8 Subcommittee to review and revise recommendations for river and stream segments of unique ecological value and unique reservoir sites, and appointed Adam Whisenant, Tom Kula, Grace Darling, Bob Riley, Jack Stevens, Wendy Chi-Babulal, Tim Fisher, Rick Shaffer, Kevin Ward, and John Lingenfelder to the Task 8 Subcommittee. The Group discussed the schedule for the 2021 planning cycle, existing water availability (Task 3), the initial List of Potentially Feasible Water Management Strategies (Task 4B), and public participation materials available. The group received a presentation by Connie Townsend, TWDB, relating to TWDB Planning Rule Revision, and a report from Ms. Townsend concerning amendment documents, TWDB Board adoption of all Regional Water Planning Projections, State Flood Assessment Surveys, Interactive State Water Plan enhancements, and technical memo and MWPs list due September 10, 2018.

August 20, 2018 Meeting:

The Group appointed a nominating committee for the recommendation of the 2019 slate of officers, discussed vacancies on the Board, elected members to fill expiring terms, voted to approve the Technical Memorandum for submittal to the TWDB by September 10, 2018, discussed the schedule for the 2021 planning cycle, the Task 8 Subcommittee Report, received reports from Region B, Region D, and Region 8, received a report from the TWDB addressing the State Water Flood Assessment that is under internal review, The Water For Texas conference to be held January 2019, the meeting of the Uniform Standards Committee scheduled for November, and the three projects within Region C receiving commitments for the 2018 SWIFT cycle.

Management Objective 4.2 – Designated technical representative of the District will monitor and participate in all stakeholder meetings that concern water resources relevant to the District.

Performance Standard 4.2 – The General Manager of the District will monitor and participate in relevant stakeholder meetings that concern water resources relevant to the District. A report on meetings attended will be included in the Annual Report to the Board of Directors.

The General Manager attended the GMA 8 meetings held June 27, 2018 and November 30, 2018. There were no Trinity Aquifer Brackish Stakeholder meetings during 2018. The General Manager attended one of the two Region C Water Planning Group meetings held in 2018, and Vice President Harold Latham attended both of the meetings. Attachment C contains the minutes of the GMA8 meetings, and Attachment D contains minutes of the Region C 2018 meetings.

Goal 5 – Addressing natural resource issues

Management Objective 5.1

The District has engaged a firm to monitor all injection well applications within the District and notify the General Manager of any potential impacts.

Performance Standard 5.1 – General Manager will report to the Board of Directors on any information provided by the consultant engaged to monitor injection well applications within the District to the Board of Directors and document that information in the Annual Report to the Board of Directors.

**Table 5.1
Injection Wells**

Entity	Protested	Details
49332 BLS Production Co., Inc. P.O. Box 4431 Wichita Falls TX 76308	Protested by Darrell Lewis 4561 W. University Drive McKinney TX 75071	Application received by RRC August 31, 2018 Administratively complete by RRC November 2, 2018 Awaiting response from BLS Production Co., Inc. regarding protest
49423 BLS Production Co., Inc. P.O. Box 4431 Wichita Falls TX 76308		Application received by RRC September 13, 2018
49282 BLS Production Co., Inc. P.O. Box 4431 Wichita Falls TX 76308	Protested by Coryann Johnson P.O. Box 97 Collinsville TX 76233	Administratively complete by RRC November 16, 2018 Awaiting response from LS Production Co., Inc. regarding protest

Management Objective 5.2 – The District will monitor compliance by oil and gas companies of well registration, metering, production reporting, and fee payment requirements of the District’s rules.

Performance Standard 5.2 – As with other types of wells, instances of non-compliance by owners and operators of water wells for oil and gas activities will be reported to the Board of Directors as appropriate and for enforcement action. A summary of such enforcement activities will be included in the Annual Report to the Board of Directors.

There were no enforcement activities during 2018 concerning noncompliance by owners and operators of water wells for oil and gas activities.

Goal 6 – Addressing drought conditions

Management Objective 6.1 – The District will make available through the District’s website easily accessible drought information with an emphasis on developing droughts and any current drought conditions.

Performance Standard 6.1- The District has made available through the District website easily accessible drought information with an emphasis on developing droughts and on any current

drought conditions. Monthly U.S. Drought Monitor maps for Texas are available on the District website. Copies of each month's report for 2018 are attached to this report.

Goal 7 – Addressing conservation, recharge enhancement, rainwater harvesting, precipitation enhancement, and brush control

Texas Water Code §36.1071(a)(7) requires that a management plan include a goal that addressed conservation, recharge enhancement, rainwater harvesting, precipitation enhancement, or brush control, where appropriate and cost-effective. The District has determined that a goal addressing recharge enhancement and precipitation enhancement would not be appropriate or cost effective, and therefore is not applicable to the District.

Management Objective 7.1 – Provide for and facilitate the conservation of groundwater resources within the District. The District will include a link on the District's website to the electronic library of water conservation resources supported by the Water Conservation Advisory Council.

Performance Standard 7.1 – Link to electronic library of water conservation resources supported by the Water Conservation Advisory Council is available on the District website.

The following are links to the electronic library of water conservation resources supported by the Water Conservation Advisory Council that is available on the District's website:

Best Management Practice links:

Conservation Tips:

[Home Water Conservation Guide](#)

[Home Water Works home water usage water calculator](#)

[25 things you can do to save water](#)

[The Texas Manual on Rainwater Harvesting](#)

[How to Conserve Water in the Bathroom](#)

[Home Intelligence At-Home Water Conservation Guide](#)

Brochures in Spanish

[Cuarenta Y Nueve Consejos Practicos Para Conservar Agua \(Forty-Nine Water Saving Tips\)](#)

[Xeriscape \(Xeriscape - Principles and Benefits\)](#)

[The Dillos Demonstrate Wordless Water Conservation](#)

Management Objective 7.2 – The District will submit at least one article regarding water conservation for publication each year to at least one newspaper of general circulation in the District's Counties.

Performance Standard 7.2- Attachment B contains the article published during 2018 regarding water conservation.

Management Objective 7.3 – The District will provide educational curriculum regarding water conservation offered by the Texas Water Development Board (Major Rivers) to at least one elementary school in each county of the District.

Performance Standard 7.3 – During 2018 Major Rivers curriculum purchased from the Texas Water Development Board was unable to be delivered to the District by the TWDB, as the TWDB was not staffed to provide for the delivery of the curriculum. The curriculum ordered during 2018 for delivery that year will be delivered during 2019.

Management Objective 7.4 – Rainwater harvesting is assuming a viable role either as a supplemental water supply or as the primary water supply in both urban and rural areas of Texas. As a result, Texas has become internationally recognized for the widespread use and innovative technologies that have been developed, primarily through efforts at the Texas Water Development Board. To ensure these educational materials are readily available to citizens in the District, a link to rainwater harvesting materials including system design specifications and water quality requirements will be maintained on the District’s website.

Performance Standard 7.4 – The following links are maintained on the District’s website:

Rainwater Harvesting Links

The following rainwater harvesting links have been added to the Red River Groundwater Conservation District website:

Rainwater Harvesting Links

[TWDB Rainwater Harvesting Information](#)

[Texas Water by Texas A&M](#)

[TWDB Manual on Rainwater Harvesting](#)

[Harvesting Rainwater with Rain Barrels](#)

Management Objective 7.5 – Educate public on importance of brush controls as it related to water table consumption.

Performance Standard 7.5 – The following links are maintained on the District’s website:

Brush Control Links

[State Water supply Enhancement Plan \(July 2014\)](#)

[Texas State Soil and Water Conservation Board](#)

[AgriLife Extension Texas A&M System Brush Control Program](#)

Goal 8 – Achieving Desired Future Conditions of Groundwater Resources

The Desired Future Conditions of the aquifers of Groundwater Management Area 8 represent average water levels in the various aquifers at the end of 50-years based on meeting current and projected groundwater supply needs. The Board of Directors has adopted a strategic approach that includes adoption of this management plan and rules necessary to achieve the Desired Future Conditions. This management plan and companion rules have been designed as an integrated program that will systematically collect and review water data on water quantity, water quality, and water use, while at the same time, implementing public awareness and public education activities that will result in a better formed constituency.

Management Objective 8.1 – Statute requires GCDs to review, amend as necessary, and readopt management plans at least every five years. The General Manager will annually present a summary report on the status of achieving the adopted desired future conditions.

Performance Standard 8.1(a) – The General Manager will present a summary report on the status of achieving the adopted desired future conditions in the Annual Report beginning 2021. The summary report will primarily be based on data collected from the District’s groundwater monitoring program. The Desired Future Conditions for the Red River GCD were adopted in December 2017.

Performance Standard 8.1(b) – Beginning four years after adoption of the Plan, General Manager will work with Board of Directors to conduct a focused review to determine if any elements of this Plan or the District Rules need to be amended to achieve the adopted Desired Future Conditions, or if the Desired Future Conditions need to be reviewed/revise to better reflect the needs of the District. Possible results of the five-year review: (1) determination that current Plan and Rules are working effectively to achieve Desired Future Conditions, (2) specific amendments need to be made to the Plan and/or Rules to achieve the adopted Desired Future Conditions, (3) amendments are needed to the adopted Desired Future Conditions to better meet the needs of the District, or (4) a combination of (2) and (3). This determination to be made at a regularly scheduled meeting of the Board of Directors no later than five years after adoption of the Plan.

ATTACHMENT A

Presentations to Public by General Manager

**Presentation to Sherman Kiwana's February 8, 2018
and Grayson Rotary April 25, 2018**

Greater Texoma Utility Authority



Sherman Kiwanis

February 8, 2018

Grayson Rotary

April 25, 2018



What is GTUA?

- A political subdivision of the State of Texas established in 1979 for the purpose of assisting cities and public service providers with infrastructure, solid waste, water and sewer needs.
- Created at the request Cities of Denison and Sherman
- Since added Anna, Bailey, Collinsville, Ector, Gainesville, Gunter, Howe, Leonard, Muenster, Pottsboro, Tioga, Tom Bean, Valley View, Van Alstyne, Whitesboro, and Whitewright

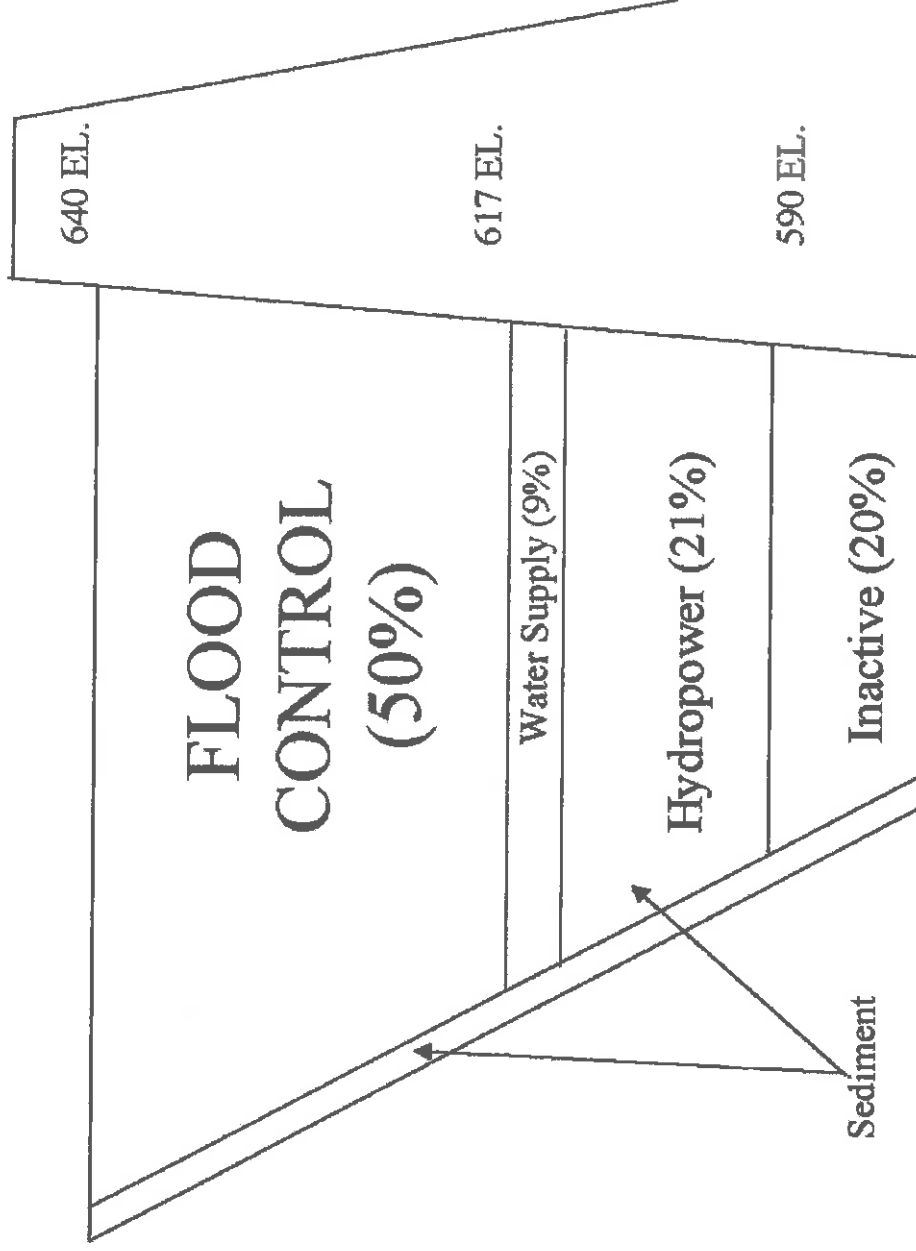
Water Supply



Lake Texoma

- 2,516,232 acre-feet storage
- Multi-purpose – flood control, hydropower, municipal, recreational
- Original municipal storage 150,000 acre-feet
 - Contracts – GTUA, NTMWD, City of Denison, and TXU
- Water Resources Act of 1986 – additional 300,000 acre-feet
 - 150,000 acre-feet to Texas
 - GTUA – 50,000 acre-feet – sold to 15 retail water providers
 - NTWMD – 100,000 acre-feet
 - 150,000 acre-feet to Oklahoma
 - Pointe Vista – 409 acre-feet
 - Buncombe Creek Resort – 0.4 acre-feet

WATER STORAGE IN LAKE TEXOMA



Source: Corps of Engineers - Tulsa District

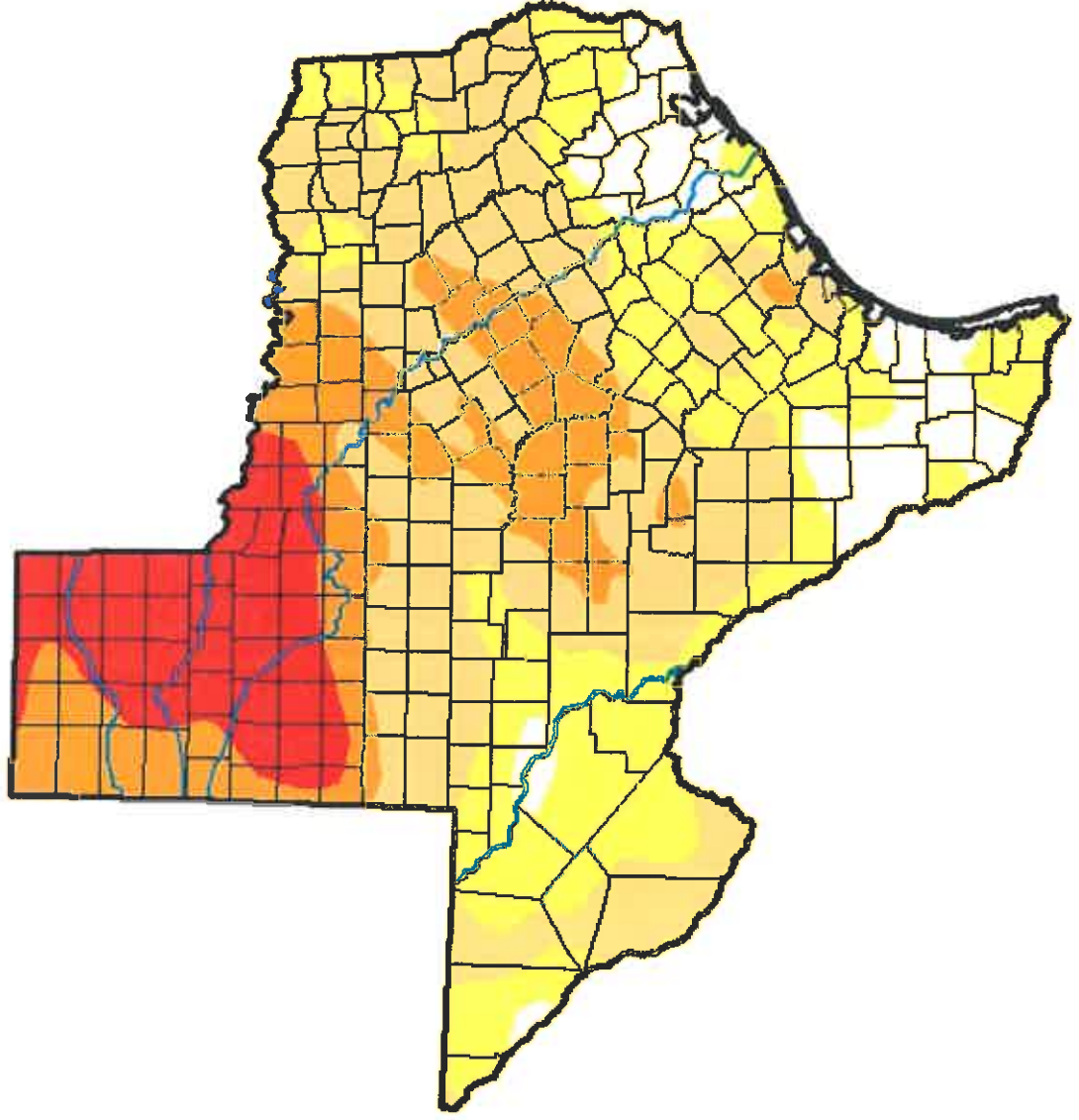
U.S. Drought Monitor

Texas

February 6, 2018

(Released Thursday, Feb. 8, 2018)

Valid 7 a.m. EST



Intensity:

-  D0 Abnormally Dry
-  D1 Moderate Drought
-  D2 Severe Drought
-  D3 Extreme Drought
-  D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:

Eric Luebehusen
U.S. Department of Agriculture



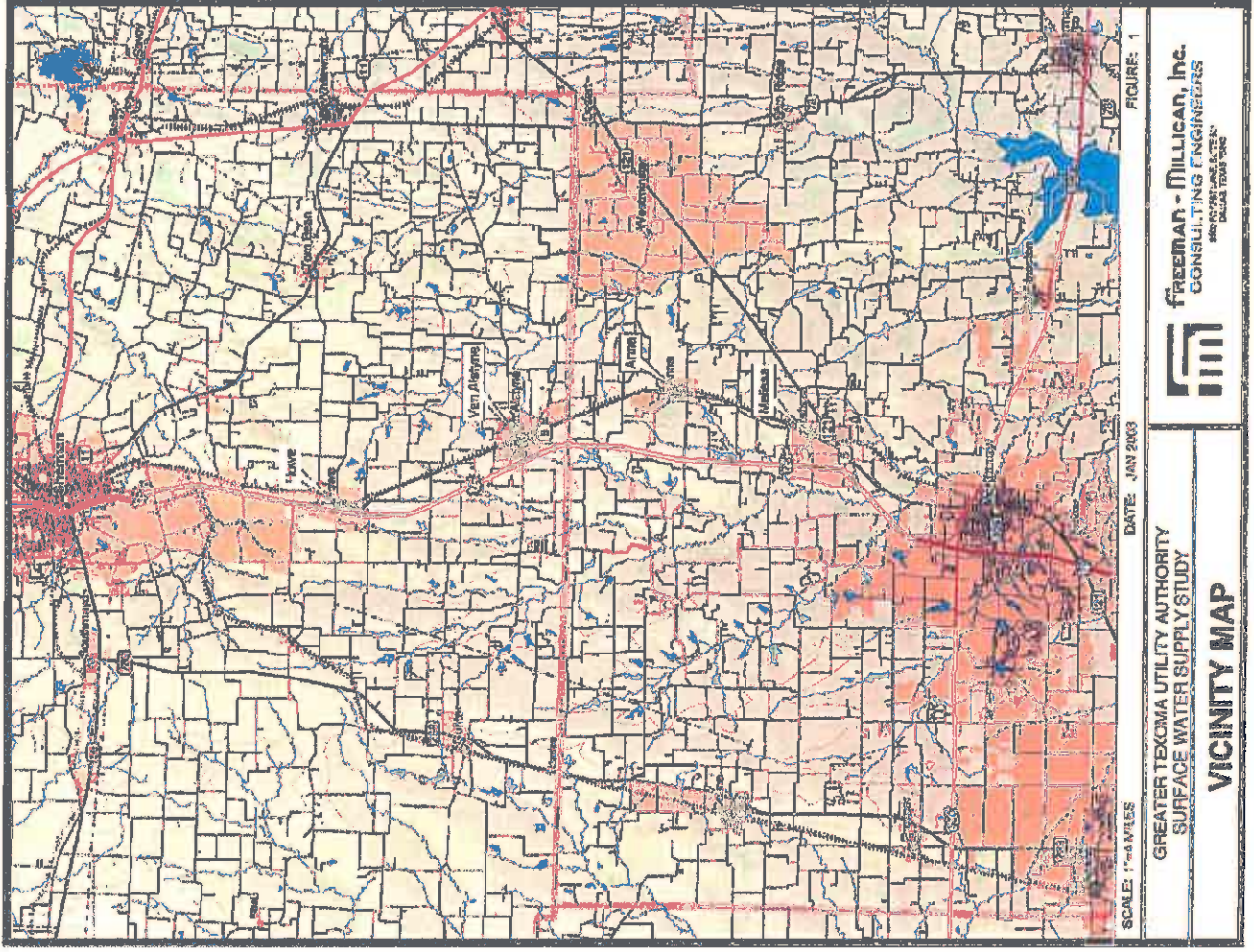
<http://droughtmonitor.unl.edu/>

Lake Texoma Drought, '13-'14

- Drought was primary reason for low lake levels
- 2013 was 2nd lowest inflow on record
- Hydropower had lowest year of generation in 2013
- NTMWD had not taken water since 2009
- GTUA used 5,162 of 83,200 acre-feet in 2013
- Peak day evaporation losses can be as much as 2,000 acre-feet or 651 million gallons



Collin- Grayson Municipal Alliance Waterline

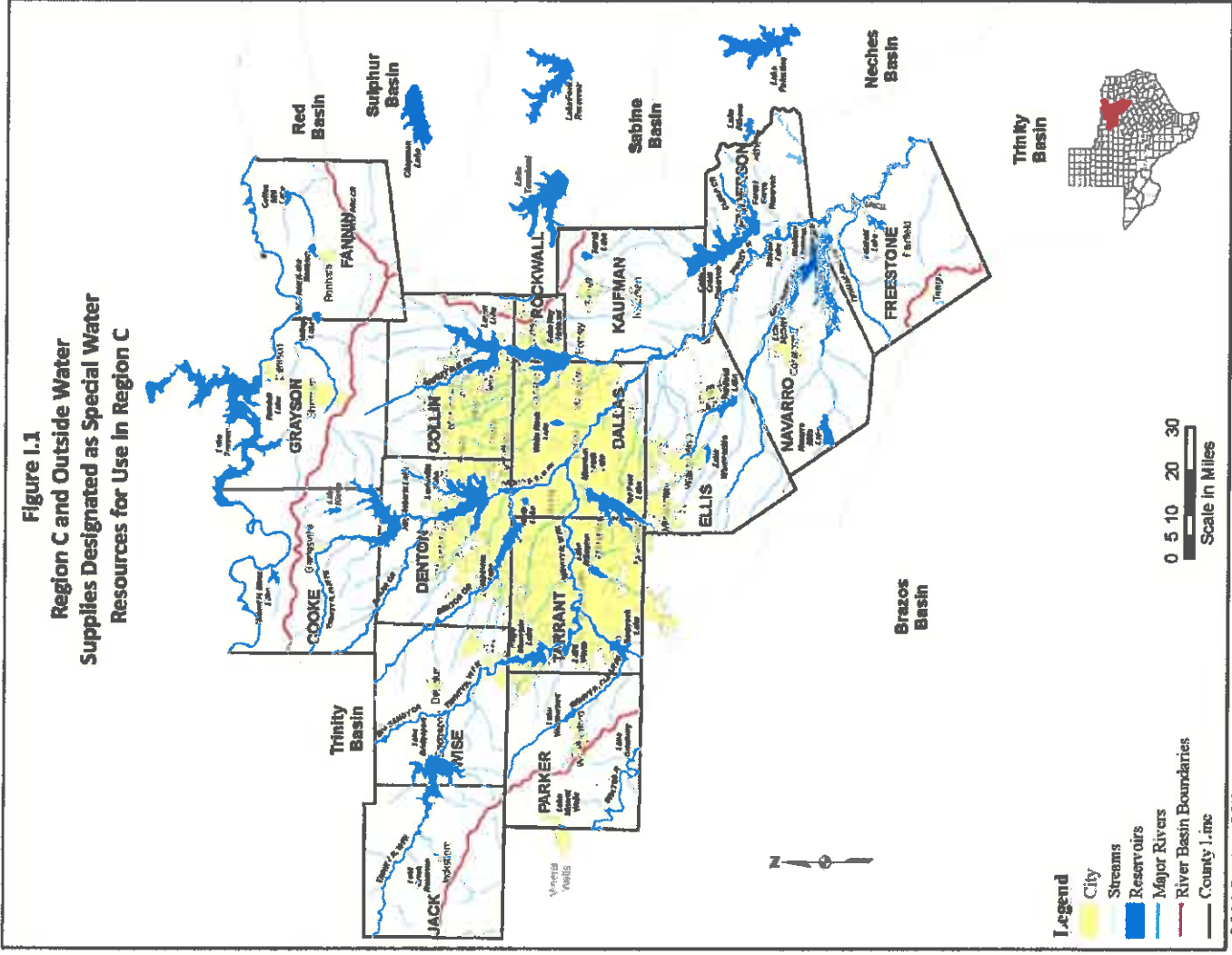




Regional Water Planning

Region C

- Population Total
 - 7.5 million – 2020
 - 14.3 million – 2070
- Counties with most rapid growth
 - Collin County
 - Denton County



GTUA Projects





Financing and Construction

- Finance, administer and inspect water and wastewater projects
- GTUA has over \$155 million in debt issued on behalf of area entities
- Largest number of loans with the TWDB

Current Projects

- Sherman WTP, WWTP and Systems
- Krum Water Well
- Tom Bean Well and Pump Station
- Ector Wastewater Treatment Plant
- Princeton Pump Station
- Gunter WWTP and Water Well





GTUA Operations

- Assist area providers with
 - Public Water Systems
 - Wastewater Treatment Plants and Systems
 - Dripping Springs Landfill

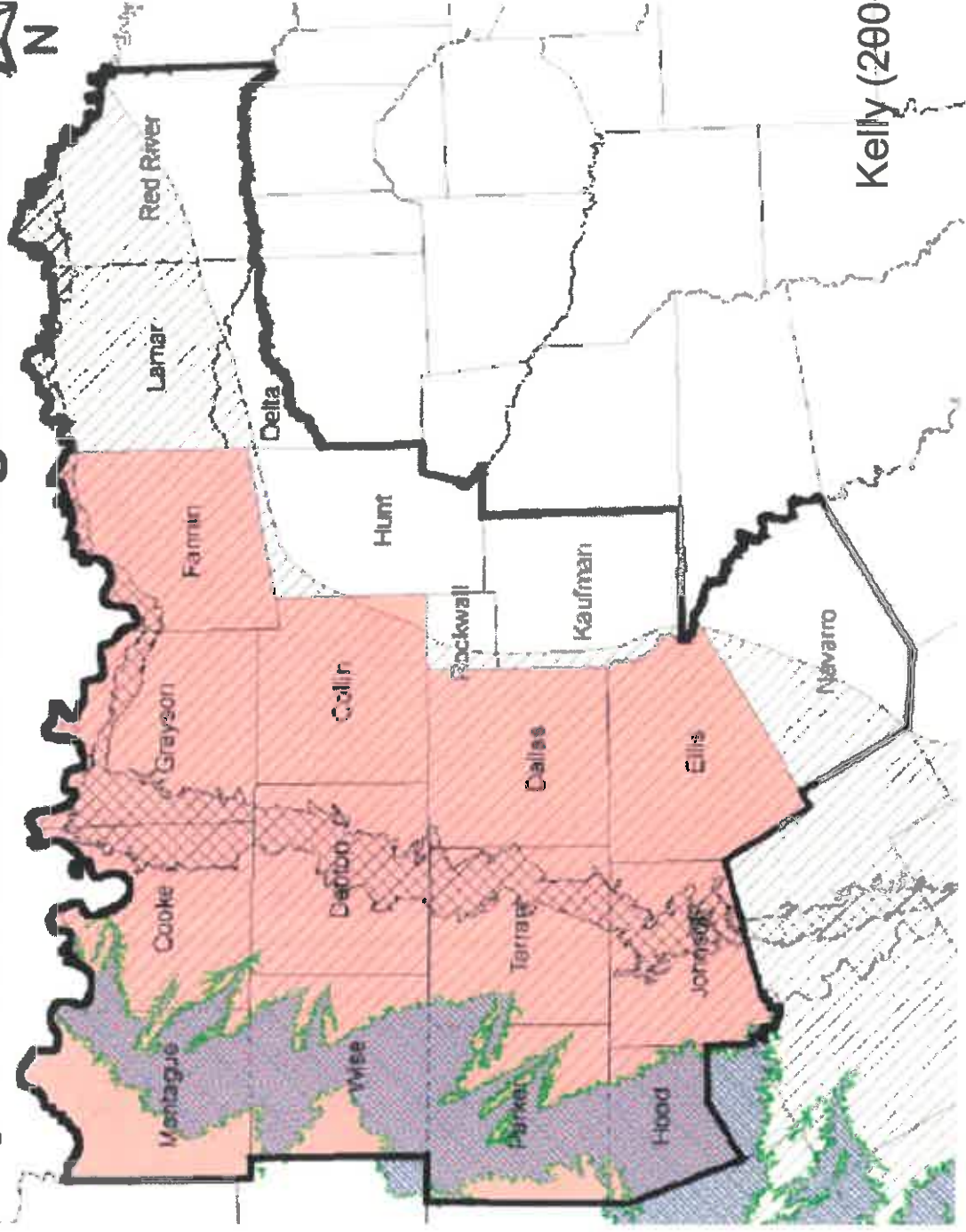
Groundwater Conservation Districts



Creation of groundwater districts in North Central Texas

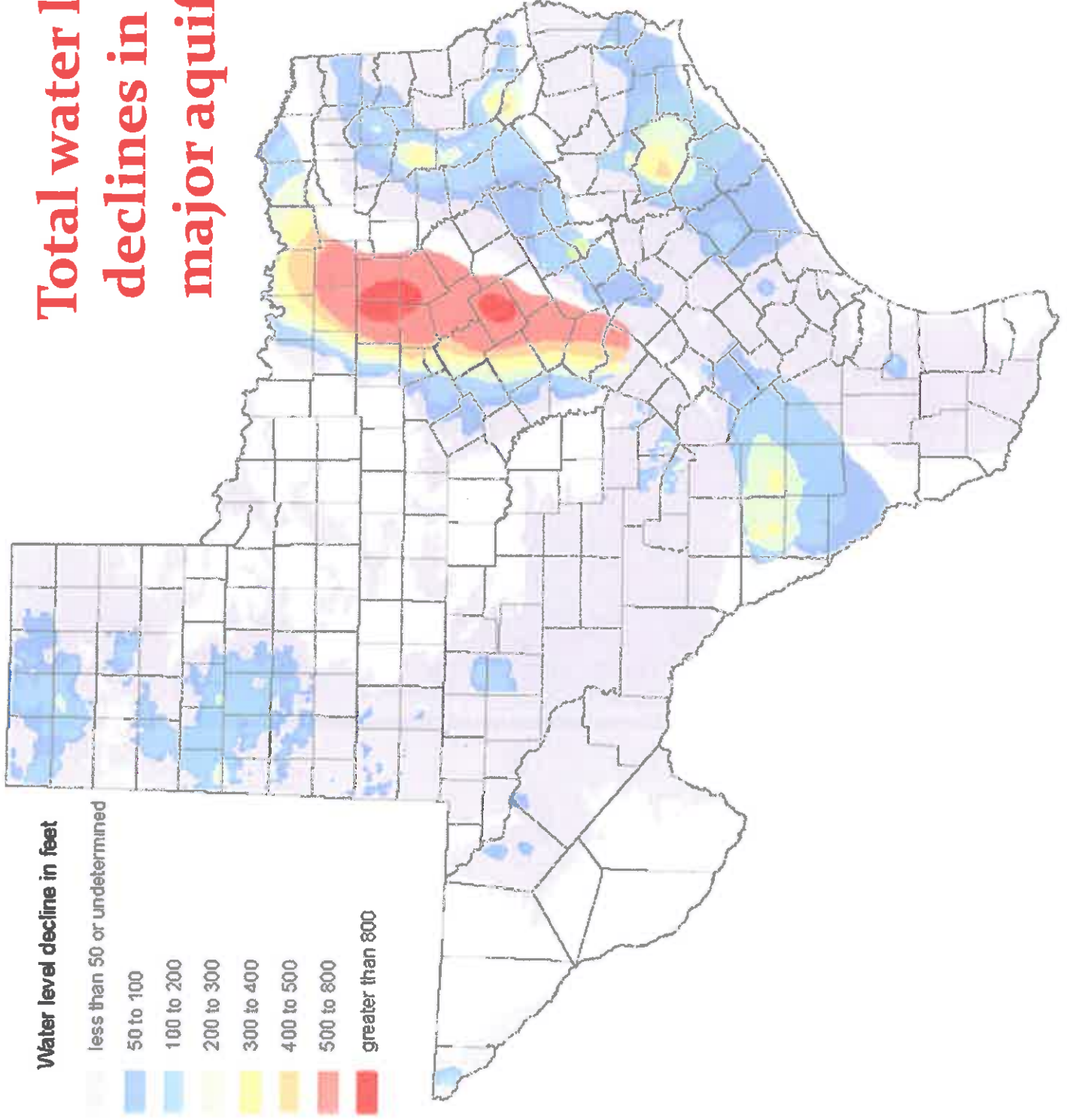
- In 1997 Senate Bill I, enacted by the Texas Legislature, confirmed that “groundwater conservation districts... are the state’s preferred method of groundwater management through rules developed, adopted and promulgated by a district...”
- In 2007 the Texas Commission on Environmental Quality issued a report advising one or more groundwater conservation districts would need to be created in the 13-county area of North Central Texas, including Collin, Cooke, Denton, Fannin and Grayson Counties

North Texas Priority Groundwater Management Study Area

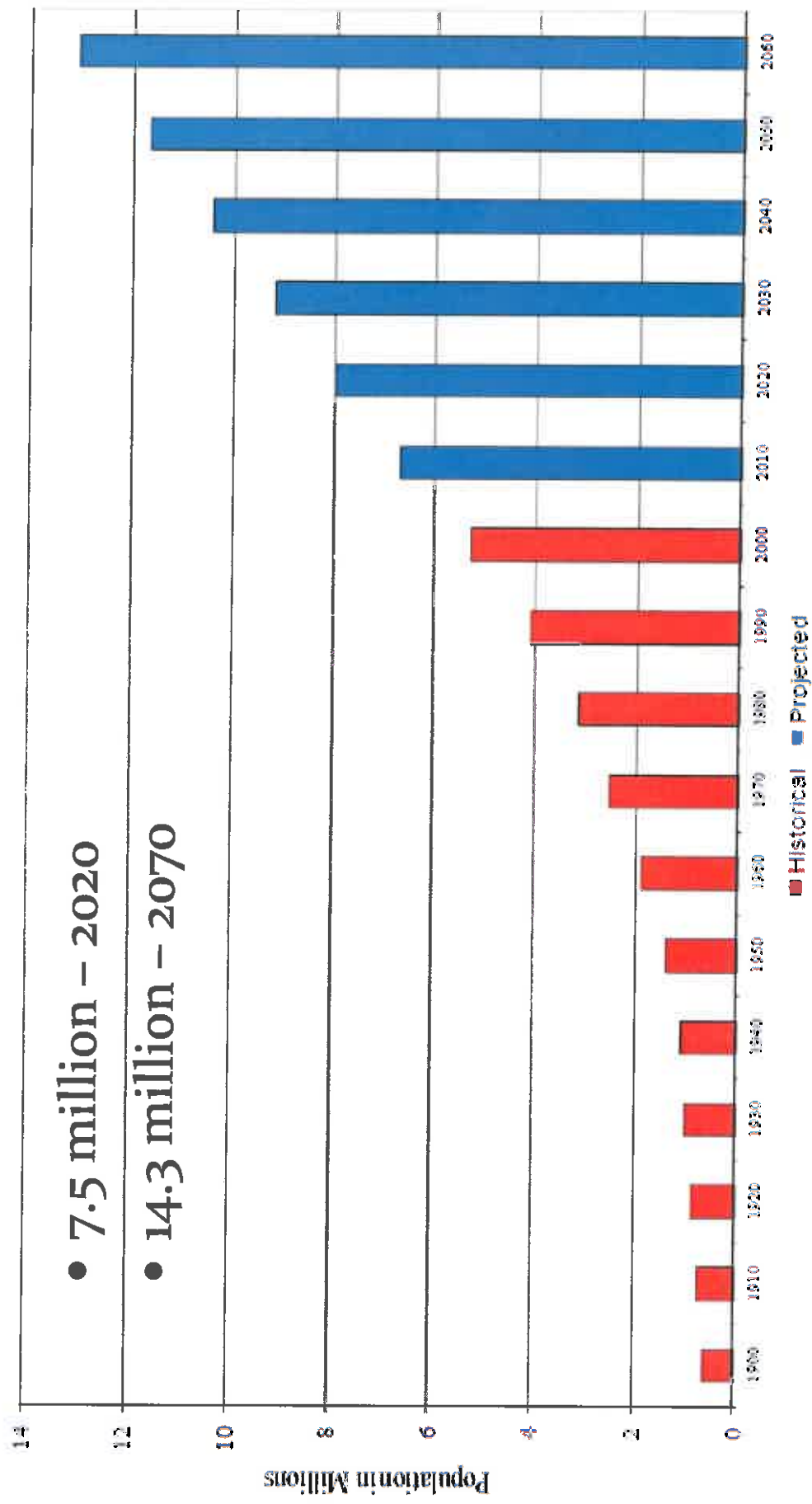


Kelly (2006; TCEQ)

Total water level declines in the major aquifers



Population Growth in Region C



RED RIVER

GROUNDWATER CONSERVATION DISTRICT

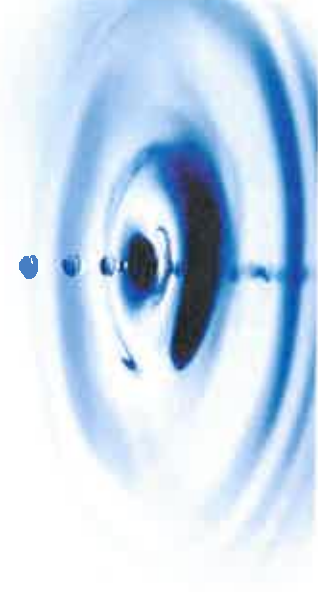
- RRGCD was created May 25, 2009 by Senate Bill 2529 for Fannin and Grayson Counties
- 7 Board of Directors
 - 3 appointed by Fannin County Commissioners
 - 4 appointed by Grayson County Producers
- The District entered into a Management Agreement with the GTUA to provide management and staffing for the District in 2011.



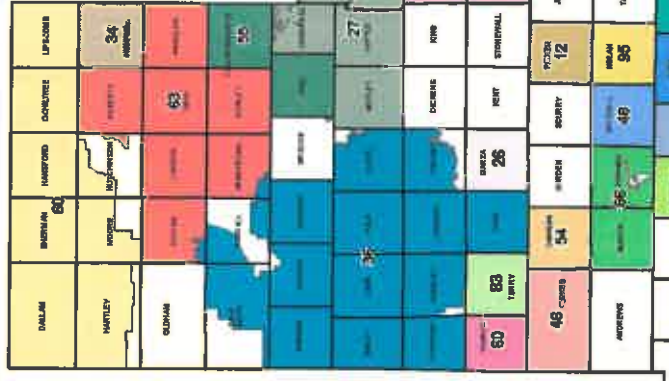


NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

- North Texas Groundwater Conservation District was created May 27, 2009 by Senate Bill 2497 for Collin, Cooke and Denton Counties
- 9 Directors, 3 appointed by each County
- The District entered into a Management Agreement with the GTUA to provide management and staffing for the District in 2011.



Groundwater Conservation District of Texas



Confirmed Groundwater Conservation Districts *

1. Anderson County UWCD - 1/04/1987
2. Bandera County River Authority & Ground Water District - 11/17/1989
3. Barton Springs Edwards Aquifer CD - 8/13/1987
4. Bee GCD - 12/02/2001
5. Blanco-Pedernales GCD - 12/3/2001
6. Blount County GCD - 11/20/1999
7. Brazos Valley GCD - 1/15/2002
8. Brewster County GCD - 1/16/2001
9. Brush Country GCD - 11/23/2000
10. Central Texas GCD - 9/24/2005
11. Clear Fork GCD - 1/16/2002
12. Clearwater UWCD - 8/21/1988
13. Coastal Bend GCD - 1/18/2001
14. Coastal Plains GCD - 1/18/2001
15. Coke County UWCD - 1/14/1988
16. Colorado County GCD - 1/16/2007
17. Corpus Christi ASRCD - 6/17/2005
18. Cow Creek GCD - 1/15/2002
19. Crocket County GCD - 1/23/1991
20. Cottle County GCD - 12/5/1995
21. Dandal County GCD - 1/25/2003
22. Edwards Aquifer Authority - 7/28/1988
23. Edwards UWCD - 8/20/1985
24. Feyffels County GCD - 11/6/2001
25. Garza County UWCD - 1/15/1986
26. Garza County UWCD - 1/15/1986
27. Gateway GCD - 5/23/2003
28. Gillespie County GCD - 1/22/1981
29. Gonzales County UWCD - 1/16/2001
30. Guadalupe County GCD - 11/14/1999
31. Hays Trinity GCD - 5/25/2003
32. Henshaw County GCD - 1/15/1991
33. Hill Country UWCD - 11/16/1987
34. Hill Country UWCD - 8/21/1987
35. Huddleston County UWCD No. 1 - 1/05/1987
36. Huddleston County UWCD - 8/21/1985
37. Inon County UWCD - 11/21/1993

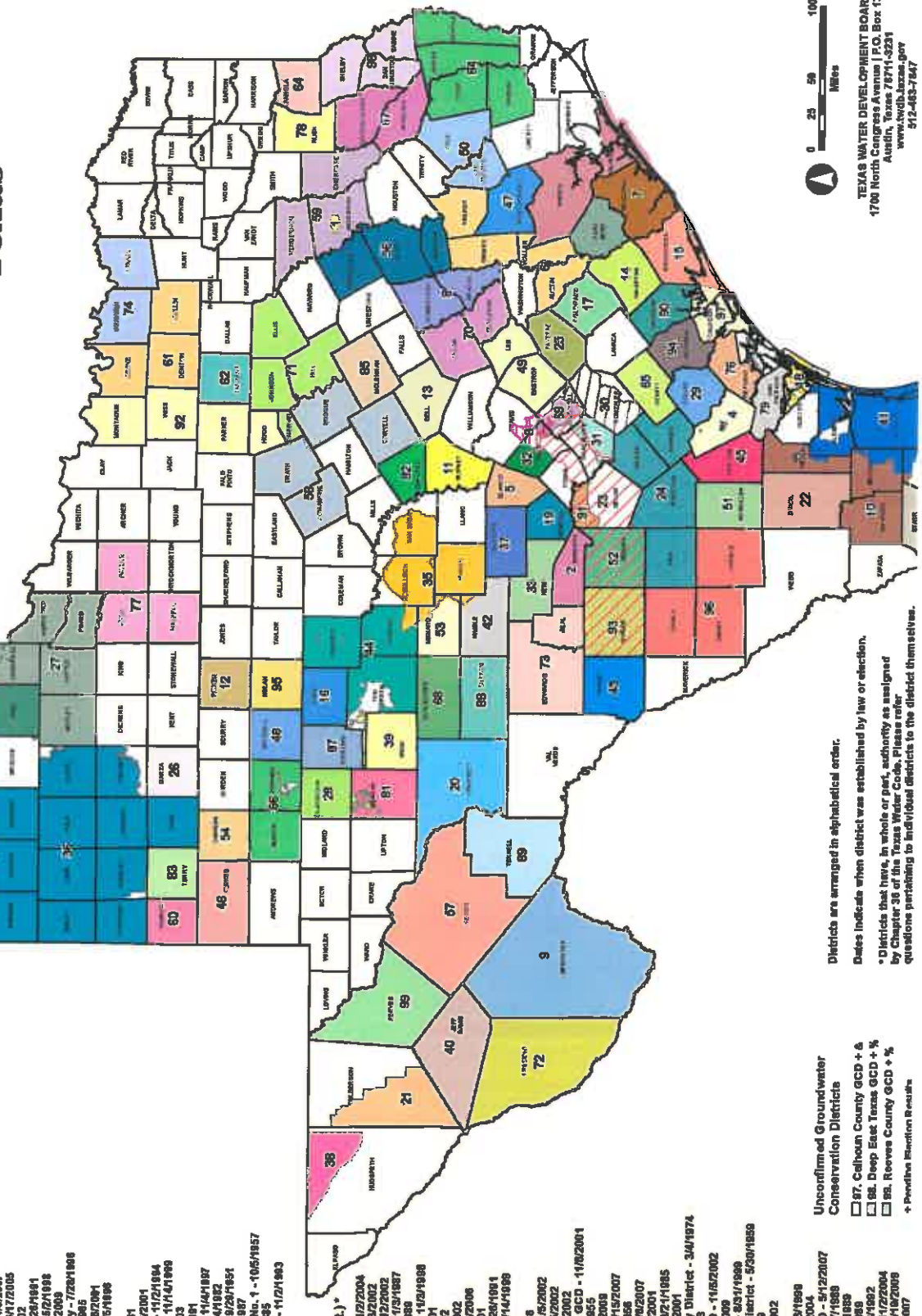
Confirmed Groundwater Conservation Districts (Cont.) *

41. Kinney County GCD - 11/22/2004
42. Kinney County GCD - 5/31/2002
43. Kinney County GCD - 4/12/2002
44. Upper-Kinney County GCD - 11/13/1987
45. Live Oak UWCD - 11/17/1988
46. Llano Estacado UWCD - 1/13/1988
47. Lone Star GCD - 1/16/2001
48. Lone Wolf GCD - 2/22/2002
49. Lower Pines GCD - 1/15/2002
50. Lower Trinity GCD - 1/17/2006
51. McLennan GCD - 1/16/2001
52. Medina County GCD - 8/23/1991
53. Medina County GCD - 8/16/1995
54. Menard County UWCD - 1/16/1988
55. Menard County UWCD - 1/16/1988
56. Mid-East Texas GCD - 1/15/2002
57. Middle Pecan GCD - 1/15/2002
58. Middle Trinity GCD - 5/4/2002
59. Neches & Trinity Valleys GCD - 1/18/2001
60. North Plains GCD - 12/1/2003
61. North Texas GCD - 5/15/2007
62. Northern Trinity GCD - 5/15/2007
63. Partholde GCD - 1/21/1988
64. Pecos County GCD - 1/16/2001
65. Permian Basin UWCD - 1/16/1985
66. Phinity GCD - 1/16/2001
67. Phinity GCD - 1/16/2001
68. Phinity GCD - 1/16/2001
69. Phinity GCD - 1/16/2001
70. Post Oak Stewarsh GCD - 1/15/2002
71. Prairielands GCD - 9/12/2006
72. Presidio County UWCD - 8/31/1989
73. Real-Edwards C and R District - 5/30/1959
74. Red River GCD - 8/12/2009
75. Red Sands GCD - 1/15/2002
76. Redlands GCD - 1/16/2001
77. Rolling Plains GCD - 1/29/1999
78. Rust County GCD - 6/5/2004
79. San Patricio County GCD - 8/12/2007
80. Santa Rita UWCD - 8/19/1989
81. Santa Rita UWCD - 8/19/1989
82. South Plains UWCD - 2/18/1992
83. Southeast Texas GCD - 1/12/2004
84. Southeast Texas GCD - 6/18/2005
85. Southern Trinity GCD - 1/16/2007
86. Starr County GCD - 1/16/2007

Unconfirmed Groundwater Conservation Districts

- 97. Calhoun County GCD + 4
- 98. Deep Eack Texas GCD + 4
- 99. Reeves County GCD + 4
- 99. Southern Trinity GCD + 4

+ Provisional Election Results

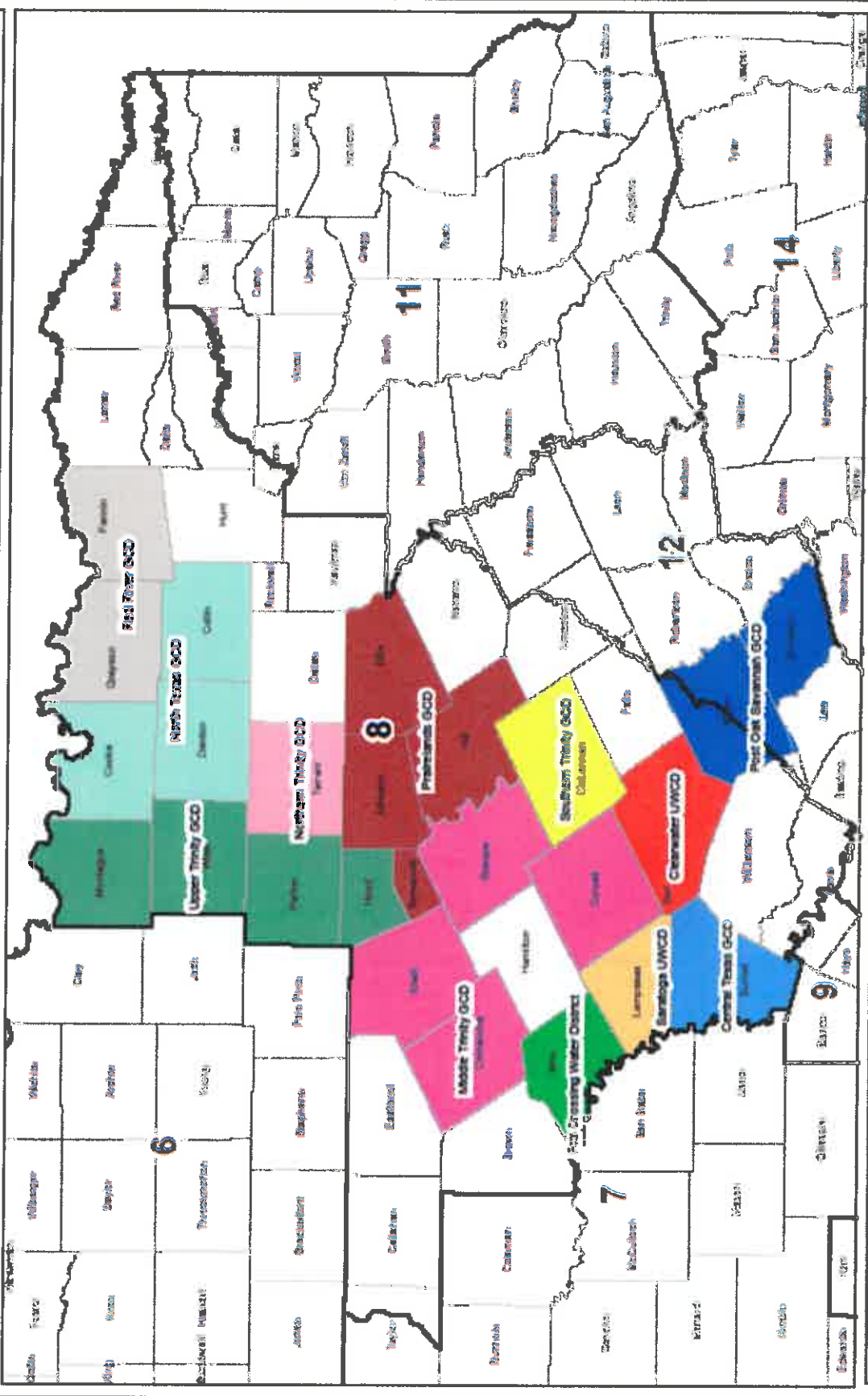


0 25 50 100 Miles

TEXAS WATER DEVELOPMENT BOARD
1700 North Congress Avenue | P.O. Box 13231
Austin, Texas 78711-8231
www.twdb.texas.gov
512-463-7647

Districts are arranged in alphabetical order.
Dates indicate when district was established by law or election.
* Districts that have, in whole or part, authority as assigned by Chapter 38 of the Texas Water Code. Please refer to questions pertaining to individual districts to the district themselves.

Groundwater Districts in GMA Region 8





**Clearwater
Underground Water
Conservation District**
April 12, 2010



North

Legend

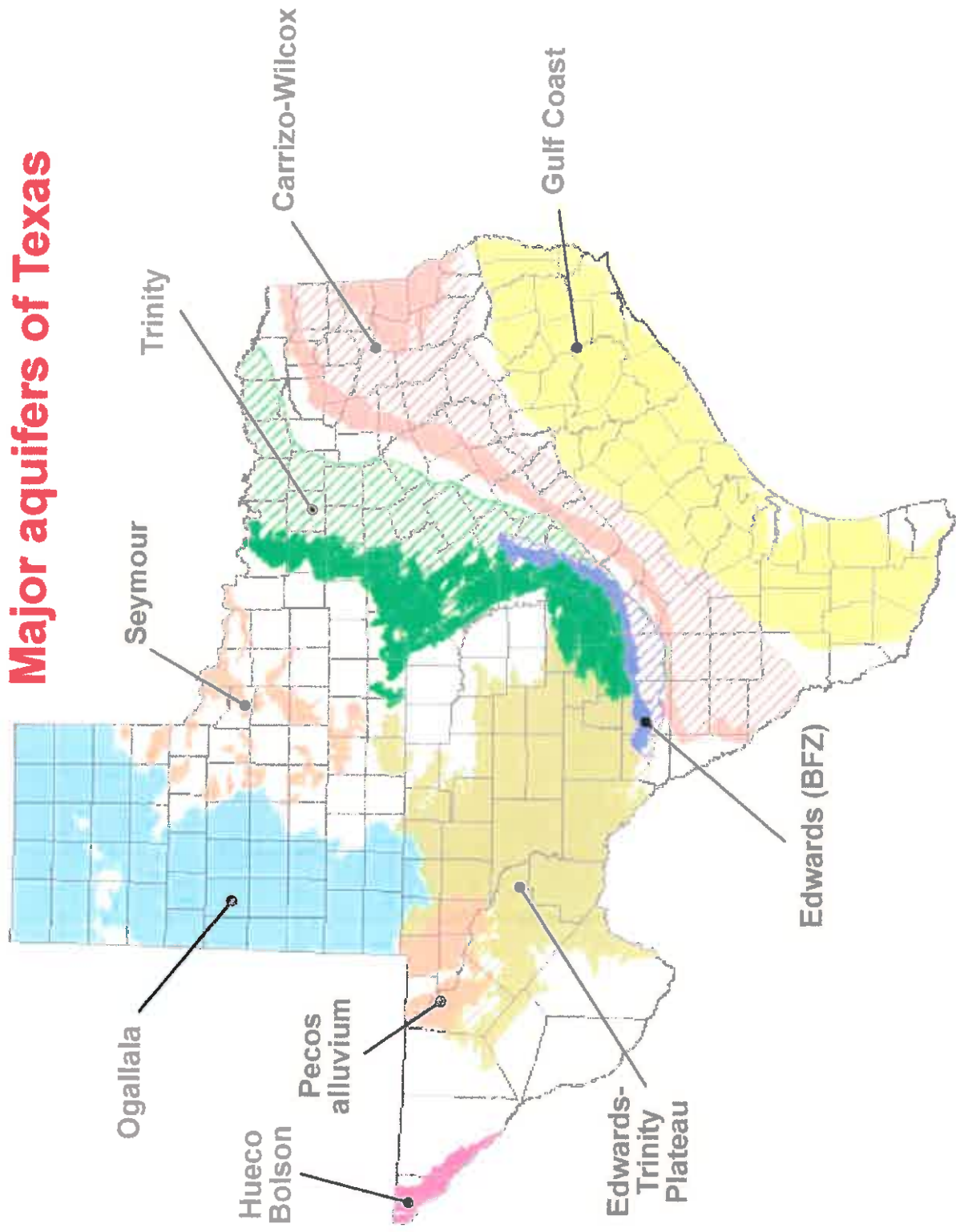
-  GMA Boundaries
-  Counties



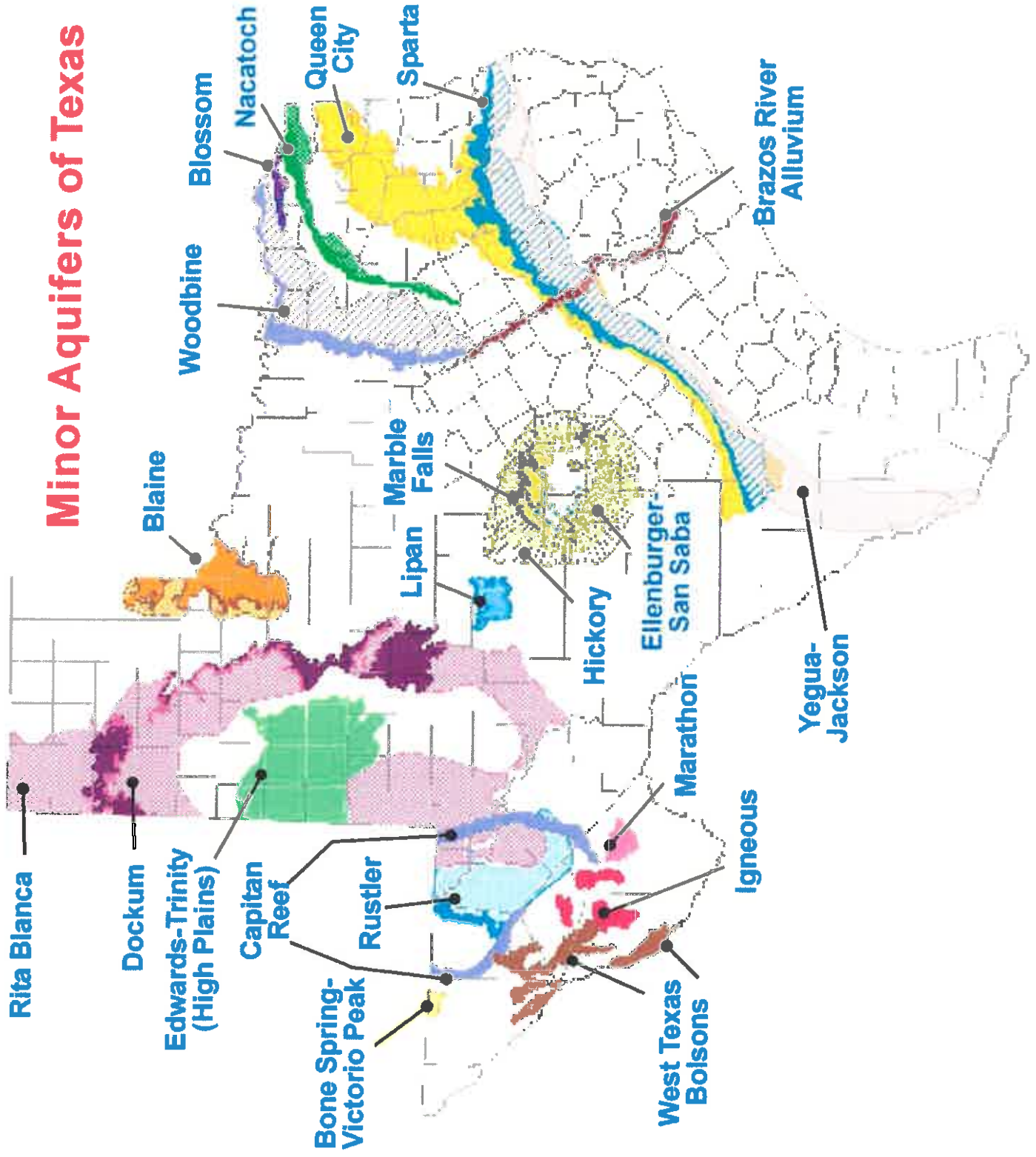
0 5 10 15 20 25 30 35 40 45 50 55 miles

July 2008 GCD Data - TWSB

Major aquifers of Texas



Minor Aquifers of Texas



A silhouette of a windmill against a sunset sky with a bright sun and clouds.

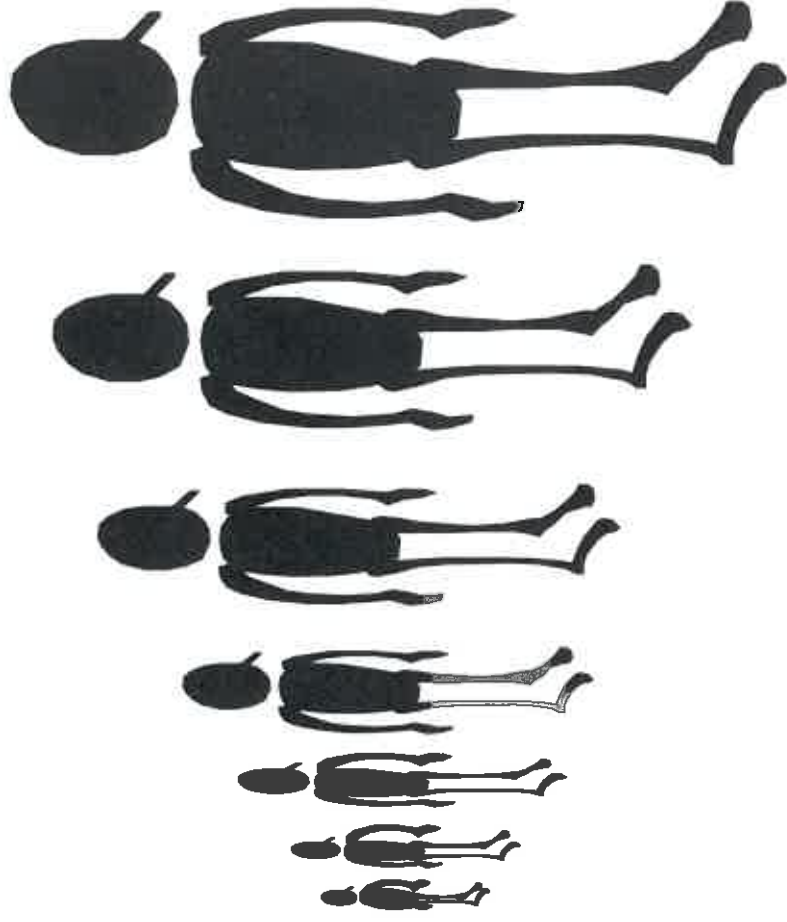
Over 59% of Texas' Total Water
Supply is from Groundwater



**Grayson County uses more
than 50% of groundwater to
meet the total water needs**

Population Growth in Texas

- 1980 – 14,230,000
- 1990 – 16,980,000
- 2000 – 20,850,000
- 2010 – 25,145,000
- 2020 – 29,650,000
- 2030 – 33,700,000
- 2040 – 37,700,000
- 2050 – 41,900,000
- 2060 – 46,300,000





Summary

- Water is going to continue to challenge our state and region as we grow
- GTUA has/will provide a variety of services to help meet the water, wastewater, and solid waste needs in our growing region



Greater Texoma Utility Authority

Drew Satterwhite, P.E., General Manager

5100 Airport Drive

Denison, TX 75020

(903) 786-4433

(903) 786-8211 fax

www.gtua.org



ATTACHMENT B

Quarterly Reports



RED RIVER
GROUNDWATER CONSERVATION DISTRICT
FANNIN COUNTY AND GRAYSON COUNTY



General Manager's Quarterly Report
Date: March 31, 2018
Red River GCD Management Plan

This quarterly briefing is being provided pursuant to the adopted Management Plan for the quarter ending March 31, 2018.

Well Registration Program:

Current number of wells registered in the District: 788*

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

Well Inspection/Audit Program:

2018
Well Inspections

Month	Fannin	Grayson	Total
January	2	36	38
February	5	10	15
March	0	31	31
April			
May			
June			
July			
August			
September			
October			
November			
December			
Total	7	77	84

* reflects 10 wells that were deleted by the staff in a data scrubbing effort. The deleted wells were applied for/registered, but were never actually drilled.



RED RIVER
GROUNDWATER CONSERVATION DISTRICT
FANNIN COUNTY AND GRAYSON COUNTY



General Manager's Quarterly Report
Date: July 2, 2018
Red River GCD Management Plan

This quarterly briefing is being provided pursuant to the adopted Management Plan for the quarter ending June 30, 2018.

Well Registration Program:

Current number of wells registered in the District: 810

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

Well Inspection/Audit Program:

2018
Well Inspections

Month	Fannin	Grayson	Total
January	2	36	38
February	5	10	15
March	0	31	31
April	0	7	7
May	9	19	28
June	1	11	12
July			
August			
September			
October			
November			
December			
Total	17	114	131



RED RIVER
GROUNDWATER CONSERVATION DISTRICT
FANNIN COUNTY AND GRAYSON COUNTY



General Manager's Quarterly Report
Date: September 30, 2018
Red River GCD Management Plan

This quarterly briefing is being provided pursuant to the adopted Management Plan for the quarter ending September 30, 2018.

Well Registration Program:

Current number of wells registered in the District: 833

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

Well Inspection/Audit Program:

2018
Well Inspections

Month	Fannin	Grayson	Total
January	2	36	38
February	5	10	15
March	0	31	31
April	0	7	7
May	9	19	28
June	1	11	12
July	4	35	39
August	4	29	33
September	6	1	7
October			
November			
December			
Total	26	184	210



RED RIVER
GROUNDWATER CONSERVATION DISTRICT
FANNIN COUNTY AND GRAYSON COUNTY



General Manager's Quarterly Report
Date: December 31, 2018
Red River GCD Management Plan

This quarterly briefing is being provided pursuant to the adopted Management Plan for the quarter ending December 31, 2018.

Well Registration Program:

Current number of wells registered in the District: 857

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

Well Inspection/Audit Program:

2018
Well Inspections

Month	Fannin	Grayson	Total
January	2	36	38
February	5	10	15
March	0	31	31
April	0	7	7
May	9	19	28
June	1	11	12
July	4	35	39
August	4	29	33
September	6	1	7
October	4	4	8
November	10	5	15
December	2	5	7
Total	47	193	240

ATTACHMENT C

Reports on Stakeholder Meetings

**Meeting of the
Groundwater Management Area 8
June 27, 2018 in Cleburne, TX**

Minutes

The Groundwater Management Area 8 (GMA 8) district representatives (referred to herein collectively as “the Committee” for easy reference), which consists of representatives from the Central Texas Groundwater Conservation District, Clearwater Underground Water Conservation District, Middle Trinity Groundwater Conservation District, North Texas Groundwater Conservation District, Northern Trinity Groundwater Conservation District, Post Oak Savannah Groundwater Conservation District, Prairielands Groundwater Conservation District, Red River Groundwater Conservation District, Saratoga Underground Water Conservation District, Southern Trinity Groundwater Conservation District, and Upper Trinity Groundwater Conservation District, held a **Joint Planning meeting at 10:00 A.M. on Tuesday, June 27, 2018**, in the Cleburne Conference Center in Cleburne, Texas.

Groundwater Conservation District Representatives Present:

Central Texas GCD: Mitchell Sodek	Red River GCD: David Gattis
Clearwater UWCD: Judy Parker	Middle Trinity GCD: Joe Cooper
Northern Trinity GCD: Bob Patterson	Upper Trinity GCD: Doug Shaw
North Texas GCD: Ronny Young	Saratoga UWCD: Jason Jones
Post Oak Savannah GCD: Gary Westbrook	Southern Trinity GCD: Peter Kultgen
Prairielands GCD: Charles Beseda	

Groundwater Conservation District Representatives Absent:

None

1. Invocation

Mike Massey provided the invocation for the meeting.

2. Call meeting to order and establish quorum

Vice Chair Joe Cooper, Middle Trinity GCD, established that a quorum was present and called the GMA 8 meeting to order at 10:10 am.

3. Welcome and introductions.

Vice Chair Joe Cooper welcomed the guests present at the meeting, recognizing Robert Bradley with the Texas Water Development Board, and past Chair, Eddy Daniel.

4. Public Comments.

Vice Chair Joe Cooper asked if any of the attendees had public comments to present to the GMA 8. There were no public comments.

5. Consider and act upon approval of minutes from the January 31, 2017, GMA 8 meeting

The Committee reviewed the minutes of the January 31, 2017 meeting. David Gattis made a motion to approve the minutes of the January 31, 2017 meeting. Charles Beseda seconded the motion. Ronny Young abstained. The motion passed.

6. Consider and act upon election of officers for GMA 8.

David Gattis made the motion to appoint Joe Cooper as Chair. Judy Parker seconded the motion. Judy Parker moved to nominate Gary Westbrook as Vice Chair, and the motion was seconded by David Gattis. Gary Westbrook indicated that his location was not in an area with a lot of impact/input, and encouraged the group to think about this nomination. Judy Parker rescinded the motion of Gary Westbrook as Vice Chair, honored by David Gattis. Judy Parker then moved to nominate Mitchell Sodek as Vice Chair. Charles Beseda seconded the motion. Both motions passed unanimously.

7. Consider and act upon Resolution of Appreciation for Eddy Daniel.

Chair Joe Cooper read the Resolution of Appreciation for Eddy Daniel. Charles Beseda made the motion to approve the Resolution of Appreciation for Eddy Daniel. Ronny Young seconded the motion. The motion passed unanimously.

8. Consider and act upon appointing a representative to Region F Regional Water Planning Group.

Doug Shaw made the motion that Joe Cooper be appointed as representative to Region F Regional Water Planning Group. David Gattis seconded the motion. Judy Parker made the motion that Doug Shaw be appointed as alternate to Region F Regional Water Planning Group. Charles Beseda seconded the motion. Both motions passed unanimously.

9. Consider and act upon appointing a representative to Region G Regional Water Planning Group.

Mitchell Sodek made the motion that Dirk Aaron be appointed as representative to Region G Regional Water Planning Group. Bob Patterson seconded the motion. Judy Parker made the motion that Doug Shaw be appointed as alternate to Region G Regional Water Planning Group. Mitchell Sodek seconded the motion. Both motions passed unanimously.

10. Consider and act upon appointing a representative to Region K Regional Water Planning Group.

Judy Parker made the motion that Mitchell Sodek be appointed as representative to Region K Regional Water Planning Group. Doug Shaw seconded the motion. Mitchell Sodek made the motion that Paul Babb be appointed as alternate to Region K Regional Water Planning Group. Ronny Young seconded the motion. Both motions passed unanimously.

11. Consider and act upon path forward for selecting a consultant for next round of Desired Future Conditions joint planning.

The GMA 8 members discussed how the selection should be made. Charles Beseda made the motion that RFQ be posted on the GMA 8 and TAGD websites. David Gattis seconded the motion. Motion passed unanimously.

A discussion was held as to what requirements should be included in the RFQ. Charles Beseda made the motion to authorize Drew Satterwhite and Joe Cooper to work together to draft the RFQ, send it to GMA 8 members for review and then post it. Doug Shaw seconded the motion. Motion passed unanimously.

12. Consider and act upon status of groundwater conservation district creation within GMA 8, including possible inquiry to Texas Commission on Environmental Quality.

A detailed discussion was held regarding Williamson and northern Travis counties. Joe Cooper and Dirk Aaron will draft a letter concerning Williamson and northern Travis counties asking TWDB to update PRM study area 350, Chapter 35 designation of study area. Charles Beseda made the motion to authorize the letter from GMA 8 to ask TWDB to update existing report. Mitchell Sodek seconded the motion. Motion passed unanimously.

13. Discussion of GMA 8 District Management Plans and Rules.

All eleven District representatives gave reports on their Management Plans and Rules. A summary of each District's discussions were requested and those summaries are attached as appendices to the minutes.

14. Discussion of possible agenda items and dates for next GMA 8 meeting.

The next meeting date will probably be before the end of the year. No specific date was selected at this time.

15. Closing comments.

Brian Sledge emphasized the importance of documenting the Districts' reports of their Management Plans and Rules.

16. Adjourn

Chair Joe Cooper declared the meeting adjourned at 12:20 p.m.

The GMA 8 Committee unanimously approved the minutes on this _____ day of _____, 2018.

Recording Secretary

Chairman

**Meeting of the
Groundwater Management Area 8
November 30, 2018 in Itasca, TX**

Minutes

The Groundwater Management Area 8 (GMA 8) district representatives (referred to herein collectively as “the Committee” for easy reference), which consists of representatives from the Central Texas Groundwater Conservation District, Clearwater Underground Water Conservation District, Middle Trinity Groundwater Conservation District, North Texas Groundwater Conservation District, Northern Trinity Groundwater Conservation District, Post Oak Savannah Groundwater Conservation District, Prairielands Groundwater Conservation District, Red River Groundwater Conservation District, Saratoga Underground Water Conservation District, Southern Trinity Groundwater Conservation District, and Upper Trinity Groundwater Conservation District, held a **Joint Planning meeting at 10:00 A.M. on Friday, November 30, 2018**, at the Hilco Civic & Event Center in Itasca, Texas.

Groundwater Conservation District Representatives Present:

Central Texas GCD: Mitchell Sodek	Red River GCD: David Gattis
Clearwater UWCD: Dirk Aaron	Middle Trinity GCD: Joe Cooper
Northern Trinity GCD: Bob Patterson	Upper Trinity GCD: Doug Shaw
Post Oak Savannah GCD: Gary Westbrook	Southern Trinity GCD: Peter Kultgen
Prairielands GCD: Charles Beseda	

Groundwater Conservation District Representatives Absent:

North Texas GCD: Ronny Young
Saratoga UWCD: Jason Jones

1. Invocation

James Beach provided the invocation for the meeting.

2. Call meeting to order and establish quorum

Chair Joe Cooper, Middle Trinity GCD, established that a quorum was present and called the GMA 8 meeting to order at 10:05 am.

3. Welcome and introductions.

Chair Joe Cooper welcomed the guests present at the meeting. He introduced the new TWDB representative, Jean Perez.

4. Public Comments.

Chair Joe Cooper asked if any of the attendees had public comments to present to the GMA 8. Judy Reeves, property owner in the Upper Trinity GCD questioned why the DFCs were reviewed every five years. She questioned why the goals were changed if the DFCs were agreed upon for a 50 year period. She had questions about the process, and models used. Joe Cooper informed her that the 5-year process is required by law. Goals may need to be altered due to changes in population and economic growth. She was advised to speak with representatives from Upper Trinity GCD to address her specific concerns.

5. Consider and act upon approval of minutes from the June 27, 2018, GMA 8 meeting

The Committee reviewed the minutes of the June 27, 2018 meeting. Mitchell Sodek requested that the spelling of his name in Item 6 be corrected. Charles made a motion to approve the minutes of the June 27, 2018 meeting with the spelling of Mitchell Sodek's name correction. Bob Patterson seconded the motion. The motion passed unanimously.

6. Consider and act upon selection of consultant(s) to perform professional services related to the development of Desired Future Conditions for aquifers within Groundwater Management Area 8.

Chair Joe Cooper informed the Committee that four SOQs were submitted by INTERA, LRE, Meadows Center and WSP. The Committee used a ranking system to select the consultant. WSP was the consultant with the highest points. The GMA 8 Committee suggested creating a committee to negotiate a contract, scope of work, and cost with WSP. Drew Satterwhite, Joe Cooper and Dirk Aaron were nominated to serve on the committee. The information compiled is to be sent to all districts and a meeting will then be scheduled to vote on the contract, scope of work, and cost. Peter Kultgen made the motion to create the committee to develop a contract, scope of work and cost. Dirk Aaron seconded the motion. The motion passed unanimously.

7. Discussion of possible agenda items and dates for next GMA 8 meeting.

Chair Joe Cooper suggested that the contract, scope of work and cost be presented at the next GMA 8 meeting. The date for the next meeting will be announced.

15. Closing comments.

Chair Joe Cooper thanked Dirk Aaron for his help in obtaining Hilco Civic and Event Center to hold the GMA 8 meeting.

16. Adjourn

Dirk Arron made the motion to adjourn. Charles Beseda seconded the motion. Motion passed unanimously. Chair Joe Cooper declared the meeting adjourned at 10:42 a.m.

The GMA 8 Committee unanimously approved the minutes on this 30th day of November, 2018.

Recording Secretary

Chairman

ATTACHMENT D

Reports on Region C Water Planning Group Meetings

REGION C WATER PLANNING GROUP
MINUTES OF AN OPEN PUBLIC MEETING
April 9, 2018

The Region C Water Planning Group (RCWPG) met in an open public meeting on Monday, April 9, 2018, at 1:00 P.M. The meeting was held at the North Central Texas Council of Governments located at 616 Six Flags Drive, Centerpoint Two Building, First Floor Transportation Council Room, Arlington, Texas. Notice of the meeting was legally posted.

Chair Jody Puckett called the Region C Regional Water Planning Group meeting to order at approximately 1:12 P.M. and welcomed guests.

I. ROLL CALL

Vice Chair Russell Laughlin conducted a roll call. The following members were in attendance:

Fiona Allen (Alt. for Kevin Ward)	Russell Laughlin
David Bailey	John Lingenfelder
Wendy Chi-Babulal (Alt. for John Carman)	Steve Mundt
Chris Boyd	Jody Puckett
Bill Ceverha	Bob Riley
Grace Darling	Drew Satterwhite
Tim Fisher	Rick Shaffer (Alt. for James Hotopp's seat)
Tom Kula	Connie Standridge
Harold Latham	Jack Stevens

Connie Townsend, TWDB, Darrell Dean, TDA, Adam Whisenant, TPWD, and David Nabors, Region D, were present. The registration lists signed by guests in attendance are attached.

II. APPROVAL OF MINUTES – December 18, 2017

The minutes of the December 18, 2017, RCWPG meeting were approved as amended by consensus upon a motion by Steve Mundt and a second by Jack Stevens.

III. TWDB BOARD MEMBER UPDATE by Kathleen Jackson

Kathleen Jackson, TWDB, made a brief presentation concerning relevant water topics. Ms. Jackson began by thanking the Region C planning group for its part in being the basis of state water planning accomplishments. Jackson spoke concerning Swift funding; the water supply bond issue promoting cross collateralization of the Clean Water State Revolving fund; the NTMWD request for approval for the first major reservoir in thirty years; and the TWDB flood survey and workshops to get stakeholder input.

Ms. Jackson also spoke on her presentation to the Dallas Water Utilities where she gave updates concerning infrastructure. Jackson also recognized Jody Puckett for being a champion in the water industry by her leadership efforts and involvement in the regional water planning process. Ms. Jackson closed by emphasizing that the TWDB exists to serve.

IV. ACTION ITEMS FOR CONSIDERATION

A. Election of Officers for 2018

Chair Puckett asked if there were any nominations for officers from the floor. Hearing none, Chair Puckett advised on behalf of Gary Spicer that the RCWPG nominating committee had decided on the following recommendation for officers to serve during the calendar year 2018:

Chair	Kevin Ward
Vice Chair	Russell Laughlin
Secretary	Tom Kula

Steve Mundt asked, and Chair Puckett confirmed that the nominees for new officers had agreed to serve.

There were no public comments on this action item.

Upon a motion by Jack Stevens, and a second by Rick Shaffer, the RCWPG voted unanimously to approve the nominees to serve as the 2018 officers effective immediately upon adjournment of the meeting.

B. Resolution Recognizing Jody Puckett

Chair Jody Puckett has submitted her resignation from the Region C Water Planning Group effective April 10, 2018. With Resolution 18-1 the RCWPG recognized Ms. Puckett for her service to the planning group as long-standing member and Chair. Vice Chair Russell Laughlin read Resolution No. 18-1, and photos of the Region C WPG with Chair Puckett followed.

C. Consider Approval of Deadline for Projects to be Considered Existing Supplies

Numerous projects are in progress during this cycle of planning. There must be a specific date by which the project needs to be completed to be considered as "Existing Supply" in the Plan. Consultants are recommending the date of August 1, 2020. RCWPG may take action to approve this deadline.

There were no public comments on this action item.

Upon a motion by Fiona Allen, and a second by Grace Darling, the Region C WPG voted unanimously to approve the date of August 1, 2020, as the deadline by which the project needs to be completed to be considered as an "Existing Supply" in the Plan.

D. Consider Approval of Letter to TWDB Requesting Specific Hydrologic Variances to Water Availability Models

Amy Kaarlela, Freese & Nichols, led this discussion asking the RCWPG to consider approval of a letter to TWDB requesting Hydrologic Variances (HV) to TCEQ's official

Water Availability Models (WAM Run 3) that are required in determining available surface water supplies. The hydrologic variances are the same as have been used in previous planning cycles and include items such as inclusion of system operations used in Region C and subordination agreements. In addition, both Tarrant Regional Water District and Dallas Water Utilities are requesting the use of safe yield (rather than firm yield) in the 2021 Plan. Safe yield was used for both entities in the 2016 Plan.

Connie Townsend, TWDB Project Manager, had suggested a few edits to the hydrologic variance request letter to Amy prior to today's meeting that included clarification of: 'WAM RUN3' as the default TCEQ water availability model; the differences between WAM RUN3 and the unpublished 2017 TCEQ WAM update for the Trinity basin; and, the full storage volume assigned to Forest Grove Reservoir. Ms. Townsend advised that the TWDB will either approve the letter or work with the RWPG to provide additional information and/or provide possible revisions if necessary. Steve Mundt asked if there is any reason the TWDB will contradict the Planning Group's recommendation. Ms. Townsend said they would not dispute if enough background information is provided and the changes are reasonable. Ms. Townsend added that the primary water science staff will initially review, but the TWDB Executive Administrator will give final written approval. The letter to the TWDB will be mailed on April 10, 2018, by Freese & Nichols.

There were no public comments on this action item.

Upon a motion by Tim Fisher, and a second by Rick Shaffer, the Region C WPG voted unanimously to approve the letter to TWDB requesting hydrologic variances to the TCEQ's water availability models with the TWDB Project Manager edits and the ability for the consultants to make minor changes to the HV request if needed.

E. Consider Designation of Major Water Providers

Keeley Kirksey, FNI, advised the planning group that the TWDB has developed a new category of water provider for this fifth cycle of planning. Regional water planning groups are required by rule to specifically consider three, often overlapping, planning units when developing their plans: Water User Groups (WUG), Wholesale Water Providers (WWP), and Major Water Providers (MWP). A single entity may simultaneously be designated as a WUG, WWP, and MWP.

The new category of "Major Water Providers" (MWP) was established in rules for the development of the 2022 State Water Plan in conjunction with the removal of certain reporting requirements to allow RWPGs to establish a more static list of large water providers for which they report information. MWPs are intended to reflect entities of particular significance to the region's water supply instead of reporting data for every Wholesale Water Provider (WWP) as previously required. The MWP designation may include public or private entities that provide water for any water use category. If a region decides not to designate any entities as MWPs, the plan needs to include discussion as to why the RWPG determined it does not have any WUGs or WWPs of significance to the region's water supply.

Chair Puckett suggested the MWP's be designated based on top tier providers of existing and future supplies. The following top tier providers supply 84% of Region C water and serve 94% of Region C population:

- North Texas Municipal Water District (NTMWD)
- Tarrant Regional Water District (TRWD)
- Dallas Water Utilities (DWU)
- Upper Trinity River Water District (UTRWD)
- Greater Texoma Utility Authority (GTUA)
- Trinity River Authority of Texas (TRA)

Consultants are recommending the Major Water Providers be selected from entities that have secured the most water supply for its customers. This is measured by the combined surface water, reuse, and groundwater supply owned by the entity. A discussion on potential other MWP's ensued. Chair Puckett added that the city of Fort Worth has requested to be on the list. Wendy Chi-Babulal, alternate for the city of Fort Worth, said that the inclusion of Fort Worth as a MWP would be helpful for future water management strategies.

There were no public comments on this action item.

Upon a motion by Steve Mundt, and a second by Tim Fisher, the Region C WPG voted unanimously to designate the six top tier providers plus the City of Fort Worth as Major Water Providers.

F. Consider Approval of Methodology for Determining Availability of Non-relevant Aquifers

Amy Kaarlela, FNI, led this discussion regarding the methodology for determining availability of Non-relevant Aquifers. The entire Nacatoch Aquifer was declared non-relevant by GMA8 in the most recent GMA8 Modeled Available Groundwater (MAG) report and therefore MAG values were not calculated in the groundwater availability model runs. The aquifer is used in Region C in Kaufman and Navarro Counties to supply non-municipal needs and County-Other municipal needs. Nacatoch Aquifer is also used in Region D. Ms. Kaarlela contacted GMA representatives and Region D consultants to discuss options to determine availability. The options considered were:

1. Use data from 2016 Water Plan
2. Use Region C Consultants to assimilate new data

David Nabors, Region D Liaison, commented that the Nacatoch Aquifer is a minor amount of water, and Region D is not interested in discussing further. Region C consultants are recommending that the availability be the same as in the 2016 Plan.

There were no public comments on this action item.

Upon a motion by Russell Laughlin, and a second by Tim Fisher, the Region C WPG voted unanimously to use the same availability data for the Nacatoch Aquifer as contained in the 2016 State Water Plan.

G. Consider Approval of Region-Specific Scope of Work for Task 5A and Request for Notice to Proceed from TWDB; Consider Authorizing TRA to Execute Contract Amendment with TWDB

Tom Gooch, FNI, advised the planning group that each region is required to develop a region-specific scope of work for Task 5A (Evaluation of Water Management Strategies). Consultants have developed a scope of work and associated fee for approximately half the work to be done under this task. The budget amount for this task is shown below:

- Total Region C Budget = \$2.4M
- Total 5A Budget for Region C = \$1.1M
- Initial 5A Scope/Fee Request = \$412,500
- Remaining scope/fee will be identified after Needs Analysis has been completed
- Similar scope to 2016 Plan, with additions

Task 5A Evaluation of Specific Large Scale Supplies will include:

- Toledo Bend
- Gulf of Mexico Desal
- Lake Texoma (Desal & Blending)
- Oklahoma water
- Neches Run-of-River
- Carrizo-Wilcox Groundwater (Region D)
- Lake O' the Pines
- Tehuacana Reservoir
- Lake Columbia
- Indirect Reuse at Lakes Hubbard & Lewisville
- Integrated Pipeline – Dallas portion
- Cedar Creek Wetlands
- TRWD Additional Reuse
- Lower Bois d'Arc Creek Reservoir
- Lake Ralph Hall and Reuse
- Lake Ringgold
- Sulphur Basin Supplies (3 scenarios)
- New Groundwater from Carrizo-Wilcox
- Aquifer Storage and Recovery (ASR)
- Reallocation of Storage in Joe Pool Lake
- Additional Reuse, multiple projects

Task 5A Evaluation of Strategies will include:

- Updating Costs
- Running WAM for surface supplies to determine availability
- Refining pipeline routing and infrastructure needs
- Environmental impacts

- Update GIS mapping required by TWDB
- Additional items in scope:
 - Allocating supply to WUGs from each strategy
 - Documentation of the evaluation and selection of all recommended strategies & Projects (including explanation of why certain types of strategies may not have been recommended)
 - Coordination with project sponsors
 - Writing report sections
 - Entry of all data into TWDB database (DB22)
- Required Steps:
 - Initial scope posted on Region C website (4/2/18)
 - Take public comment
 - RCWPG consider approval of scope/fee
 - RCWPG consider approval of Notice-to-Proceed Request
 - RCWPG consider authorizing TRA to amend contract with TWDB

Chair Puckett asked if part of the scope will include touching base with the suppliers, and Tom Gooch confirmed that it will.

There were no public comments on this action item.

Upon a motion by Jack Stevens, and a second by Rick Shaffer, the Region C WPG voted unanimously to approve the Task 5A Evaluation of Strategies scope/fee; approve the request for Notice to Proceed from TWDB; and authorize TRA to execute a contract amendment with TWDB to include this new scope of work.

H. Consider Appointment of Task 8 Subcommittee

Ellen McDonald, Alan Plummer Associates, initiated discussion on this action item. Task 8 involves the potential designation of Unique River Segments and Unique Reservoir Sites as well as Legislative recommendations. McDonald noted the following considerations:

- The RCWPG may designate a river or stream segment as being of unique ecological value based on the following:
 - Biological function
 - Hydrologic function
 - Riparian Conservation areas
 - High Water Quality/exceptional aquatic life/aesthetic value
 - Threatened or endangered species/unique communities
- The Legislature may designate a river or stream segment of unique ecological value for protection.
- In 2002, TPWD recommended 10 Region C segments as ecologically unique.
- Texas Water Code 16.051(f):

- “This designation solely means that a state agency or political subdivision of the state may not finance the actual construction of a reservoir in a specific river or stream segment designated by the legislature...”
- For designated segments, regional water planning regulations require assessment of Regional Water Plan impact on:
 - Flows important to the segment
 - Unique features of the segment
- Implies greater level of protection
- Previous Region C Water Plans
 - No river or stream segments recommended as ecologically unique because of unresolved concerns regarding the implications of such a designation.
- Scenarios of concern (upstream, within, or downstream of designated segments)
 - Dams
 - Pipeline crossings
 - Intakes
 - Transport of upstream reservoir releases
 - New water outfalls
 - Treated effluent outfalls
 - Constructed wetlands

Preparation for 2011 Region C Water Plan

- Consultants met with State Agencies, August 2009
 - Reviewed legislation and agency rules
 - Addressed scenarios of concern
- State agency meeting conclusions:
 - TPWD plans no update to 2002 unique stream segment (USS) report for Region C
 - TPWD and TWDB staff believe USS legislation only impacts public financing of reservoirs
 - TCEQ staff position is to use all available information to regulate attributes of streams without regard to USS designation
 - USS designation may influence public opinion
 - USS legislation has not been tested in courts
 - A TWDB/TPWD/TCEQ/RWPG workgroup could help address concerns

Recommendations from 2016 RCWP

- Convene a working group comprised of representatives from TWDB, TPWD, TCEQ, and the sixteen regions to bring clarity, purpose, and direction to the legislative mandate to “identify river and stream segments of unique ecological value.”
- Working group members included: Adam Whisenant, Kevin Ward, Bill Ceverha, James Hotopp, Connie Standridge, Tom Woodward, Denis Qualls, Jim Parks and Jim Oliver.
- Echoed recommendation from the 2011 RCWP.

Unique Sites for Reservoir Construction

- The RCWPG may recommend sites of unique value for reservoir construction:
 - For a reservoir recommended as a water management strategy
 - Based on location, hydrologic, geologic, topographic, water availability, water quality, environmental, cultural and current development characteristics, or other pertinent factors that make the site uniquely suited for reservoir development
 - For the current planning period; or
 - If reasonably needed to meet needs beyond the 50-year planning period.
- The Legislature may designate a site of unique value for the construction of a reservoir.

Implications

- Texas Water Code 16.051(g):
 - “A state agency or political subdivision of the state may not obtain a fee title or an easement that would significantly prevent the construction of a reservoir on a site designated by the legislature...”

Recommendations from 2016 RCWP

- Continue to designate following sites as unique sites
 - Ralph Hall
 - Lower Bois d’Arc Creek
 - Marvin Nichols
 - Tehuacana
 - Fastrill
 - Columbia
- Recommend that Texas Legislature designate George Parkhouse (North) as an additional unique site for reservoir construction (Legislature has not made this designation)
- Encourage continued affirmative votes by sponsors of these reservoirs to make expenditures to construct or apply for permits to preserve the designations

2021 Recommendations

- No significant actions or clarifications since 2011 RCWP
- Options available to the RCWPG to address river and stream segments of unique ecological value and unique reservoir sites:
 - Maintain the same recommendations
 - Appoint a subcommittee to review/revise recommendations

Chair Puckett discussed these options with the planning group. Jack Stevens asked if there had been any new criteria to which Adam Whisenant replied there was none. Bill Ceverha was in favor of keeping the same recommendations since nothing had changed since the 2016 designations. Chair Puckett added that the planning group does not want to hinder any duties of stream segments such as providing greenbelts. Chair Puckett also noted that she had been involved in studies on stream flows and how they can affect ecology. Whisenant said that a subcommittee would provide an opportunity to bring more information together. Tom Kula said that he supports stream

segment review. RCWPG may consider appointing a subcommittee to review the issues and make recommendations to the full RCWPG.

There were no public comments on this action item.

Upon a motion by Jack Stevens and a second by Fiona Allen, the Region C WPG voted unanimously to form a Task 8 Subcommittee to review and revise recommendations for river and stream segments of unique ecological value and unique reservoir sites; and appoint Adam Whisenant, Tom Kula, Grace Darling, Bob Riley, Jack Stevens, Wendy Chi-Babulal, Tim Fisher, Rick Shaffer, Kevin Ward and John Lingenfelder to the Task 8 Subcommittee.

V. DISCUSSION ITEMS

A. Schedule - Amy Kaarlela presented the following key dates for the 2021 Planning Cycle

- September 2018 – Technical Memo on Needs, Potentially Feasible Strategies, Major Water Providers Due to TWDB
- March 2, 2020 – Initially Prepared Plan Due
- October 13, 2020 – Final Plan Due
- Next Meetings – August 20, 2018 & possibly November 2018

B. Existing Water Availability (Task 3) – Keeley Kirksey, FNI, led this discussion and provided charts comparing the existing surface, groundwater, and reuse supplies in the 2016 RCWP to the proposed 2021 RCWP. Kirksey noted:

- WAM Modeling complete for all reservoirs
- Supplies are similar to those in the 2016 Plan
 - Changes from volumetric surveys
 - TCEQ changes to the WAM
 - Changes based on reservoir operations
- Existing Supplies: Reuse – Changes from 2016 RCWP (Preliminary)
 - Supplies moved from recommended WMS to existing supplies
 - DWU Lake Ray Hubbard/Main Stem Pump Station Exchange
 - DWU Lewisville Lake/Main Stem Pump Station Exchange
 - Irving Twin Wells Golf Course Reuse (part of Irving/TRA WMS from 2016 Plan)
 - Revisions to NTMWD East Fork Raw Water Supply Project to include diversions at the Main Stem Pump Station
 - Includes sale of TRA reclaimed water to NTMWD
 - Lake Weatherford Indirect Reuse

C. Initial List of Potentially Feasible Water Management Strategies (Task 4B) – Keeley Kirksey, FNI, led this discussion and pointed out that a draft list was provided to the planning group in the notebook handout. Kirksey noted that the draft list:

- Not all-inclusive or final
- Includes WMSs from 2016 Plan
- Includes new WMSs
- Includes changes to WMSs from 2016 Plan
- Will include additional WMSs when final

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- WMS Example Categories (not complete list)
 - Water Conservation
 - Direct and Indirect Reuse
 - Aquifer Storage and Recovery
 - Desalination
 - Connect to existing supplies
 - Purchase from provider
 - New Reservoir
 - Groundwater
 - System Operations
 - WTP Expansions
 - Modify Existing Permits

D. Public Participation Materials – Amy Kaarlela, FNI, gave the following points on this topic:

- Cooksey Communications developed materials to be used by Region C members as needed
- “Elevator speech” designed to quickly communicate the critical importance of water planning to our Region
- Printable “brochure” to be distributed at speaking engagements, etc.

Ms. Kaarlela advised that the brochure will be uploaded to website by August and can be updated as needed. Steve Mundt commented that this is a good alternative solution to a quarterly newsletter.

E. TWDB Planning Rule Revision Q & A – Connie Townsend, TWDB, provided the presentation slides to RCWPG members prior to today’s meeting as requested and advised that the new regional planning rules will become effective April 11, 2018. Ms Townsend also highlighted information from slide #11: *Amended §357.21(c) requires 14-day notice (and 14-day comment period after) for approval of the technical memorandum.* Steve Mundt asked if there are any issues to be taken to the Legislature. Ms. Townsend replied that Task 8 includes the planning group developing their own legislative policy recommendations and regional water planning recommendations and the Task 8 Subcommittee can address these when they meet and these issues will be presented to the Legislature. Chair Puckett thanked Ms. Townsend for her attendance.

F. Next Steps – Amy Kaarlela outlined these steps as follows:

- Summer – Database entry of Existing Supplies; Determine Needs; begin evaluation of large scale strategies
- August – Next RCWPG Meeting
- September – Submittal of Tech Memo (Needs, Potentially Feasible Strategies)
- Late 2018 – Begin other Misc. Tasks; possible RCWPG meeting.

VI. OTHER DISCUSSION

A. Updates from the Chair – Chair Puckett did not have any updates but encouraged the Region C planning members with vacant alternate positions to find alternates as soon as possible.

- B. Report from Regional Liaisons
 - Region B – None.
 - Region D - David Nabors advised that the next Region D meeting will be April 11, 2018. Nabors added that the consulting engineers and the Region D members are on the same page.
 - Region I – None.
- C. Report from Texas Water Development Board – Connie Townsend, TWDB, spoke on the following topics:
 - Second contract amendment documents are being put together to include revised rules, revised Exhibit C, new Exhibit D, and additional committed funds..
 - April 16, 2018 – Anticipate the TWDB Board Adoption of all Regional Water Planning Projections.
 - State Flood Assessment Surveys have been sent out to receive stakeholder input.
 - Interactive State Water Plan enhancements have been made: new WMS view page that allows users to explore relationships between strategies, projects, and benefitting populations; new WMS-Type view page that allows users to explore planning data by, for example, ASR, new major reservoir, rainwater harvesting, etc; and improved help/navigation tools in the online application.
 - Technical Memo and MWPs List due September 10, 2018.
- D. Report from Texas Department of Agriculture - None
- E. Report from Texas Parks and Wildlife Department – None.
- F. Other Reports
- G. Confirm Date and Location of Next Meeting – August 20; 1pm, NCTCOG, 616 Six Flags Drive, Centerpoint Two Building, First Floor Transportation Council Room, Arlington, Texas 76011

VII. ADJOURNMENT

There being no further business, the meeting of the RCWPG adjourned at approximately 3:25 P.M.

JODY PUCKETT, Chair

REGION C WATER PLANNING GROUP
MINUTES OF AN OPEN PUBLIC MEETING
 August 20, 2018

The Region C Water Planning Group (RCWPG) met in an open public meeting on Monday, August 20, 2018, at 1:00 P.M. The meeting was held at the North Central Texas Council of Governments located at 616 Six Flags Drive, Centerpoint Two Building, First Floor Transportation Council Room, Arlington, Texas. Notice of the meeting was legally posted.

Chair Kevin Ward called the Region C Regional Water Planning Group meeting to order at approximately 1:08 P.M. and welcomed guests.

I. ROLL CALL

Secretary Tom Kula conducted a roll call. The following members were in attendance:

David Bailey	Steve Mundt
Chris Boyd	Denis Qualls (Alt. for Municipalities Vacancy)
Bill Ceverha	Bob Riley
Wendy Chi-Babulal (Alt. for Municipal. Vac.)	Craig Schkade (Alt. for Russell Laughlin)
Grace Darling	Rick Shaffer
Gary Douglas	Gary Spicer
Tim Fisher	Connie Standridge
Tom Kula	Jack Stevens
Harold Latham	Kevin Ward
John Lingenfelder	

Sarah Backhouse, TWDB, Adam Whisenant, TPWD, and David Nabors, Region D, were present. The registration lists signed by guests in attendance are attached.

II. APPROVAL OF MINUTES – April 9, 2018

The minutes of the April 9, 2018, RCWPG meeting were approved by consensus upon a motion by Jack Stevens and a second by John Lingenfelder.

III. ACTION ITEMS FOR CONSIDERATION

A. Nominating Committee for Slate of Officers for 2019

The RCWPG may appoint a Nominating Committee to develop a recommendation for the 2019 slate of officers. Election of 2019 Slate of Officers will occur at the next RCWPG meeting (Fall 2018).

There were no public comments on this action item.

Upon a motion by Gary Spicer, and a second by Rick Shaffer, the RCWPG voted unanimously to appoint Kevin Ward, Tim Fisher, Steve Mundt and Jack Stevens to the

Nominating Committee for a slate of officers for 2019 that will be presented to the RCWPG at its next meeting for confirmation.

- B. Announcement of Vacancy for Jody Puckett’s position representing Municipalities and John Carman’s position representing Municipalities. Call for Nominations to fill Vacancies, and vote to fill vacancies.

Ms. Puckett submitted her resignation from the Region C Water Planning Group effective April 9, 2018. Ms. Puckett recommended Richard V. Wagner, P.E., Dallas Water Utilities’ Assistant Director of Business Operations, as her replacement. Bill Ceverha nominated Richard V. Wagner, P.E. to fill the Municipal Position #1 vacancy. Chairman Ward asked if there were any other nominations from the floor, but there were none. The Region C WPG voted unanimously to elect Richard V. Wagner, P.E., to the Municipal #1 position.

John Carman no longer represents the interest he was selected to represent (Municipalities). Per Region C Bylaws, a new representative should be elected. The City of Fort Worth has recommended Christopher Harder, P.E. Bob Riley nominated Christopher Harder, P.E., to fill the Municipal Position #2 vacancy. Chairman Ward asked if there were any other nominations from the floor, but there were none. The Region C WPG voted unanimously to elect Christopher Harder, P.E., to the Municipal #2 position.

- C. Election of Members to fill expiring terms.

The RCWPG will accept nominations from the planning group and the public and take action to fill the positions that expire on November 1, 2018. Each position is a five-year commitment. The positions are as follows:

Currently Held by	Interest	Seeking Re-Election
Bill Ceverha	Public	Yes
Grace Darling	Environmental	Yes
Tim Fisher	Municipalities	Yes
Russell Laughlin	Industry	Yes
G. K. Maenius	Counties	Yes
Gary Spicer	Electric Generating Utilities	Yes
Connie Standridge	Water Utilities	Yes
Jack Stevens	Water Districts	Yes
Kevin Ward	River Authorities	Yes

Chairman Ward asked if there were any nominations from the floor or the public. There were no public comments on this action item.

Upon a motion by Steve Mundt, and a second by Jack Stevens, the Region C WPG voted unanimously to re-elect Bill Ceverha, Grace Darling, Tim Fisher, Russell

Laughlin, G. K. Maenius, Gary Spicer, Connie Standridge, Jack Stevens and Kevin Ward to serve five-year terms on the Region C Water Planning Group board.

D. Consider Approval of Technical Memorandum

Chairman Ward asked if any public comments on approving the Technical Memorandum had been received, but there were none.

Tom Gooch, Freese & Nichols, led this discussion asking the RCWPG to consider approval of the Technical Memorandum due to the TWDB by September 10, 2018. Originally, total regional population could not change from TWDB draft projections. That rule was modified by the TWDB to allow up to a 2.44% increase based upon 2015 U. S. Census Population estimates and interpolated data from 2017 State Water Plan. This increase did not accommodate all the Water User Groups' (WUGs) requested changes. These draft revisions were approved by the Region C planning group at its December 2017 open meeting, and approved by the TWDB in April 2018.

Mr. Gooch stated that the largest differences occurred in Collin County. Manufacturing and steam electric projections went down significantly; irrigation and mining projections were slightly higher; and livestock showed no change.

The TWDB provided revised 2011 through 2015 per capita use data in June 2017, and allowed Region C limited ability to revise the base GPCD if justified. The GPCD's were modified as follows:

- Requested changes to base per capita for 21 WUGs
 - Updated 2011 GPCD was 20+ greater than in 2016 Water Plan
 - Multiple recent years show substantially higher GPCD than 2011 (indicating 2011 was not representative of a dry year)
 - DFW International Airport added to County-Other

In addition to population and demand projections, the Technical Memorandum included:

- Overall Water Supply Source Availability
 - Includes surface water imports
 - Limited to firm yields (or safe yields as appropriate)
 - Reservoirs/Systems in Region C
 - Run-of-River Irrigation
 - Livestock and other local supply
 - Groundwater
 - Reuse
- Surface Water Availability
 - Comprised of reservoirs, reservoir systems, and local supplies
 - Based on results of TCEQ-approved WAMs (Trinity, Red and Sulphur)
 - Requested hydrologic variances (Approved June 2018)
 - Safe yields versus firm yields
- Groundwater Availability

- Two major aquifers (Carrizo-Wilcox and Trinity)
- Four minor aquifers (Woodbine, Nacatoch, Cross Timbers and Queen City)
- Locally undifferentiated formations (“Other Aquifers”)
- MAG estimates provided by TWDB (directly from GMA8, GMA11 and GMA12 reports)
- No GAM models were used
- GMA 8 and 11 deemed Nacatoch “non-relevant”
- Reuse Availability
 - Permitted Reuse projects were updated for the 2021 Plan
- Existing Water Supplies
 - Less than available Water Supplies
 - Limited by water rights, contracts and existing facilities (or facilities that will be completed by August 2020)
- Comparison to 2016 Water Plan
 - Slightly less groundwater
 - More Reuse and Surface Water
- Potentially Feasible Water Management Strategies
 - Methodology presented and approved by RCWPG December 2017
 - Conservation
 - Drought Management
 - Reuse
 - Existing Supplies
 - Development of New Supplies
 - Reallocation/Management of Existing Supplies
 - Conjunctive Use
 - Acquisition of Available Existing Supplies
 - Development of Regional Water Supply or Providing Regional Management of Water Supply Facilities
 - Voluntary Transfer of Water
 - Emergency Transfer of Water
 - System Optimization, Subordination, Leases, Enhancement of Yield, Improvement of Water Quality
 - Desalination
- Simplified Planning Option
 - Currently, planning process may be amended because others want to be included.
 - RCWPG does not want the Simplified Planning Option.

Amy Kaarlela, FNI, added that paper copies of the database report are not included in the RCWPG members’ notebooks. Ms. Kaarlela stated that she has several copies for anyone who wants to review it. These reports will be included in the final Tech Memo submittal to TWDB. She added that the database report shows needs by Water User Groups. Tim Fisher asked how reuse numbers were allocated. Ms. Kaarlela replied they were based on estimated return flows contributing to each reuse project.

Public comments on approving the Technical Memorandum will be open for two weeks following today's Region C open meeting, concluding on September 3, 2018.

There were no public comments on this action item.

Upon a motion by Grace Darling, and a second by Jack Stevens, the Region C WPG voted unanimously to approve the Technical Memorandum for submittal to the TWDB by September 10, 2018.

E. Consider (Retro-Active) Approval of Budget Amendment

Amy Kaarlela, FNI, led the discussion on this action item. Ms. Kaarlela advised that the consultants, FNI, requested a budget amendment from TWDB on May 8, 2018. The TWDB approved these amendments by letter dated May 24, 2018. The total study cost remains unchanged.

The budget amendments are as follows:

- Task 2A - Non-Municipal Demand +\$5K
- Task 2B - Population and Municipal Demand +\$67K
- Task 4A - Identification of Water Needs +~\$11K
- Task 7 - Drought Response ~\$83K

There were no public comments on this action item.

Upon a motion by John Lingenfelder, and a second by Grace Darling, the Region C WPG voted unanimously to approve a budget adjustment from the TWDB retroactively.

IV. DISCUSSION ITEMS

- A. Schedule - Amy Kaarlela presented the following key dates for the 2021 Planning Cycle
- September 10, 2018 – Technical Memo on Needs, Potentially Feasible Strategies, Major Water Providers Due to TCEQ
 - March 2, 2020 – Initially Prepared Plan Due
 - October 14, 2020 – Final Plan Due
 - Next Meeting – To be determined
- B. Task 8 Subcommittee Report – Ellen McDonald, APAI, led this discussion on the Task 8 Subcommittee meeting held this date at 11 AM. Jack Stevens was elected Chair of this subcommittee. Task 8 reviews and recommends unique stream segments and reservoir sites. Chair Stevens reported that the Task 8 Subcommittee continues to support the George Parkhouse Reservoir; and has no suggested recommendations for unique stream segments or reservoir sites. Chairman Ward said no designations were made today. Amy Kaarlela added that there will not be an official recommendation from the Region C WPG at this meeting. These recommendations will be made in the final report.

- C. Next Steps – Amy Kaarlela, FNI, led this discussion. Ms. Kaarlela advised the water planning group that the consultants will be devoting most of their time to Task 5A – Water Management Strategy Evaluations which amounts to \$1.1M of the \$2.4M total budget allocation. The consultants will also be conducting various tasks related to the preparation of the next IPP.

V. OTHER DISCUSSION

- A. Updates from the Chair – Chairman Ward stated that he is looking forward as the new Region C Chair to refining designations and implementing changes in the processes.
- B. Report from Regional Liaisons
- Region B - Jack Stevens advised that the next meeting will be August 22, 2018.
 - Region D - David Nabors advised that he will be going off the Region D board in September. Mrs. Sharon Nabors will be taking his position on the Group. Mr. Nabors stated that there is not much land available for farming, and there needs to be a more feasible plan for obtaining water than building new reservoirs. Mr. Nabors thanked the water group for their participation in this important planning endeavor.
 - Region G - None
 - Region H - Chairman Ward stated that Jim Sims attended the last meeting in August; next meeting will be in November.
- C. Report from Texas Water Development Board – Sarah Backhouse, TWDB, addressed the following topics:
- The State Water Flood Assessment is under internal review. It is anticipated that the document will be posted for public comment the first week in September. The TWDB will be holding a work session for public comments. A final version of the report will be presented to the 2019 Legislature.
 - The Water for Texas Conference will be held on January 23-25, 2019, in Austin. The theme of the conference will be “Story of Texas Water: Past, Present & Future”.
 - Planning staff is hosting a meeting for the Uniform Standards Committee in November. The committee is made up of the RWPG Chairs or their designees and is tasked to establish the uniform standards used by planning groups to prioritize projects in the regional water plans.
 - Three projects within Region C received commitments for the 2018 SWIFT cycle. These included NTMWD’s Water Distribution Improvement Project, UTRWD’s Parallel Pipeline project, and the City of Westlake’s Increase Delivery Infrastructure project.
- D. Report from Texas Department of Agriculture - None
- E. Report from Texas Parks and Wildlife Department – Adam Whisenant mentioned that he attended the Task 8 Subcommittee Meeting and provided input. Chairman Ward thanked Ms. Whisenant for his insights at the meeting.
- F. Other Reports - None

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- G. Confirm Date and Location of Next Meeting – TBD; NCTCOG, 616 Six Flags Drive, Centerpoint Two Building, First Floor Transportation Council Room, Arlington, Texas 76011
- H. Public Comments - None

VI. ADJOURNMENT

There being no further business, the meeting of the RCWPG adjourned at approximately 2:10 P.M.

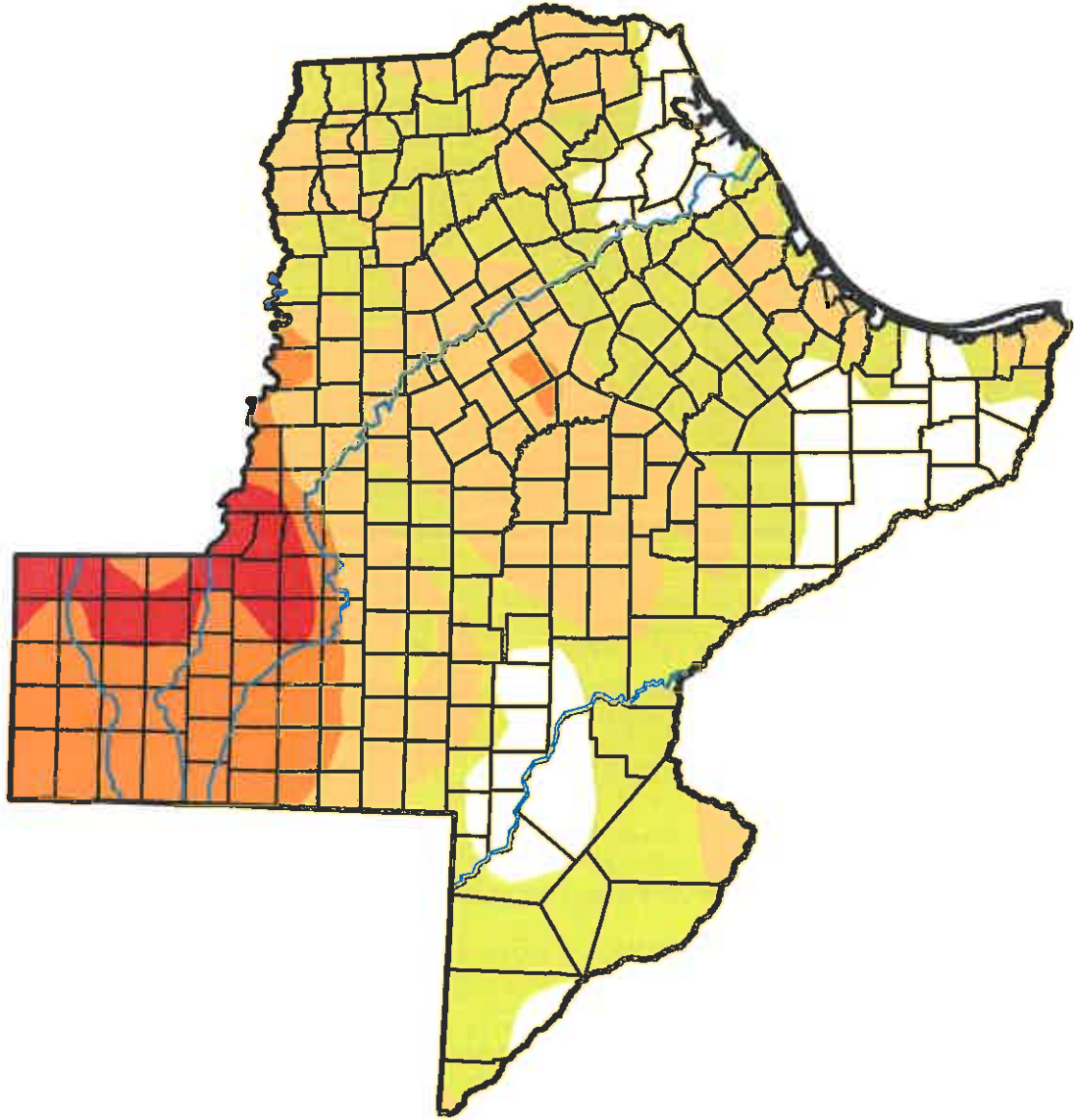
KEVIN WARD, Chairman

ATTACHMENT E

Monthly Drought Monitor Maps for Texas

U.S. Drought Monitor Texas

January 23, 2018
 (Released Thursday, Jan. 25, 2018)
 Valid 7 a.m. EST



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	14.50	85.50	49.49	17.14	4.25	0.00
Last Week 01-16-2018	20.81	79.19	41.81	16.21	2.01	0.00
3 Months Ago 10-24-2017	80.89	19.11	1.74	0.00	0.00	0.00
Start of Calendar Year 01-02-2018	33.37	66.63	33.56	5.94	0.11	0.00
Start of Water Year 09-26-2017	70.54	29.46	4.17	0.04	0.00	0.00
One Year Ago 01-24-2017	92.24	7.76	3.19	1.08	0.01	0.00

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:

Richard Heim
 NCEI/NOAA



U.S. Drought Monitor Texas

February 20, 2018
 (Released Thursday, Feb. 22, 2018)
 Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	11.90	88.10	70.76	37.56	11.13	0.00
Last Week 02-13-2018	10.26	89.74	71.22	37.56	13.07	0.00
3 Months Ago 11-21-2017	40.02	59.98	20.23	3.25	0.00	0.00
Start of Calendar Year 01-02-2018	33.37	66.63	33.56	5.94	0.11	0.00
Start of Water Year 09-26-2017	70.54	29.46	4.17	0.04	0.00	0.00
One Year Ago 02-21-2017	91.57	8.43	2.07	0.82	0.00	0.00

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:

Deborah Bathke
 National Drought Mitigation Center



U.S. Drought Monitor Texas

March 27, 2018
 (Released Thursday, Mar. 29, 2018)
 Valid 8 a.m. EDT

Drought Conditions (Percent Area)

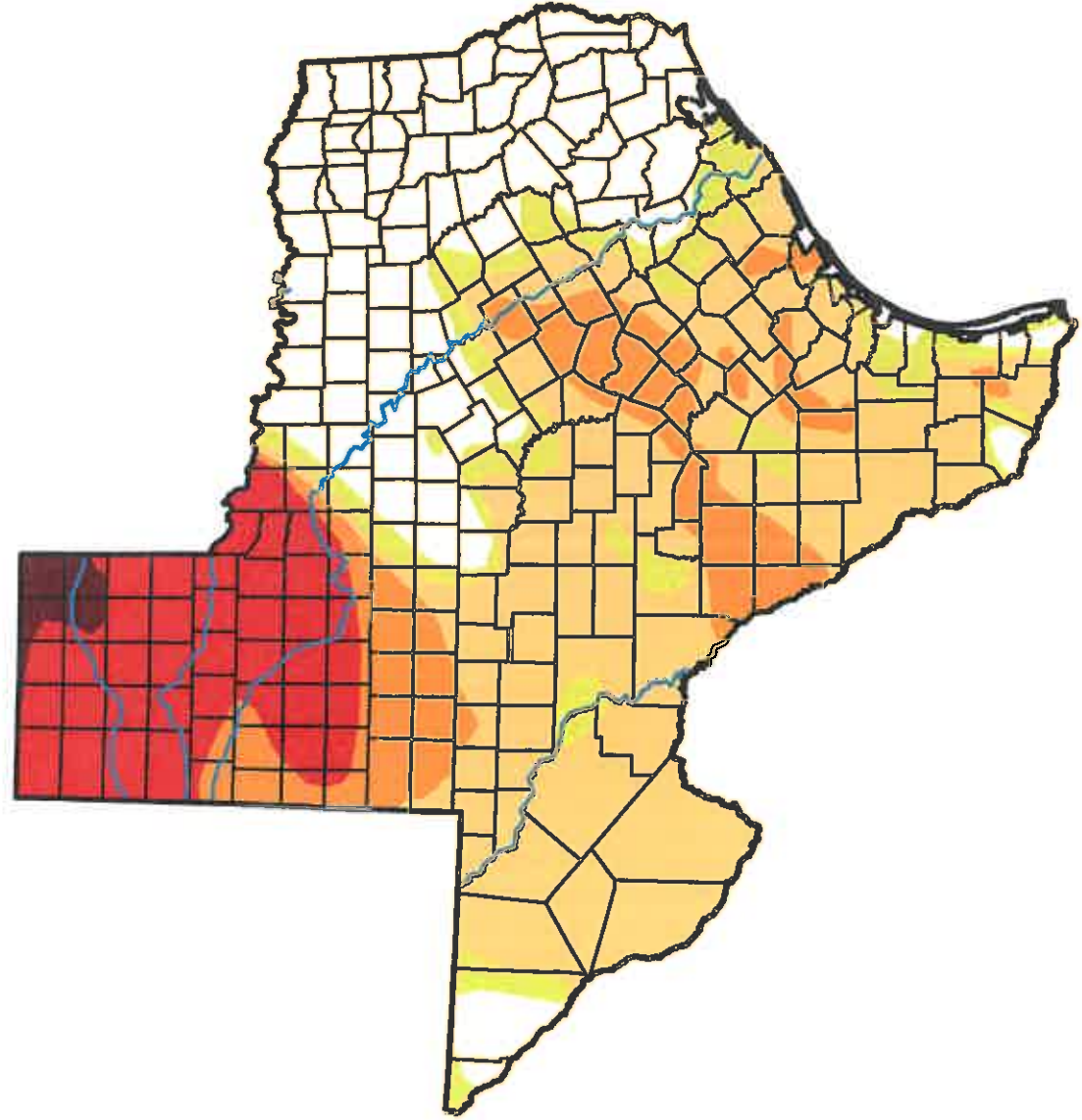
	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	26.19	73.81	64.23	28.30	15.08	1.21
Last Week 03-20-2018	25.50	74.50	61.14	25.84	15.08	0.00
3 Months Ago 12-26-2017	37.16	62.84	32.93	2.90	0.11	0.00
Start of Calendar Year 01-02-2018	33.37	66.63	33.56	5.94	0.11	0.00
Start of Water Year 09-26-2017	70.54	29.46	4.17	0.04	0.00	0.00
One Year Ago 03-28-2017	55.06	44.94	8.67	0.40	0.00	0.00

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
 Chris Fenimore
 NCEI/NESDIS/NOAA

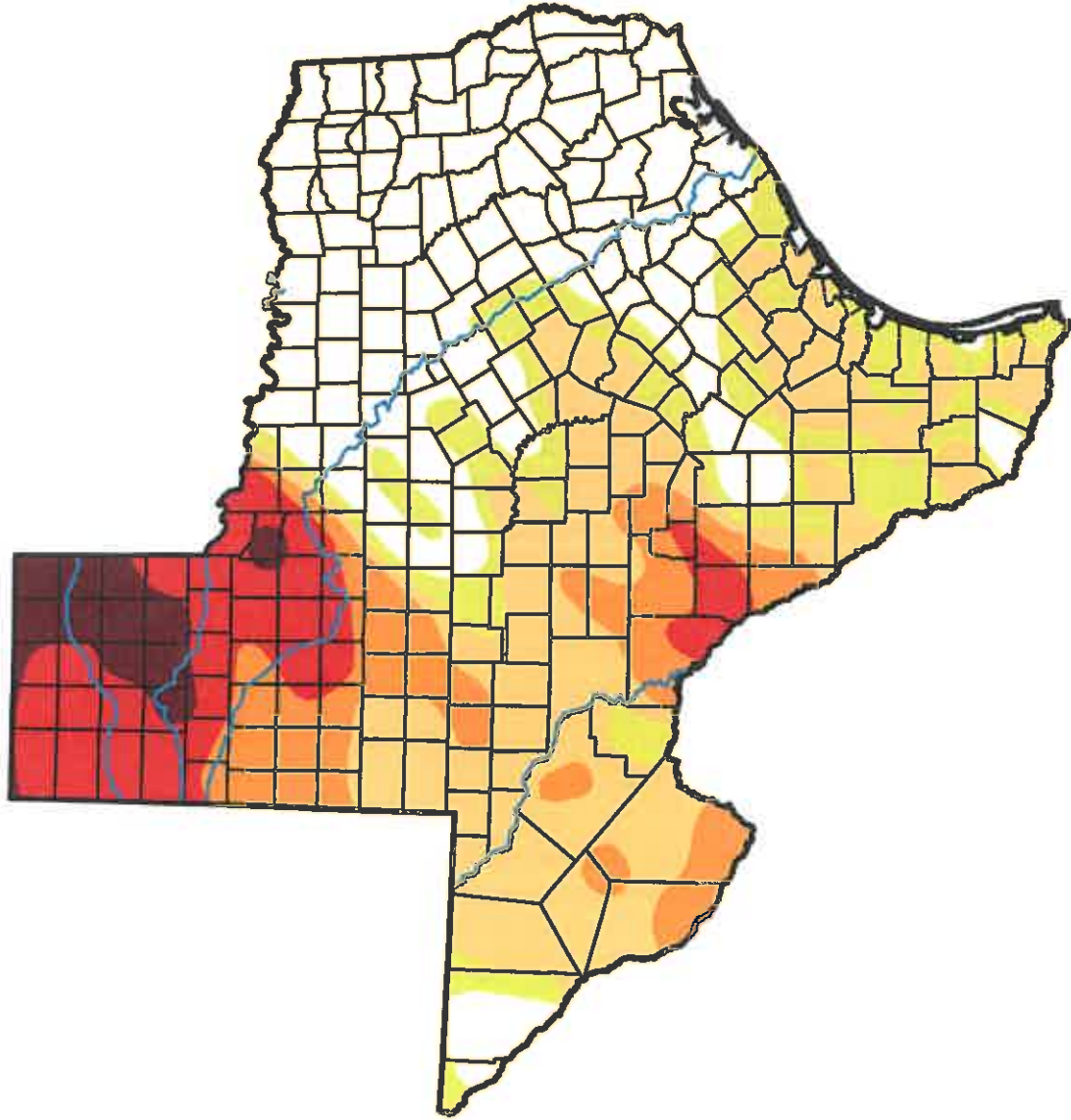


U.S. Drought Monitor Texas

April 24, 2018

(Released Thursday, Apr. 26, 2018)

Valid 8 a.m. EDT



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	33.36	66.64	53.23	26.26	14.54	3.88
Last Week <i>04-17-2018</i>	35.09	64.91	49.47	23.58	13.70	4.37
3 Months Ago <i>01-23-2018</i>	14.50	85.50	49.49	17.14	4.25	0.00
Start of Calendar Year <i>01-02-2018</i>	33.37	66.63	33.56	5.94	0.11	0.00
Start of Water Year <i>09-26-2017</i>	70.54	29.46	4.17	0.04	0.00	0.00
One Year Ago <i>04-25-2017</i>	90.58	9.42	1.34	0.00	0.00	0.00

Intensity:

■ D0 Abnormally Dry

■ D1 Moderate Drought

■ D2 Severe Drought

■ D3 Extreme Drought

■ D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions.

Local conditions may vary. See accompanying text summary for forecast statements.

Author:

Brad Rippey

U.S. Department of Agriculture

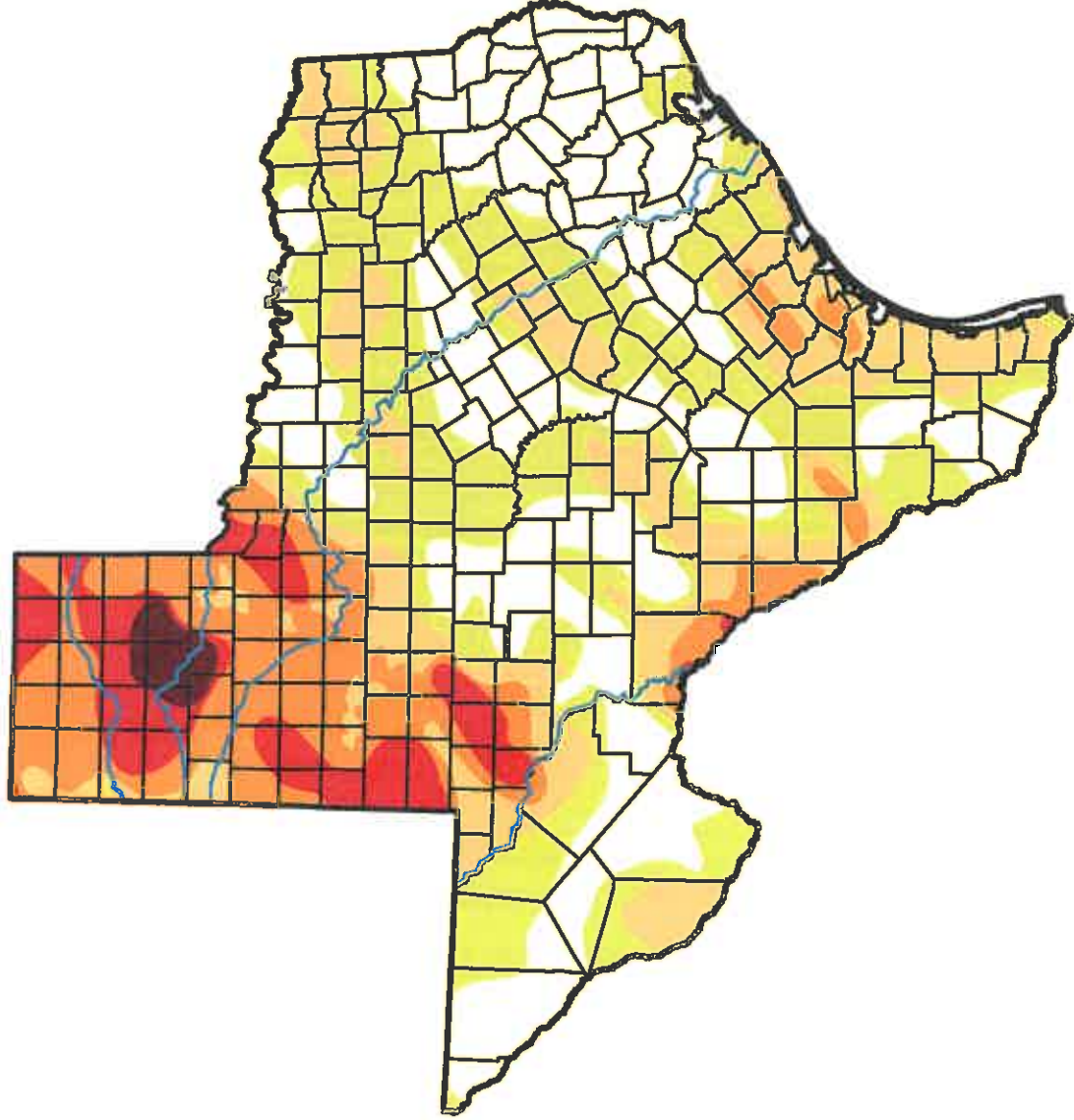


U.S. Drought Monitor Texas

May 29, 2018

(Released Thursday, May 31, 2018)

Valid 8 a.m. EDT



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	31.26	68.74	40.06	21.93	7.82	1.17
Last Week <i>05-22-2018</i>	37.32	62.68	40.53	22.46	9.20	2.54
3 Months Ago <i>02-27-2018</i>	22.75	77.25	55.19	22.04	11.47	0.00
Start of Calendar Year <i>01-02-2018</i>	33.37	66.63	33.56	5.94	0.11	0.00
Start of Water Year <i>09-26-2017</i>	70.54	29.46	4.17	0.04	0.00	0.00
One Year Ago <i>05-30-2017</i>	65.50	34.50	3.70	0.00	0.00	0.00

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:

Anthony Artusa
NOAA/NWS/NCEP/CPC



U.S. Drought Monitor Texas

June 26, 2018
 (Released Thursday, Jun. 28, 2018)
 Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	27.33	72.67	47.80	17.91	5.07	0.00
Last Week 06-19-2018	25.97	74.03	47.12	18.88	3.78	0.64
3 Months Ago 03-27-2018	26.19	73.81	64.23	28.30	15.08	1.21
Start of Calendar Year 01-02-2018	33.37	66.63	33.56	5.94	0.11	0.00
Start of Water Year 09-26-2017	70.54	29.46	4.17	0.04	0.00	0.00
One Year Ago 06-27-2017	76.48	23.52	5.98	0.61	0.00	0.00

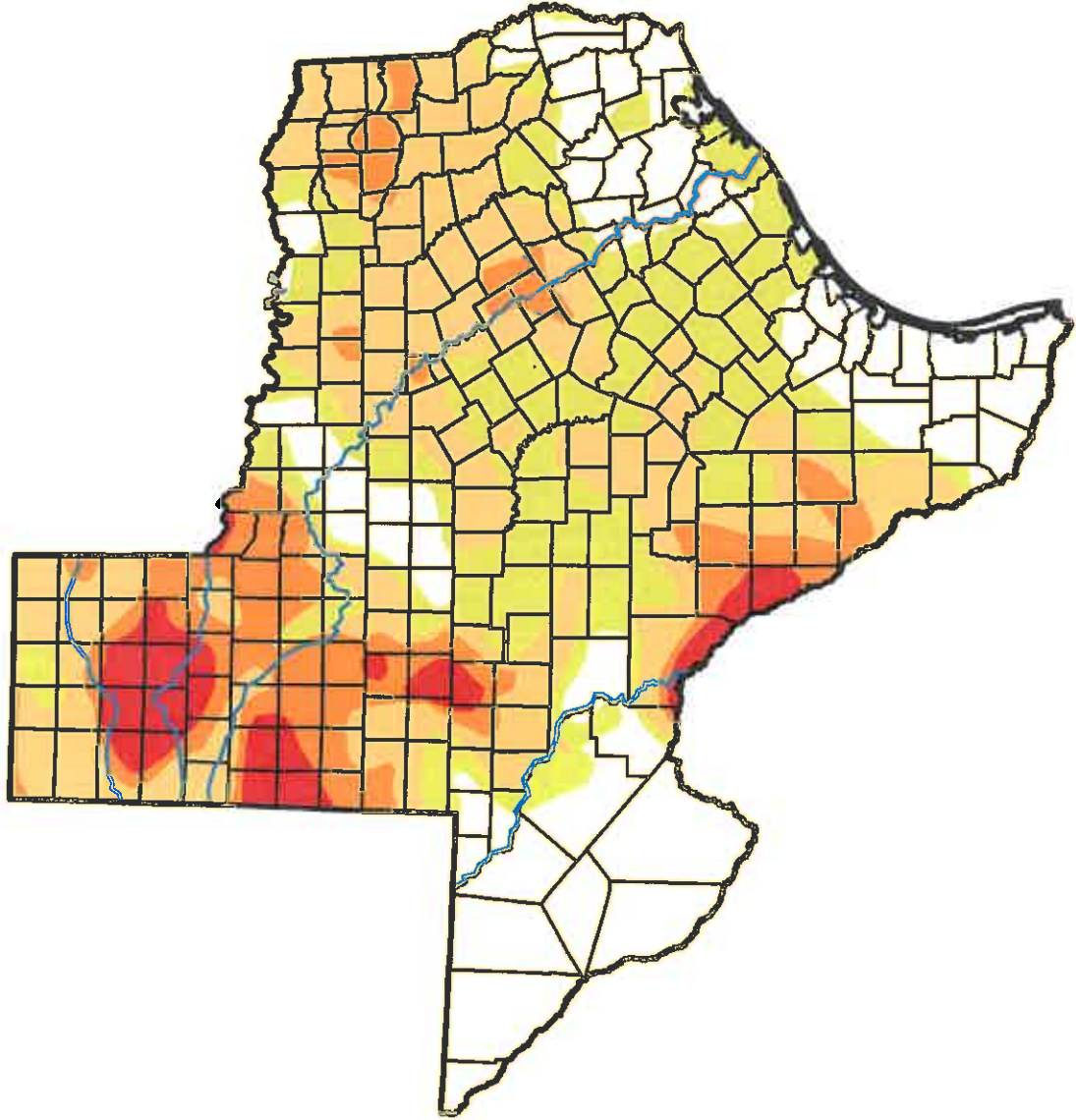
Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:

Richard Heim
 NCEI/NOAA

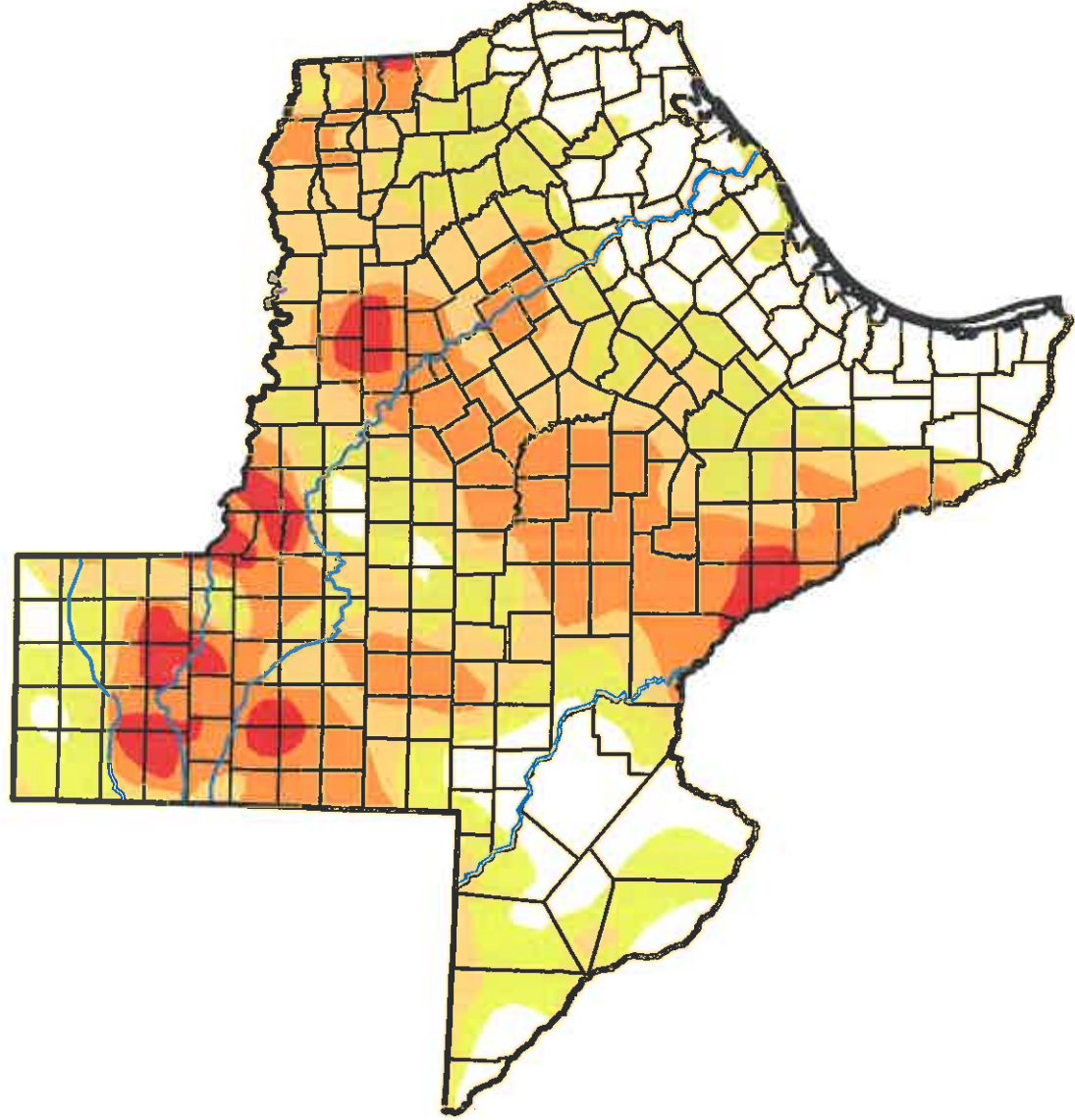


U.S. Drought Monitor Texas

July 24, 2018

(Released Thursday, Jul. 26, 2018)

Valid 8 a.m. EDT



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	24.54	75.46	50.13	28.15	4.32	0.00
Last Week 07-17-2018	27.67	72.33	45.81	18.78	3.38	0.00
3 Months Ago 04-24-2018	33.36	66.64	53.23	26.26	14.54	3.88
Start of Calendar Year 01-02-2018	33.37	66.63	33.56	5.94	0.11	0.00
Start of Water Year 09-26-2017	70.54	29.46	4.17	0.04	0.00	0.00
One Year Ago 07-25-2017	75.04	24.96	8.99	1.26	0.00	0.00

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:

Chris Fenimore
NCEI/NESDIS/NOAA



U.S. Drought Monitor Texas

August 28, 2018
 (Released Thursday, Aug. 30, 2018)
 Valid 8 a.m. EDT

Drought Conditions (Percent Area)

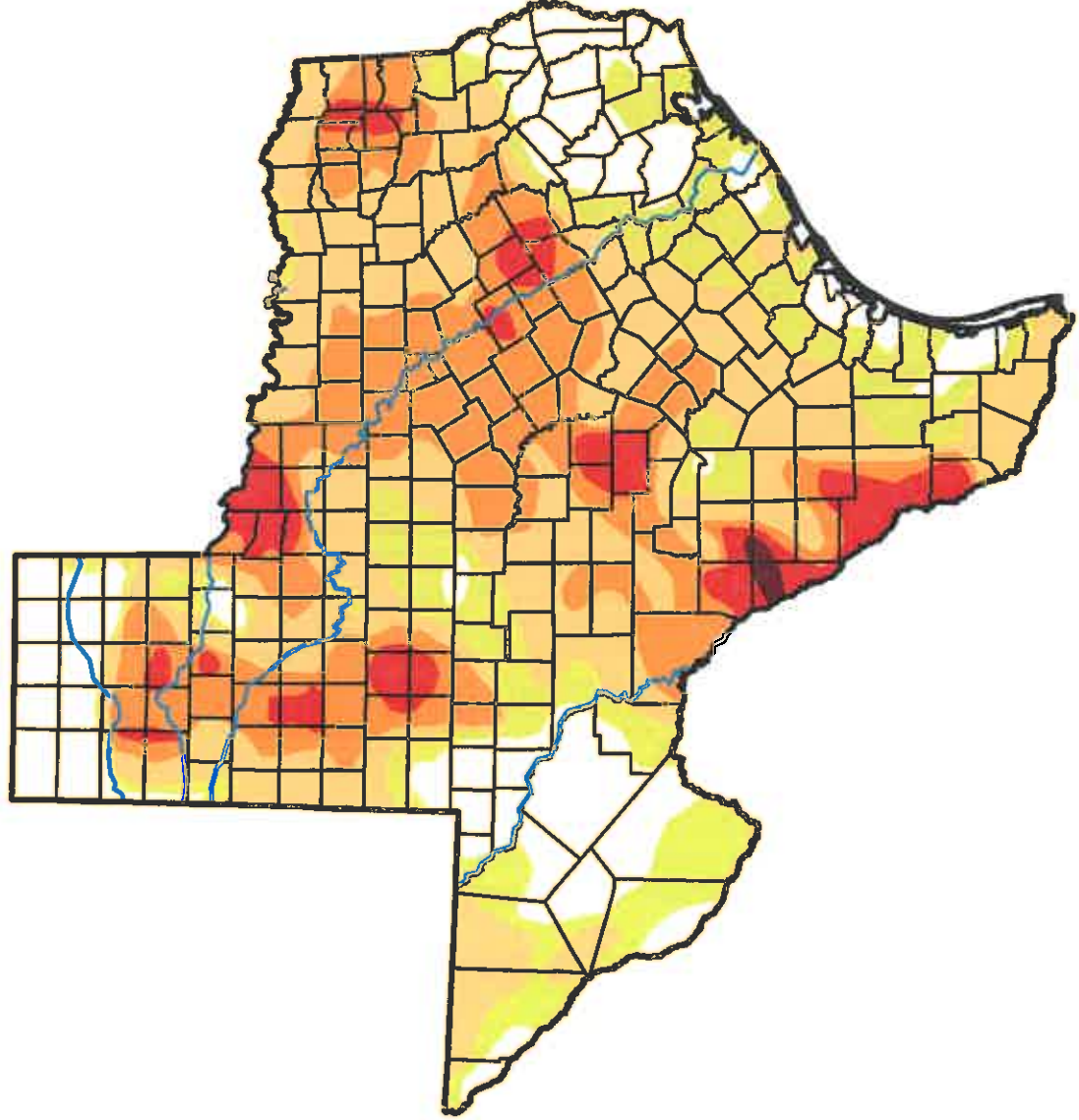
	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	18.56	81.44	62.34	30.69	6.78	0.30
Last Week 08-21-2018	18.99	81.01	59.88	28.00	5.22	0.30
3 Months Ago 05-29-2018	31.26	68.74	40.06	21.93	7.82	1.17
Start of Calendar Year 01-02-2018	33.37	66.63	33.56	5.94	0.11	0.00
Start of Water Year 09-26-2017	70.54	29.46	4.17	0.04	0.00	0.00
One Year Ago 08-29-2017	96.14	3.86	0.87	0.00	0.00	0.00

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
 Jessica Blunden
 NCEI/NOAA



U.S. Drought Monitor Texas

September 25, 2018
 (Released Thursday, Sep. 27, 2018)
 Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	57.46	42.54	20.19	7.03	0.96	0.00
Last Week 09-18-2018	39.87	60.13	28.85	9.26	2.43	0.10
3 Months Ago 06-26-2018	27.33	72.67	47.80	17.91	5.07	0.00
Start of Calendar Year 01-02-2018	33.37	66.63	33.56	5.94	0.11	0.00
Start of Water Year 09-26-2017	70.54	29.46	4.17	0.04	0.00	0.00
One Year Ago 09-26-2017	70.54	29.46	4.17	0.04	0.00	0.00

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

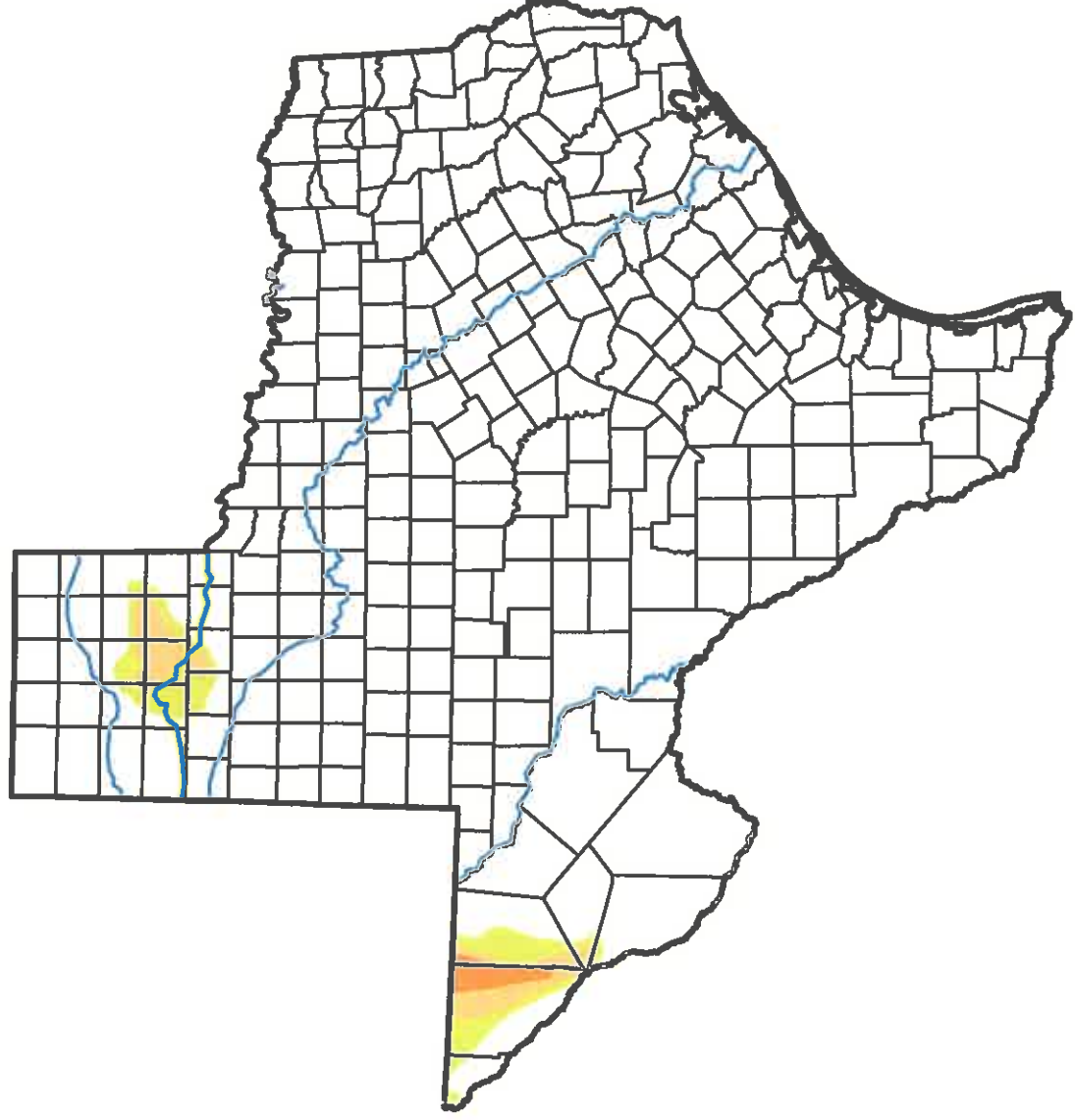
The Drought Monitor focuses on broad-scale conditions.
 Local conditions may vary. See accompanying text summary
 for forecast statements.

Author:
 Jessica Blunden
 NCEI/NOAA



U.S. Drought Monitor Texas

October 30, 2018
 (Released Thursday, Nov. 1, 2018)
 Valid 8 a.m. EDT



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	96.15	3.85	1.84	0.43	0.00	0.00
Last Week 10-23-2018	93.19	6.81	3.62	1.72	0.42	0.00
3 Months Ago 07-31-2018	21.82	78.18	59.26	35.93	8.48	0.00
Start of Calendar Year 01-02-2018	33.37	66.63	33.56	5.94	0.11	0.00
Start of Water Year 09-25-2018	57.46	42.54	20.19	7.03	0.96	0.00
One Year Ago 10-31-2017	71.18	28.82	2.52	0.11	0.00	0.00

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
 Deborah Bathke
 National Drought Mitigation Center



U.S. Drought Monitor Texas

November 27, 2018
 (Released Thursday, Nov. 29, 2018)
 Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	97.73	2.27	0.80	0.00	0.00	0.00
Last Week 11-20-2018	97.73	2.27	0.80	0.00	0.00	0.00
3 Months Ago 08-28-2018	18.56	81.44	62.34	30.69	6.78	0.30
Start of Calendar Year 01-02-2018	33.37	66.63	33.56	5.94	0.11	0.00
Start of Water Year 09-25-2018	57.46	42.54	20.19	7.03	0.96	0.00
One Year Ago 11-28-2017	28.73	71.27	35.11	5.50	0.00	0.00

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions.
 Local conditions may vary. See accompanying text summary
 for forecast statements.

Author:
 Richard Heim
 NCEI/NOAA



U.S. Drought Monitor Texas

December 25, 2018
 (Released Thursday, Dec. 27, 2018)
 Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	90.02	9.98	0.80	0.00	0.00	0.00
Last Week 12-18-2018	94.51	5.49	0.80	0.00	0.00	0.00
3 Months Ago 09-25-2018	57.46	42.54	20.19	7.03	0.96	0.00
Start of Calendar Year 01-02-2018	33.37	66.63	33.56	5.94	0.11	0.00
Start of Water Year 09-25-2018	57.46	42.54	20.19	7.03	0.96	0.00
One Year Ago 12-26-2017	37.16	62.84	32.93	2.90	0.11	0.00

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
 Richard Tinker
 CPC/NOAA/NWS/NCEP



ATTACHMENT F

Newspaper Article Concerning Water Conservation

Proof of Publication

STATE OF TEXAS)
COUNTY OF GRAYSON) SS:

RECEIVED
AUG 16 2018
BY: RRGCD

**RED RIVER GROUND CONSERVATION DISTRICT
PO BOX 1214
SHERMAN TX 75091**

**Account # 91652
Ad Number 0001142659**

Jeanine Sewell, being 1st duly sworn, deposes and says: That (s)he is the Legal Clerk for the Herald Democrat, a daily newspaper regularly issued, published and circulated in the City of Sherman, County of Grayson, State of Texas, and that the advertisement,

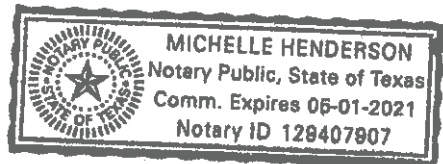
WATER CONSERVATION TIPS

a true copy attached for, was published in said Herald Democrat in 1 edition(s) of said newspaper issued from 08/05/2018 to 08/05/2018, on the following days:
08 / 05 / 18

ISI Jeanine Sewell
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 6th day of August, 2018

Notary Michelle Henderson



Stephanie... interim executive director of the United Way of Grayson County, said.

Denison Parks and Recreation Director Chris Mobley added that the grand opening will also feature clinics and lessons with various sports organizations covering the region.

City officials started the final steps in the construction phase in June when the city approved the hiring of eight staff members to operate and manage the park. Earlier this year, the city officially appointed Justin Eastwood as the manager for the new park project.

During the same meeting, city council members approved a more than \$650,000 change order to the project that represented some of the final costs and expenses for the project.

With construction expected to complete in the coming days, Rex said the last final piece of major construction is

he said.

With the park preparing to open, Rex said this marks a major point not only for the city of Denison but also for the entire region. With the park, Rex said the city and county can use it as a selling point for the quality of life in Denison and as a major amenity when looking to recruit new businesses and residents.

"Denison wants to be a community of choice, and to do that you need the amenities that make Denison that choice," Rex said.

With the potential to hold major tournaments, Rex added that the park also has some opportunities to promote economic development in the city.

A larger softball tournament can bring between 20 to 70 teams to Denison over the course of three days. These athletes and their families will then sleep in Denison hotels, eat at local restaurants and visit local events and

facility ahead of its expected opening in mid-August.

attractions, he said. With the expected addition of HeyDay Entertainment later this year in Gateway Village, Rex said he hopes that the park could have a

positive effect on growth within the development.

Mobley said the city has been working to recruit and partner with organizations for these events,

noting that most ahead by about months. The city working to work organizations programming. Among the ea

WATER CONSERVATION TIPS FOR OUTDOORS

Lawns generally prefer thorough and less frequent watering. This promotes deeper root growth which establishes a more drought tolerant lawn.

Install rain shut-off devices on irrigation systems and adjust sprinklers to eliminate coverage on pavement. Check sprinkler heads regularly to make sure they are working properly. For plants that need more water, use a hose or watering can to give them additional water.

Prevent evaporation of water by watering lawns early in the morning and avoiding windy days. Use drip irrigation systems for bedded plants, trees, or shrubs and use low-angle sprinklers for lawns.


By covering pools and spas, this can save the equivalent of your pool/spa volume each year!

Harvest the rain. Buy a rain barrel or a cistern and collect the water from your gutters to water your plants.

Taller grass shades the soil beneath it therefore enabling the soil to hold moisture longer by preventing evaporation. Leaving lawn clippings on the lawn instead of bagging helps hold moisture as well.

Use lots of mulch around your shrubs and trees. It will retain moisture, reduce run-off, moderate soil temperatures, and help with weed control.

Red River Groundwater Conservation District

 Independent
Bank

RAISING STANDARDS TOGETHER

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Van Alstyne 903-481
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ATTACHMENT G

Annual Financial Report

**RED RIVER GROUNDWATER
CONSERVATION DISTRICT**

Annual Financial Report

Year Ended December 31, 2017

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Annual Financial Report
Year Ended December 31, 2017

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McClanahan and Holmes, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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ANDREW B. REICH, CPA
RUSSELL P. WOOD, CPA
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INDEPENDENT AUDITORS' REPORT

Members of the Board
Red River Groundwater Conservation District
Denison, Texas

We have audited the accompanying financial statements of the governmental activities and the major fund of the Red River Groundwater Conservation District (the District), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant account estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Red River Groundwater Conservation District as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Members of the Board
Red River Groundwater Conservation District
Denison, Texas

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on page 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

McClanahan and Holmes, LLP
Certified Public Accountants

Bonham, Texas
June 4, 2018

RED RIVER GROUNDWATER CONSERVATION DISTRICT
 Management's Discussion and Analysis
 Year Ended December 31, 2017

The Red River Groundwater Conservation District (District) is pleased to present its financial statements. This required supplementary information presents our discussion and analysis of the District's financial performance during the year ended December 31, 2017. Please read this section in conjunction with the basic financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net position was \$462,465 at December 31, 2017.
- During the year, the District's expenses were \$29,619 more than the \$306,673 generated from groundwater production fees and other revenues.
- The General Fund presents a year end fund balance of \$413,663 at December 31, 2017.

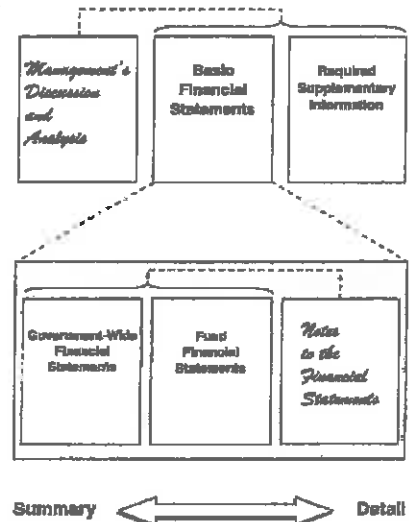
OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to this Management's Discussion and Analysis, this report consists of government-wide financial statements, fund financial statements, and the notes to the financial statements. The first two statements are condensed and present a government-wide view of the District's finances. The government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the District.

Basic Financial Statements

- The Statement of Net Position focuses on resources available for future operations. In simple terms, the statement presents a snapshot of the assets of the District, the liabilities it owes, and the net difference. The net difference is further separated into amounts restricted for specific purposes, if any, and unrestricted amounts. The information presented in this statement is reported on the accrual basis of accounting.
- The Statement of Activities focuses on gross and net costs of the District's programs and the extent to which such programs rely on general revenues. The statement summarizes and simplifies the users analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on individual funds, including assets liabilities and fund equity. Separate revenues and expenditures analysis are presented to each major fund.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

Figure A-1, Required Components of the District's Annual Financial Report



RED RIVER GROUNDWATER CONSERVATION DISTRICT
Management's Discussion and Analysis (Continued)
Year Ended December 31, 2017

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's budgetary comparison schedule. Required supplementary information can be found on page 16 of this report.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position may serve over time as a useful indicator of a government's financial position. For the District, the total combined net position was \$462,465 at year end. A comparative condensed summary of the District's statements of net position is presented here:

Red River Groundwater Conservation District's Net Position			Table A-1
	<u>2017</u>	<u>2016</u>	Total Percentage Change <u>2016-2017</u>
Assets:			
Cash and Cash Equivalents	\$ 146,152	\$ 196,201	-25.51%
Certificates of Deposit	210,000	210,000	0.00%
Receivables and Other Assets	102,214	87,562	16.73%
Capital Assets,			
Net of Accumulated Depreciation	<u>48,802</u>	<u>22,033</u>	121.50%
Total Assets	<u>507,168</u>	<u>515,796</u>	-1.67%
Liabilities:			
Current Liabilities	<u>44,703</u>	<u>23,712</u>	88.52%
Total Current Liabilities	<u>44,703</u>	<u>23,712</u>	88.52%
Net Position:			
Unrestricted	<u>462,465</u>	<u>492,084</u>	-6.02%
Total Net Position	<u>\$ 462,465</u>	<u>\$ 492,084</u>	-6.02%

At year end, 70.2% of the District's total assets were held in cash and cash equivalents and certificates of deposit, with fees receivable and prepaid expenses representing 20.2%, and fixed assets representing 9.6%.

The District's liabilities consist of accounts payable for items or services received during the year, but not paid out in cash until after year end, as well as deposits to be refunded to drillers.

Unrestricted net position represents amounts available for future spending.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Management's Discussion and Analysis (Continued)
Year Ended December 31, 2017

CHANGES IN NET POSITION

The District's total revenues were \$292,967 generated from Groundwater Production Fees assessed upon residents of the District and \$13,706 of other revenues.

The total cost of all services was \$336,292, for third party administration of the program and legal services.

A condensed summary of the District's statements of activities and changes in net position for the years ended December 31, 2017 and 2016 is presented here:

Table A-2

Changes in Red River Groundwater Conservation District's Net Position

	<u>2017</u>	<u>2016</u>	<u>Total Percentage Change 2016-2017</u>
General Revenues:			
Groundwater Production Fees	\$ 292,967	\$ 302,528	-3.16%
Registration and Other Fees	10,706	11,459	-6.57%
Interest Income	<u>3,000</u>	<u>1,880</u>	59.57%
Total Revenues	<u>306,673</u>	<u>315,867</u>	-2.91%
Expenses:			
Administration	300,570	242,129	24.14%
Legal	<u>35,722</u>	<u>25,466</u>	40.27%
Total Expenses	<u>336,292</u>	<u>267,595</u>	25.67%
Increase (Decrease) in Net Position	<u>\$ (29,619)</u>	<u>\$ 48,272</u>	-161.36%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The governmental funds of the District reported revenues of \$306,673 during the year, with total expenditures of \$363,061.

BUDGETARY HIGHLIGHTS

The District's Board of Directors adopted a final operating budget for the 2017 fiscal year, based on anticipated receipts and expenditures (unaudited), prior to year end. The budget encompasses all the activities of the District, which would normally include both revenues and expenditures. Total revenues were \$23,827 below final budgeted amounts. Total expenditures exceeded budgeted amounts by \$31,561.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Management's Discussion and Analysis (Continued)
Year Ended December 31, 2017

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets amounted to \$55,612, net of accumulated depreciation of \$6,810 as of December 31, 2017. This investment in capital assets includes a vehicle and software development in progress.

A summary of capital asset activity is shown in Note 1.E of the financial statements.

Debt

As of December 31, 2017, the District has not entered into any debt agreements. The District has no outstanding long-term debt at year end.

ECONOMIC FACTORS AND NET YEAR'S BUDGET AND RATES

The District adopted the next year's budget to provide for the developing nature of the services provided by the District, which will increase over the current year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Drew Satterwhite, General Manager for the District.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Statement of Net Position
December 31, 2017

	Governmental Activities
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 146,152
Certificates of Deposit	210,000
Accounts Receivable, Net of Allowance for Uncollectibles of \$1,530	98,962
Prepaid Expenses	3,252
Total Current Assets	458,366
Noncurrent Assets	
Capital Assets Not Being Depreciated:	
Software Development in Progress	31,576
Capital Assets, Net of Accumulated Depreciation: Vehicle	17,226
Total Noncurrent Assets	48,802
Total Assets	507,168
 LIABILITIES	
Current Liabilities	
Accounts Payable	38,103
Driller Deposits	6,600
Total Current Liabilities	44,703
Total Liabilities	44,703
 NET POSITION	
Unrestricted	462,465
Total Net Position	\$ 462,465

The notes to financial statements are an integral part of this statement.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Statement of Activities
Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government				
Governmental Activities:				
Administration	\$ 300,570	\$ -	\$ -	\$ (300,570)
Legal	35,722	-	-	(35,722)
Total Governmental Activities	336,292	-	-	(336,292)
Total Primary Government	\$ 336,292	\$ -	\$ -	(336,292)
General Revenues:				
				292,967
				10,706
				3,000
Total General Revenues				306,673
Change in Net Position				(29,619)
Net Position - Beginning (January 1)				492,084
Net Position - Ending (December 31)				\$ 462,465

The notes to financial statements are an integral part of this statement.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
 Balance Sheet - Governmental Fund
 December 31, 2017

	General Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 146,152
Certificates of Deposit	210,000
Accounts Receivable, Net	98,962
Prepaid Expenses	3,252
Total Current Assets	458,366
Total Assets	\$ 458,366
 LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 38,103
Driller Deposits	6,600
Total Current Liabilities	44,703
Total Liabilities	44,703
 FUND BALANCE	
Unassigned	413,663
Total Fund Balance	413,663
Total Liabilities and Fund Balance	\$ 458,366
 Amounts reported for governmental activities in the statement of net position are different because:	
Fund Balance - Total Governmental Fund (above)	\$ 413,663
Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$55,612 and the accumulated depreciation is \$6,810.	48,802
Net Position of Governmental Activities	\$ 462,465

The notes to financial statements are an integral part of this statement.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Governmental Fund
Year Ended December 31, 2017

	General Fund
REVENUES	
Groundwater Prouction Fees	\$ 292,967
Registration and Other Fees	10,706
Interest Income	3,000
Total Revenues	306,673
EXPENDITURES	
Administration	295,763
Legal Fees	35,722
Capital Outlay:	
Software Development	31,576
Total Expenditures	363,061
Excess (Deficiency) of Revenues over Expenditures	(56,388)
Net Change in Fund Balance	(56,388)
Fund Balance - Beginning (January 1)	470,051
Fund Balance - Ending (December 31)	\$ 413,663
Amounts reported for governmental activities in the statement of activities are different because:	
Net Change in Fund Balance - Total Governmental Fund (above)	(56,388)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$31,576) exceeded depreciation expense (\$4,807) in the current year.	26,769
Change in Net Position of Governmental Activities	\$ (29,619)

The notes to financial statements are an integral part of this statement.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Notes to the Basic Financial Statements
December 31, 2017

I. Summary of Significant Accounting Policies

The basic financial statements of the Red River Groundwater Conservation District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Red River Groundwater Conservation District (District), is a political subdivision of the State of Texas, created under the authority of Article XVI, Section 59, Texas Constitution, and operating pursuant to the provisions of the Texas Water Code, Chapter 36, and Senate Bill 2497, Acts of the 81st Texas Legislature, Regular Session, 2010. The District encompasses the Red River counties of Grayson and Fannin. The Board of Directors (Board), a six member group constituting an on-going entity, is the level of government which has governance responsibilities over all activities within the jurisdiction of the District. The Board is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Reporting Standards, since Board members are appointed, have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

As required by accounting principles generally accepted in the United States of America, the basic financial statements of the reporting entity include those of the District (primary government) and its component units. There are no component units included in these basic financial statements.

B. Basis of Presentation – Basis of Accounting

Government-Wide Statements - The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (1) fees, and other charges paid by the recipients of goods or services offered by the programs and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxing entities allocations and investments, are presented as general revenues.

Fund Financial Statements – The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Any remaining governmental funds are aggregated and reported as non-major funds.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Notes to the Basic Financial Statements (Continued)
December 31, 2017

I. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Basis of Accounting (continued)

District accounts are organized on the basis of funds, each of which is considered a separate accounting entity. Governmental resources allocated to individual funds are recorded for the purpose of carrying on specific activities in accordance with laws, regulations or other appropriate requirements. The fund types and funds utilized by the District are described below:

Government fund types include the following:

The *General Fund* is used to account for financial resources used for general operating. This is a budgeted fund and any fund balances are considered resources available for current operations. All revenues and expenditures not required to be accounted for in other funds are accounted for in this fund.

C. Measurement Focus – Basis of Accounting

Government-Wide Statements – These financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives), value without directly receiving (or giving) equal value in exchange, including taxing entity allocations. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fund Financial Statements – These financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers revenues as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

D. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances. The total accounts receivable balance is expected to be collected within one year.

E. Financial Statement Amounts

Cash and Cash Equivalents

Cash and Cash Equivalents are comprised of deposits in financial institutions, including time deposits. A cash equivalent is considered any highly liquid investment with a maturity of three months or less. Restricted assets and temporary investments are not included.

Capital Assets

Capital assets are reported in the government-wide statement of net position. All capital assets are valued at historical cost. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset life are not capitalized.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Notes to the Basic Financial Statements (Continued)
December 31, 2017

I. Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (continued)

Capital Assets (continued)

Assets capitalized have an original cost of more than \$5,000 and useful life in excess of one year. Depreciation has been provided over the estimated useful life using the straight-line method of depreciation. The estimated useful life of the vehicle is five years. Development in progress is not depreciated. Depreciation expense of \$4,807 was charged to Administration in the Statement of Activities for the year ended December 31, 2017.

	Balance 12/31/16	Additions	Retirements	Balance 12/31/17
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Software Development in Progress	\$ -	\$ 31,576	\$ -	\$ 31,576
	-	31,576	-	31,576
Capital Assets being Depreciated:				
Vehicle	24,036	-	-	24,036
	24,036	-	-	24,036
Less Accumulated Depreciation for:				
Vehicle	2,003	4,807	-	6,810
	2,003	4,807	-	6,810
Governmental Activities Capital Assets, Net	<u>\$ 22,033</u>	<u>\$ 26,769</u>	<u>\$ -</u>	<u>\$ 48,802</u>

Fund Balance

Governmental funds utilize a fund balance presentation for equity. Fund balance is categorized as nonspendable, restricted, committed, assigned, or unassigned.

Nonspendable fund balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaids) or legally required to remain intact (such as notes receivable or principal or a permanent fund).

Restricted fund balance – represents amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers. The District does not have any restricted fund balances by enabling legislation.

Committed fund balance – represents amounts that can only be used for specific purposes imposed by a formal action of the District's highest level of decision-making authority, the Board. Committed resources cannot be used for any other purpose unless the Board removes or changes the specific use by taking the same formal action that imposed the constraint originally.

Assigned fund balance – represents amounts the District intends to use for specific purposes as expressed by the Board or an official delegated the authority. The Board has delegated the authority to assign fund balances to the Superintendent.

Unassigned fund balances – represents the residual classification for the general fund or deficit balances in other funds.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Notes to the Basic Financial Statements (Continued)
December 31, 2017

I. Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (continued)

Fund Balance (continued)

In circumstances where an expenditure is to be made for the purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The District has adopted a policy that sets a minimum fund balance equal to twenty-five percent (25%) of the total general fund expenditures.

The following schedule provides information about the specific fund balance classification by fund:

	General
Unassigned	\$ 413,663
Total	\$ 413,663

II. Stewardship, Compliance, and Accountability

By its nature as a local government unit, the District is subject to various federal, state, and local laws and contractual regulations.

<u>Object Category</u>	<u>Expenditures Exceeding Appropriations</u>
Legal Fees	\$ 722
Capital Outlay	31,576
Total Expenditures Exceeding Appropriations	\$ 32,298

III. Deposits, Securities, and Investments

District funds may be invested in obligations of the United States Government, fully insured or collateralized certificates of deposit from any bank doing business in the State of Texas, and certain Texas Local Government Investment Pools. At December 31, 2017, the District has only invested in certificates of deposit.

The District maintains deposits in First United, Sherman, Texas that at times may exceed the insured amount of \$250,000 provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The District was not exposed to custodial credit risk as its deposits were fully insured with FDIC insurance at year-end.

The District maintains two certificates of deposit at a bank as of December 31, 2017. The District was not exposed to custodial credit risk as its deposits were fully insured with FDIC insurance at year-end.

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Notes to the Basic Financial Statements (Continued)
December 31, 2017

III. Deposits, Securities, and Investments (Continued)

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

IV. Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2017, the District purchased commercial insurance to cover these liabilities. There were no significant reductions in coverage in the last year, and there were no settlements exceeding insurance coverage in the past year.

V. Concentrations

One customer individually comprised approximately 50% of gross accounts receivable at December 31, 2017. This customer individually comprised approximately 34% of revenue for the year ended December 31, 2017. One vendor comprised approximately 52% of expenses for the year ended December 31, 2017.

VI. Commitments

At December 31, 2017, the District had outstanding contract commitments totaling \$51,924 related to the design and development of a software system.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
 General Fund
 Budgetary Comparison Schedule
 Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Groundwater Prouction Fees	\$ 325,000	\$ 325,000	\$ 292,967	\$ (32,033)
Registration and Other Fees	5,000	5,000	10,706	5,706
Interest Income	500	500	3,000	2,500
Total Revenues	330,500	330,500	306,673	(23,827)
EXPENDITURES				
Administration	296,500	296,500	295,763	737
Legal Fees	35,000	35,000	35,722	(722)
Capital Outlay: Software Development	-	-	31,576	(31,576)
Total Expenditures	331,500	331,500	363,061	(31,561)
Net Change in Fund Balance	(1,000)	(1,000)	(56,388)	(55,388)
Fund Balance - Beginning (January 1)	470,051	470,051	470,051	-
Fund Balance - Ending (December 31)	\$ 469,051	\$ 469,051	\$ 413,663	\$ (55,388)

McClanahan and Holmes, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
*Government Auditing Standards***

Members of the Board
Red River Groundwater Conservation District
Denison, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Red River Groundwater Conservation District (the District), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 4, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies to be material weaknesses and significant deficiencies in internal control over financial reporting.

Members of the Board
Red River Groundwater Conservation District
Denison, Texas

Financial Accounting and Reporting:

The District does not prepare the financial statements nor control the period-end financial reporting process, including controls over the selection and application of accounting principles that are in conformity with generally accepted accounting principles; controls over procedures used to analyze transactions comprising general ledger activity; controls over initiating, authorizing, recording, and processing journal entries into the general ledger; and controls over recording recurring and nonrecurring adjustments to the financial statements.

Segregation of Duties:

A critical element in any internal control structure is the characteristic known as segregation of duties. Assigning different personnel the responsibility of authorizing transactions, recording transactions, and maintaining custody of assets achieves this internal control structure attribute. Due to the District's small number of personnel, there is limited segregation of duties in substantially all areas of the accounting system. To the extent possible, every effort should be made to utilize a "best practices" approach when considering controls over cash transactions and preparation of accounting records. We encourage the board to closely monitor its financial activities which may help offset the weaknesses associated with limited segregation of duties.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McClanahan and Holmes, LLP
Certified Public Accountants

Bonham, Texas
June 4, 2018