

**RED RIVER
GROUNDWATER
CONSERVATION
DISTRICT**

BOARD MEETING

**BOARD ROOM
GREATER TEXOMA UTILITY AUTHORITY
5100 AIRPORT DRIVE
DENISON, TEXAS 75020**

**THURSDAY
AUGUST 15, 2013**

AGENDA

**AGENDA
RED RIVER GROUNDWATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING
GREATER TEXOMA UTILITY AUTHORITY BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020
THURSDAY, AUGUST 15, 2013**

Notice is hereby given that a meeting of the Board of Directors of the Red River Groundwater Conservation District will be held on the 15th day of August, 2013 at 3:00 pm in the Greater Texoma Utility Authority Board Room, 5100 Airport Drive, Denison TX, 75020, at which time the following items may be discussed, considered, and acted upon, including the expenditure of funds:

Agenda:

1. Call to order, declare meeting open to the public, and take roll.
2. Public Comment
3. Consider approval of Minutes of April 18, 2013, Board Meeting
4. Review and approval of monthly invoices.
5. Receive monthly financial information
6. Consider and act upon 2012 audit
7. Consider and act on 2014 budget and establish production fees
8. Consider and act upon Policy concerning Capital Asset Management
9. Consider and act upon establishing a Public Information Act Policy and Procedure
10. Receive Management Plan Quarterly Report Regarding Assessment of Drought in District
11. Establish committee to provide recommendations for election of officers for 2013-2015 and a representative for Groundwater Management Area 8
12. Consider and act upon enforcement actions on non-compliant well owners
13. General Manager's report: The General Manager will update the Board on operational, educational and other activities of the District
14. Open forum / discussion of new business for future meeting agendas
15. Adjourn

¹The Board may vote and/or act upon each of the items listed in this agenda.

²At any time during the meeting or work session and in compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, the Red River Groundwater Conservation District Board may meet in executive session on any of the above agenda items or other lawful items for consultation concerning attorney-client matters (§551.071); deliberation regarding real property (§551.072); deliberation regarding prospective gifts (§551.073); personnel matters (§551.074); and deliberation regarding security devices (§551.076). Any subject discussed in executive session may be subject to action during an open meeting.

³Persons with disabilities who plan to attend this meeting, and who may need assistance, are requested to contact Carmen Catterson at (800) 256-0935 two (2) working days prior to the meeting, so that appropriate arrangements can be made.

ATTACHMENT 3

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

THURSDAY, APRIL 18, 2013

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

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

Members Absent: None

Staff: Jerry Chapman, Carolyn Bennett, Wayne Parkman and Carmen Catterson

Visitors: Jonathan Cannon, Herald Democrat
Alex Moser, AL Moser Drilling
Bill Purcell, Fannin County citizen

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

President Henderson called the meeting to order at 12:33 PM. All members were present.

2. Public Comment.

Bill Purcell, a citizen from Fannin County was the only new visitor.

3. Consider approval of Minutes of February 14, 2013 board meeting

Board Member Gattis motioned to approve the Minutes of the February 14, 2013 board meeting. The motion was seconded by Board Member Morrison and passed unanimously.

4. Review and approval of monthly invoices.

Mr. Chapman reviewed the invoices provided for payment with the Board.

Board Member Gattis motioned to approve the monthly invoices for a total of \$31,851.17. The motion was seconded by Board Member Patterson and passed unanimously.

5. Receive Monthly Financial Information

Mr. Chapman reviewed the financial information with the Board. All expenses other than the software maintenance is within the budgeted amounts. The first billing through the ASYST program will

be processed in the next few days. The billing is anticipated to be done on the 20th of each third month for quarterly billing.

6. Consider and act upon water loss data collection

The staff is working to develop a format to collect water loss information. The staff is planning to add an additional tab to report water loss data on the well registration website. The adjustment should be included in the maintenance agreement with no additional charges. Most of the municipal suppliers already track the information and report to the Texas Water Development Board (TWDB) on an annual basis. The District would be requesting the information on a monthly basis. The information would not be required, but would provide a mechanism to track the data and encourage reporting.

Board Member Patterson motioned to add a tool to the website to track water loss data. The motion was seconded by Board Member Latham and passed unanimously.

7. Consider and act upon a resolution establishing a meter re-sealing fee for wells

This item was tabled from the previous meeting. The staff re-examined the situation and has provided an amended recommendation for the Board's review with three options. One, not charge a fee and include it in the District's operations costs. Two, charge a re-sealing fee for all meter change requests, or, to charge a re-sealing fee only for voluntary removal of meters. Most of the public water suppliers do not move seals regularly. Meters are normally removed only for well or meter failure or to upgrade the meter. Energy companies frequently move the same meter between wells.

The Board discussed whether the recommended \$100 fee would be adequate to cover the costs incurred by the District. Board Member Latham commented that the District charges production fees on water produced, which supports the District's activities. Mr. Parkman commented that he plans to wait until he is inspecting wells in the general area before re-sealing the wells. Vice President Olson commented that the purpose of the fee is not to raise revenue, but to encourage meters to remain on a single well.

Vice President Olson motioned to adopt a \$100 meter re-sealing fee for wells only for meters that are removed for reasons other than failure or upgrade. The motion was seconded by Board Member Patterson. President Henderson expressed that the fee is not a punishment, but to help recover some of the costs to process a new meter on a well. The motion passed unanimously.

8. Consider and act upon request for exceptions to District's metering requirements in Section 8.1(d) of the Temporary Rules

A letter was received from Dewayne Sutherland, the Water Superintendent for the City of Sherman. The City desires to install electromagnetic meters on their wells, which is a type of meter not approved in the Temporary Rules. The metering technology is moving toward electronic meters, which are not addressed in the Rules. This would also be included in a list of recommended amendments. Secretary/Treasurer Wortham stated that he knew of two or three other public water suppliers that are considering the same type of meters.

Board Member Gattis motioned to approve an exception to the District's metering requirements in Section 8.1(d) of the Temporary Rules. The motion was seconded by Secretary/Treasurer Wortham and passed unanimously with Vice President Olson abstaining.

9. Consider defining test holes

This is another example of an item not accounted for in the Temporary Rules. Some drillers are chafing at having to pay to register test holes. The staff is proposing the Board provide a policy for the staff to follow and then amend the Temporary Rules at a later date. The proposed policy would include the well owner or driller paying a registration fee and a driller's log fee, which is refundable upon completion of the well. However, if a well owner or driller registered to drill a test hole, the staff felt that the registration fee should not be charged until a well is actually drilled. The field staff believes that the test holes should be accounted for in order to confirm proper plugging of the wells. This would allow a registration for a test hole to require a driller's log deposit fee without the registration fee. If the well is developed from the test hole, the registration fee would be required before the well is developed from the test holes.

The Board discussed whether a test hole is a well or not. Mr. Parkman commented that he did not feel a registration fee should be charged to register, but that the District should track the information. The registration of the test hole would be processed the same as a well registration, except without the registration fee.

The Board unanimously agreed for the staff to continue registering test holes without a registration fee.

10. Consider and act upon updated USTI Customer Support Agreement

This is in connection with the accounting system purchased last year. Like most software programs, support agreements are required. The fees outlined include a 4% increase for a total of \$1,285.

Board Member Gattis motioned to approve the \$1,285 customer support for USTI. The motion was seconded by Vice President Olson and passed unanimously.

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

The report shows that although the area is getting rain, the streamflow is extremely low. This area is in a moderate drought. Below normal rainfall was received in January and February. Sherman received -10.81 inches below normal and Bonham is -1.6 inches below normal. Lake Texoma is 5 feet below normal level. The Texas Commission on Environmental Quality is expecting to cut off some supplies from surface water due to the drought. This year will be difficult for farmers and water providers across the State of Texas.

Mr. Moser asked if the North Texas Municipal Water District (NTMWD) was pumping water south from Lake Texoma. Mr. Chapman responded that the NTMWD has not pumped since 2009 and will not pump until 2014 when their pipeline from Sister Grove Creek in Howe to their water treatment plant in Wylie. The pipeline will create a closed system so that Zebra Mussels are not released into the rivers, lakes or streams.

12. General Manager's Report

Mr. Chapman spoke with Brian Sledge of the Lloyd Gosselink Firm, the District's legal counsel and discussed the need to amend the Temporary Rules in August. Mr. Sledge expressed his appreciation for the District waiting until after the Legislative session is over. The recommended amendments to the Temporary Rules include the additional of other types of meters, the reporting of water loss information, the consideration of registration of geothermal wells, and the registration of test holes. Some of the bills being considered by the State Legislature may also impact the District's activities. The next meeting will include a legislative update. Brackish water is receiving a great deal of attention on the State level, since it will need to be utilized for public water supply.

Mr. Parkman discussed modifying the way that seals are installed. The seals currently being used hook onto the flange. However, for municipal wells the seals are not practical. An alternative method of sealing using a stronger version of a zip tie. Mr. Parkman is planning to talk to the seal company to see how cost effective the alternative method would be.

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

The next meeting will be held on Thursday, June 20, 2013 at 2:00 PM.

13. Adjourn

Vice President Olson motioned to adjourn, seconded by Board Member Latham and passed unanimously. The Board adjourned at approximately 1:16 PM.

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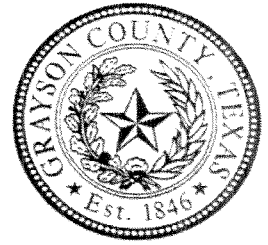
Recording Secretary

Secretary-Treasurer

ATTACHMENT 6



**RED RIVER GROUNDWATER
CONSERVATION DISTRICT
AGENDA COMMUNICATION**



DATE: August 8, 2013

SUBJECT: AGENDA ITEM NO. 6

CONSIDER AND ACT UPON 2012 AUDIT

ISSUE

2012 Audit

BACKGROUND

Last year the Board engaged the services of Rutherford Taylor & Co. to provide the independent audit of the District's accounting records for the 2012 fiscal year. The auditors have advised that they expect to be present at the August meeting to present the audit.

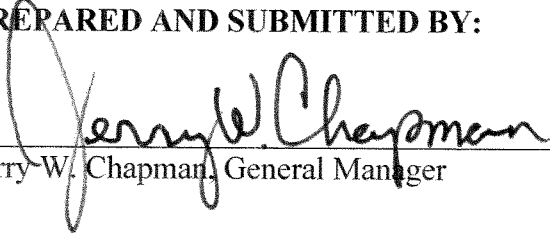
CONSIDERATIONS

The auditors are expected to be present with the completed audit.

ATTACHMENTS

2012 audit

PREPARED AND SUBMITTED BY:



Jerry W. Chapman, General Manager

**RED RIVER GROUNDWATER
CONSERVATION DISTRICT**

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2012

RUTHERFORD, TAYLOR & COMPANY, P.C.
Certified Public Accountants
2802 Washington Street
Greenville, Texas 75401
(903) 455-6252

RED RIVER GROUNDWATER CONSERVATION DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

Members of the Board:

We have audited the accompanying financial statements of the governmental activities and each major fund of the Red River Groundwater Conservation District (District), as of and for the year ended December 31, 2012, 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 auditor's 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 each major fund of the Red River Groundwater Conservation District as of December 31, 2012, and the respective changes in financial position and cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report – Continued

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 July 22, 2013, 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.

July 22, 2013
Greenville, Texas

INDEPENDENT AUDITOR'S 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:

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 each major fund of the Red River Groundwater Conservation District (District), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 22, 2013.

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.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 that are required to be reported under *Government Auditing Standards*.

Report on Internal Control – Continued

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.

July 22, 2013
Greenville, Texas

RED RIVER GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2012

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, 2012. Please read this section in conjunction with the basic financial statements which follow this section.

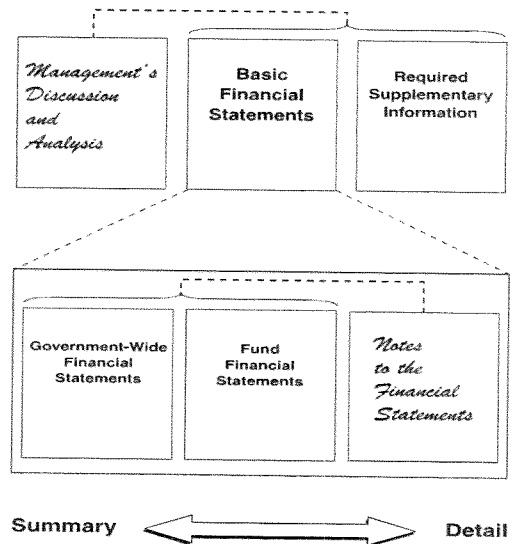
FINANCIAL HIGHLIGHTS

- The District's total net position was \$ 118,930 at December 31, 2012.
- During the year, the District's expenses were \$ 89,773 less than the \$ 298,045 generated from groundwater production fees and other revenues.
- The General Fund presents a year end fund balance of \$ 118,930 at December 31, 2012.

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.

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



Basic Financial Statements

- The Statements 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 fuel 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.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2012

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 \$ 89,773 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
	2012	2011	Total Percentage Change 2011 - 2012
Assets:			
Cash and Cash Equivalents	\$ 112,749	\$ (1,212)	-9402.72%
Receivables and Other Assets	50,538	58,533	-13.66%
Total Assets	\$ 163,287	\$ 57,321	184.86%
Liabilities:			
Current Liabilities	\$ 44,357	\$ 28,164	57.50%
Total Liabilities	\$ 44,357	\$ 28,164	57.50%
Net Position:			
Unrestricted	118,930	29,157	307.90%
Total Net Position	\$ 118,930	\$ 29,157	307.90%

At year end, 69.0% of the District's total assets were held in cash and cash equivalents, with fees receivable and prepaid expenses representing 31.0%.

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.

Unrestricted net position represents amounts available for future spending.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2012

CHANGES IN NET POSITION

The District's total revenues were \$ 298,045 generated from Groundwater Production Fees assessed upon residents of the District.

The total cost of all services was \$ 208,272, for third party administration of the program.

A condensed summary of the District's statements of activities and changes in net position for the years ended December 31, 2012 and 2011 is presented here:

Changes in Red River Groundwater Conservation District's Net Position			Table A-2
	2012	2011	Total Percentage Change 2011 - 2012
Operating Revenues:			
Groundwater Production Fees	\$ 298,045	\$ 148,117	101.22%
Total Revenues	\$ 298,045	\$ 148,117	101.22%
Operating Expenses:			
Administrative Services	\$ 208,272	\$ 118,960	75.08%
Total Expenses	\$ 208,272	\$ 118,960	75.08%
Increase (Decrease) in Net Position	\$ 89,773	\$ 29,157	207.90%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The governmental funds of the District reported revenues of \$ 298,045 during the year, with total expenditures of \$ 208,272.

BUDGETARY HIGHLIGHTS

The District's Board of Directors adopted a final operating budget for the 2012 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.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2012

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2012, the District has not invested in any capital assets.

Debt

As of December 31, 2012, the District has not entered into any debt agreements. The District has no outstanding long-term debt at year end.

ECONOMIC FACTORS AND NEXT 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 Jerry Chapman, General Manager for the District.

BASIC FINANCIAL STATEMENTS

RED RIVER GROUNDWATER CONSERVATION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2012

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 112,749
Fees Receivable, Net	49,448
Prepaid Expenses	<u>1,090</u>
Total Current Assets	<u>\$ 163,287</u>
Total Assets	<u><u>\$ 163,287</u></u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 44,357
Total Current Liabilities	<u>\$ 44,357</u>
Total Liabilities	<u>\$ 44,357</u>
NET POSITION	
Unrestricted	<u>118,930</u>
Total Net Position	<u>\$ 118,930</u>

The accompanying notes are an integral part of these financial statements.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Administration	\$ 208,272	\$ -	\$ -	\$ (208,272)
Total Governmental Activities	\$ 208,272	\$ -	\$ -	\$ (208,272)
Total Primary Government	<u>\$ 208,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (208,272)</u>
General Revenues:				
Groundwater Production Fees				\$ 298,045
Total General Revenues				<u>\$ 298,045</u>
Change in Net Position				\$ 89,773
Net Position - Beginning (January 1)				<u>29,157</u>
Net Position - Ending (December 31)				<u>\$ 118,930</u>

The accompanying notes are an integral part of these financial statements.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2012

		General Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$	112,749
Accounts Receivable		50,978
Allowance for Uncollectible Accounts		(1,530)
Prepaid Expenses		1,090
Total Current Assets	\$	163,287
Total Assets	\$	163,287
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$	44,357
Total Current Liabilities	\$	44,357
Total Liabilities	\$	44,357
Fund Balance		
Unassigned	\$	118,930
Total Fund Balance	\$	118,930
Total Liabilities & Fund Balance	\$	163,287

The accompanying notes are an integral part of these financial statements.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2012

	<u>General Fund</u>
OPERATING REVENUES	
Groundwater Usage Fees	\$ 298,045
	<hr/>
Total Operating Revenues	\$ 298,045
	<hr/>
OPERATING EXPENSES	
Administration	\$ 196,570
Legal Fees	11,702
	<hr/>
Total Operating Expenses	\$ 208,272
	<hr/>
Operating Revenue (Expenses)	\$ 89,773
	<hr/>
Net Change in Fund Balance	\$ 89,773
Fund Balance - Beginning (January 1)	<hr/> 29,157
Fund Balance - Ending (December 31)	<u><u>\$ 118,930</u></u>

The accompanying notes are an integral part of these financial statements.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

A. 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.

1. 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.

2. Basis of Presentation – Basis of Accounting

Government-wide Statements – The statement of net position (SNA) and the statement of activities (SOA) 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 (SOA) 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 (a) fees, and other charges paid by the recipients of goods or services offered by the programs and (b) 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
YEAR ENDED DECEMBER 31, 2012

A. Summary of Significant Accounting Policies (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:

Governmental fund types include the following –

The *General Fund* is used to account for financial resources used for general operations. 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.

3. 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, include 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 – The modified accrual basis of accounting is used for the governmental fund types. This basis of accounting recognizes revenue in the accounting period in which they become both measurable and available and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long term debt, which is recognized when due. Expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

4. 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.

5. Financial Statement Amounts

Cash and Cash Equivalents

Cash and Cash Equivalents are comprised of deposits in financial institutions, including time deposits. For the purpose of the statement of cash flows, where applicable, 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.

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 of 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.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

A. Summary of Significant Accounting Policies (Continued)

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

In circumstances where an expenditure is to be made for a 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 following schedule provides information about the specific fund balance classification by fund:

	General	Other Governmental	Total
Unassigned	\$ 118,930	\$ -	\$ 118,930
Totals	\$ 118,930	\$ -	\$ 118,930

B. Deposits, Securities and Investments

The District's funds are deposited and invested in the American Bank of Texas, Sherman, Texas. At December 31, 2012, all District cash deposits appeared to have been covered by FDIC insurance or by pledged securities held by other banks in the name of the depository bank. The District's deposits appear to have been properly secured throughout the fiscal year.

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:

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. At year end, the District does not appear to be exposed to custodial credit risk.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

C. 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, 2012, the District purchased commercial insurance to cover these liabilities. There were no significant reductions in coverage in the last fiscal year, and there were no settlements exceeding insurance coverage in the past year.

D. Litigation

The District does not appear to be involved in any pending litigation as of December 31, 2012.

E. Subsequent Events

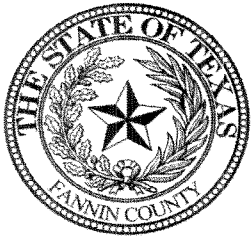
Subsequent events have been evaluated through July 22, 2013, which is the date the financial statements were available to be issued. There do not appear to be any events occurring after year end that would or could have an impact on the financial statements at December 31, 2012 as presented.

REQUIRED SUPPLEMENTARY INFORMATION

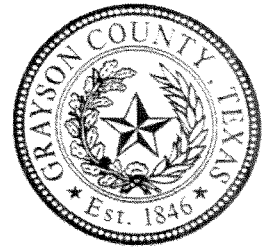
RED RIVER GROUNDWATER CONSERVATION DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED DECEMBER 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
OPERATING REVENUES				
Groundwater Usage Fees	\$ 251,000	\$ 254,820	\$ 298,045	\$ 43,225
Total Operating Revenues	\$ 251,000	\$ 254,820	\$ 298,045	\$ 43,225
OPERATING EXPENSES				
Administration	\$ 241,000	\$ 244,820	\$ 196,570	\$ 48,250
Legal Fees	10,000	10,000	11,702	(1,702)
Total Operating Expenses	\$ 251,000	\$ 254,820	\$ 208,272	\$ 46,548
Net Change in Fund Balance	\$ -	\$ -	\$ 89,773	\$ 89,773
Fund Balance - Beginning (January 1)	29,157	29,157	29,157	-
Fund Balance - Ending (December 31)	\$ 29,157	\$ 29,157	\$ 118,930	\$ 89,773

ATTACHMENT 7



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: August 8, 2013

SUBJECT: AGENDA ITEM NO. 7

CONSIDER AND ACT ON 2014 BUDGET AND ESTABLISH PRODUCTION FEES

ISSUE

Consider and act on 2014 budget and establish production fees

BACKGROUND

The District's fiscal year begins on January 1st and ends on December 31st of each calendar year. The Board has determined that it desires to have information to the well owners by September of each year to indicate the groundwater production fee that will be necessary to sustain the District's operating budget for the next fiscal year. In order to accomplish this objective, it is necessary to review and adopt a budget so that production fees can be established and well owners notified.

CONSIDERATIONS

The District has recently changed from a semi-annual to a quarterly billing arrangement for production fees. The District should be able to provide much better financial projections utilizing the quarterly billing system. Unfortunately, there is still a significant amount of well owners who are not reporting well readings on time, thus delaying the collection of information for billing purposes.

The staff has prepared a proposed budget for the 2014 fiscal year with expenditures anticipated to be \$250,000, which includes a \$24,600 contingency line item. There are no major changes in the projected expenses for the coming year. In fact, the anticipated expenses are approximately \$10,000 less than the 2013 fiscal year and that money has been moved to the contingency line item.

If water use were promptly reported by well owners so that billings could be developed and mailed, the staff would be in a much better position to inform the Board of exact revenues for 2014. However, we do feel that revenues using the current rate of \$0.06 per 1,000 will exceed the \$250,000 required to fund the District for the year 2014.

STAFF RECOMMENDATIONS

The staff recommends the Board consider the proposed budget and after making any changes it feels necessary, adopt the budget and production rate for 2014.

ATTACHMENTS

Preliminary 2014 budget

PREPARED AND SUBMITTED BY:

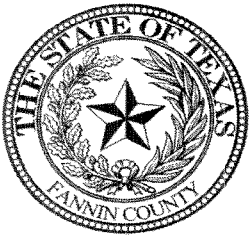
A handwritten signature in cursive script, appearing to read "Debi Atkins", written over a horizontal line.

Debi Atkins, Finance Officer

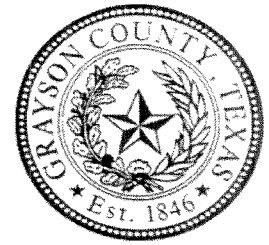
**RED RIVER GROUNDWATER CONSERVATION DISTRICT
BUDGET YEAR 2014**

	Approved Budget 2013	Actual 5/30/2013	Est @ 12/31/2013	Proposed Budget 2014
Income				
46002 GW Production Cost	\$250,000.00	84,586.49	203,007.58	\$250,000.00
Total Income	<u>\$250,000.00</u>	<u>84,586.49</u>	<u>203,007.58</u>	<u>\$250,000.00</u>
Gross Profit	\$250,000.00	84,586.49	203,007.58	\$250,000.00
Expense				
77010 ADMINISTRATIVE COST	\$100,000.00	30,916.60	74,199.84	\$100,000.00
77030 ACCOUNTING	12,000.00	5,070.00	12,168.00	15,000.00
77033 ADS-LEGAL	2,500.00		0.00	2,500.00
77027 AUDITING	5,000.00		0.00	5,000.00
77035 BANKING FEES			0.00	
77855 CONTRACT SERVICES			0.00	
Web Maintenance	20,000.00	13,300.00	19,300.00	6,000.00
Hydro-Geologist	10,000.00		0.00	10,000.00
77040 DIRECT COST	10,000.00	1,486.30	3,567.12	5,000.00
77450 DUES & SUBSCRIPTIONS	1,000.00	64.00	153.60	1,000.00
77550 EQUIPMENT	5,000.00		0.00	2,000.00
77555 FEES-GMA8	4,231.25		0.00	4,000.00
77035 FIELD SERVICES	35,000.00	23,844.00	57,225.60	50,000.00
77610 FUEL			0.00	
77810 INSURANCE & BONDING	3,907.00	315.00	756.00	3,000.00
77840 INTERNET SERVICES	3,500.00	2,798.60	3,500.00	3,500.00
77970 LEGAL	5,000.00	601.00	1,442.40	5,000.00
78010 MEETINGS AND CONFEREN	2,000.00	221.48	531.55	2,000.00
78310 RENT	2,400.00	1,000.00	2,400.00	2,400.00
78600 SOFTWARE MAINT	2,000.00	1,285.00	1,285.00	2,000.00
78770 TRANSPORTATION	10,000.00	920.06	2,208.14	5,000.00
78750 TELEPHONE	2,000.00	568.79	1,365.10	2,000.00
78775 WATER QUALITY ISSUES				
78780 WELL MONITORING/TESTING				
Total Expense	<u>\$235,538.25</u>	<u>82,390.83</u>	<u>180,102.35</u>	<u>\$225,400.00</u>
Contingencies	\$14,132.30			\$24,600.00
Total Expenditures	\$249,670.55			250,000.00
Net Income	<u>\$329.45</u>	<u>2,195.66</u>	<u>22,905.22</u>	<u>0.00</u>

ATTACHMENT 8



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: August 8, 2013

SUBJECT: AGENDA ITEM NO. 8

Consider and Act Upon Policy Concerning Capital Asset Management

ISSUE

Auditors have requested the Red River Groundwater Conservation District ("Red River GCD") adopt a policy concerning control and accounting for capital assets of the Red River GCD.

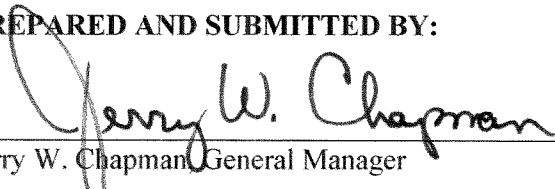
CONSIDERATIONS

District staff prepared the attached policy pursuant to the request made by the auditors. The policy has been reviewed and revised by the auditors requesting the policy.

ATTACHMENTS

Red River Groundwater Conservation District Policy for Capital Asset Management

PREPARED AND SUBMITTED BY:



Jerry W. Chapman, General Manager

RED RIVER GROUNDWATER CONSERVATION DISTRICT

Policy – Capital Asset Management

The purpose of this policy is to describe the concepts and activities to be followed to control and account for capital assets of the Red River Groundwater Conservation District (“District”).

Definitions

1. **Expendable Personal Property** – disregarding its value, expendable personal property is property that is consumed when used or has a utilization life of less than one year. This type of property is usually described as supplies or materials. Such items will normally be treated as an expense in the year acquired, and not maintained as capital assets.
2. **Non-Expendable Personal Property** – property that has a service life in excess of one year, is either complete within itself or is a major component of another item of property, and cannot be described as supplies or material. Repairs which materially extend the life of existing assets, or materially increase the value of existing assets will also be treated as non-expendable personal property. Non-expendable personal property is treated as follows:

Capitalized –non-expendable personal property is capitalized when its unit cost is \$500.00 or more or when unit cost is less than \$500.00 if, due to the quantity and utilization of the items (such as chairs, office machines, etc.) it is deemed desirable to exercise control over such property.

Regardless of the type of property, the initial accounting treatment is as an expenditure. An additional entry will be made at year end for the purposes of the Government-wide financial statement presentation only, which will reclassify the general fund expense to an asset at historical cost on the balance sheet, net of accumulated depreciation for presentation in the Government-wide financial statements.

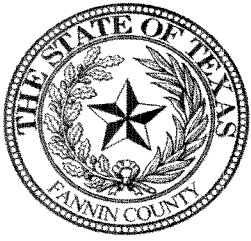
Property Control – Acquisitions and Dispositions

The following sequence of activities takes place in processing transactions related to acquisitions and dispositions of non-expendable personal property qualifying for capitalization. These activities are performed by the Accounting/Finance Department.

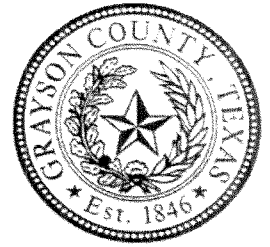
1. Analyze the General fund transactions for the month and update the Depreciation Schedule for each capital asset acquired. As depreciation expense is not applicable to the General fund or other governmental funds, this document will serve as the analysis of the capitalized balance.
2. Using this analysis as a reference, locate and tag each article with pre-numbered, controlled property tag in accordance with tag number assigned to each article.
3. Prepare or update Capitalized non-Expendable Personal Property Control Record (Depreciation Schedule).
4. Periodically and at year-end, review line items on the Depreciation Schedule to identify items that have been physically disposed of, and reflect them as being disposed, showing the removal of the asset’s total historical cost, accumulated depreciation up to the date of disposal, and gain or loss on the sale based on cash received (if applicable) in the

disposition of the asset. Calculate partial year depreciation for assets that are removed prior to being fully depreciated, and disposed of at any time other than at year end. Prepare necessary government-wide adjustment to record acquisitions and dispositions of property.

ATTACHMENT 9



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: August 8, 2013

SUBJECT: AGENDA ITEM NO. 9

CONSIDER AND ACT UPON POLICY CONCERNING PUBLIC INFORMATION ACT POLICY AND PROCEDURE

ISSUE

Individuals and entities have telephoned the District offices from time to time, requesting information regarding adjacent property owners' wells, public wells, etc. This has caused the need for the District to develop a policy and procedure for dealing with public information requests.

CONSIDERATIONS

The Texas Public Information Act, Chapter 552, Texas Government Code outlines requirements for providing information requested by the public, as well as the amount allowed to be charged for documents. Brian Sledge, the District's attorney, was contacted and requested to provide the District staff with guidance on the development of a policy and procedure for handling requests for public information.

CONSIDERATIONS

Staff proposes that the attached proposed policy, prepared by Brian Sledge, be considered by the Board of Directors. A form has been drafted, reviewed and revised by Brian Sledge, and placed on the District's website for use by those individuals requesting information from the District staff. When requests are made that are questionable as to the amount of information to be released, Brian Sledge will be contacted to guide the staff in the appropriate information to release as requested.

ATTACHMENTS

Proposed Public Information Act Policy and Procedure
Open Records Request Form

PREPARED AND SUBMITTED BY:

Carolyn Bennett

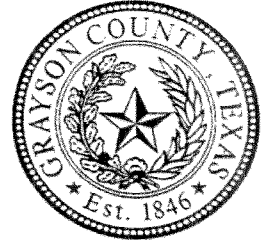
Carolyn Bennett, Project Coordinator



RED RIVER

GROUNDWATER CONSERVATION DISTRICT

FANNIN COUNTY AND GRAYSON COUNTY



PUBLIC INFORMATION ACT POLICY AND PROCEDURE

The Red River Groundwater Conservation District ("District") processes and responds to requests for information in accordance with the Texas Public Information Act, Chapter 552, Texas Government Code. This Public Information Act Policy and Procedure ("Policy") manual outlines the steps involved in processing and responding to requests for information contained in the District's records, and also defines the rights and responsibilities of requestors and the District. District staff will review and revise this Policy from time to time as determined necessary by District staff and/or the District's Board of Directors.

Procedures to Provide Information to the Public

1. All requests for information must be in writing and should specify exactly what records or information is sought. Requestors that ask for information verbally by telephone or in person should be instructed to submit a written request for information in accordance with this Policy.
2. All requests should be submitted, preferably using the District's approved form, by mail, fax, e-mail or in person during business hours. The District's form will be available to the public on the District's website and at the District office, and can be sent to anyone upon request by email, fax, or mail.
3. District staff will review and revise the District's Public Information Act form as determined necessary by District staff and/or the District's Board of Directors from time to time.
4. The District's Public Information Officer will review and respond to requests for information in accordance with this Policy and the Texas Public Information Act, Chapter 552, Texas Government Code.

Rights of Requestors

All people who request public information have the right to:

- Receive treatment equal to all other requestors
- Receive a statement of estimated charges under certain circumstances, including when a request will incur charges of \$40 or more or under certain circumstances when the programming or manipulation of data is involved
- Choose whether to inspect the requested information, receive a copy of the information, or both

- Be notified when the District asks the OAG (“Office of the Attorney General”) for a ruling on whether the information may or must be withheld
- Be copied on the District’s written comments to the OAG stating the reason why the stated exceptions apply
- File a complaint with the OAG cost rules administrator regarding any improper charges for responding to a public information request
- File a complaint with the OAG Hotline or the county attorney or criminal district attorney, as appropriate, regarding any alleged violation of the Act

Responsibilities of Requestors

All people who request public information have the responsibility to:

- Submit a written request according to the District’s reasonable procedures
- Include enough description and detail of the requested information so that the District can accurately identify and locate the requested items
- Cooperate with the District’s reasonable requests to clarify the type or amount of information requested
- Respond promptly in writing to all written communications from the District (including any written estimate of charges)
- Make timely payment for all valid charges
- Keep all appointments for inspection of records or for pick-up of copies

Rights of the District

The District has the right to:

- Establish reasonable procedures for inspecting or copying information
- Request and receive clarification of vague or overly broad requests
- Request an OAG ruling regarding whether any information may or must be withheld
- Receive timely payment for all copy charges or other charges
- Obtain payment of overdue balances exceeding \$100 or obtain a security deposit before processing additional requests from the same requestor
- Request a bond, prepayment or deposit if estimated costs exceed \$50 since the District has less than 16 full time employees

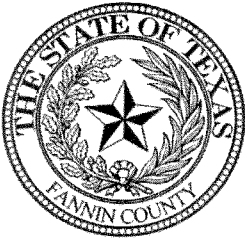
Responsibilities of the District

The District has the responsibility to:

- Treat all requestors equally
- Have its Public Information Officer receive open records training as required by law
- Be informed of open records laws and educate employees on the requirements of those laws
- Automatically inform the requestor of charges that exceed \$40, provide a new statement when the charges will exceed the estimated charges by 20% or more, and provide an

estimate under certain circumstances when the programming/manipulation of data is required

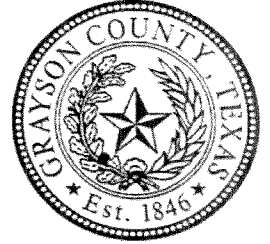
- Confirm that the requestor agrees to pay the estimated costs before incurring the costs
- Provide requested information promptly
- Inform the requestor if the information will not be provided within ten business days and give an estimated date on which it will be provided
- Cooperate with the requestor to schedule reasonable times for inspecting or copying information
- Follow attorney general regulations on charges; do not overcharge on any items; do not bill for items that must be provided without charge
- Inform third parties if their proprietary information is being requested from the governmental body
- Inform the requestor when the OAG has been asked to rule on whether information may or must be withheld
- Copy the requestor on written comments submitted to the OAG stating the reason why the stated exceptions apply
- Comply with any OAG ruling on whether an exception applies or file suit against the OAG within 30 days
- Respond in writing to all written communications from the OAG regarding complaints about violations of the Act



RED RIVER

GROUNDWATER CONSERVATION DISTRICT

FANNIN COUNTY AND GRAYSON COUNTY



Open Records Request Form

Fill out the Open Records Request form below to request public information (PIR). Red River Groundwater District accepts Open Records Requests in any legible format; this form is intended to be a guide to help expedite requests. *Make a copy of the form for your records. Call 903-786-3340 for questions about the form.

Please Mail completed form to:
Red River Groundwater Conservation District
Attn: Public Information Officer
P.O. Box 1214
Sherman TX 75091-1214

Or Fax your request to 903-786-8211 or E-mail your request to cbennett@redrivergcd.org

Open Records Requests (ORR) aka Public Information Act (PIA) requests should contain the following information:

Please input your contact information below. Required fields are marked with an asterisk (*).

* Name _____

Company/Organization _____

Type of Requestor _____

* Mailing Address _____

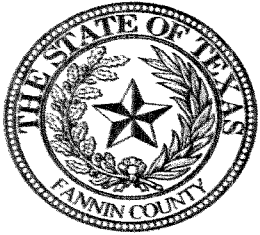
* City _____ * State _____ * ZIP Code _____

* E-Mail Address _____ (E-Mail is the preferred form of communication.)

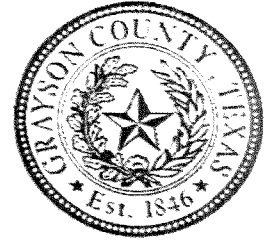
* Phone Number _____ Fax Number _____

***Please state your document request below:**

ATTACHMENT 10



RED RIVER
GROUNDWATER CONSERVATION DISTRICT
FANNIN COUNTY AND GRAYSON COUNTY



General Manager's Quarterly Report
June 2013

Management Plan
Assessment of the Status of Drought in the District

The following is a quarterly report on the existing drought conditions:

As of June 30, 2013 the Texas Water Development Board Drought Information Summary reflected the North Central Texas Area to be excessively dry in crop moisture index, in a severe drought according to the Palmer Drought Severity Index, precipitation near normal, high risk for fire according to the Keetch-Byram Drought Index, Reservoir Storage Index near normal, and Stream Flow Index exceptionally low.

The North-Central Texas area remained in a moderate drought during April, May and June. The U.S. Seasonal Drought Outlook provided by the National Weather Service still predicts the drought in this area of Texas will persist or intensify.

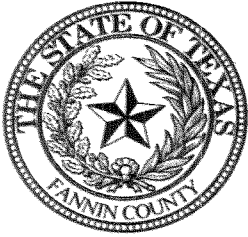
Governor Rick Perry renewed the emergency Disaster Proclamation issued July 5, 2011, certifying that exceptional drought conditions pose a threat of imminent disaster in specified counties in Texas on June 14, 2013. None of the District's counties are on this list. As of June 4, 2013, 95% of the state of Texas was in some form of drought conditions, and the state's reservoirs were only 67% full. About 16% of the state was in "exceptional" drought, the worst stage. Currently Lake Texoma is 100% full, at 617.54 as of July 5th.

In February 2013 State Climatologist John-Nielson Gammon told the Texas Legislature that high temperatures related to climate change have exacerbated the drought. Mr. Gammon said the state temperature has increased by an average of about 2 degrees Fahrenheit since the 1970's.

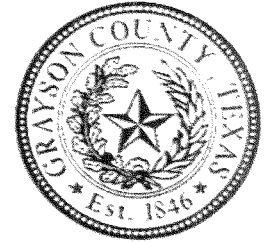
Attached are maps depicting the Palmer Hydrological Drought for the past quarter and maps showing the rainfall within the District for the past quarter.

PO Box 1214
Sherman, TX 75090
(800) 256-0935 fax: (903) 786-8211

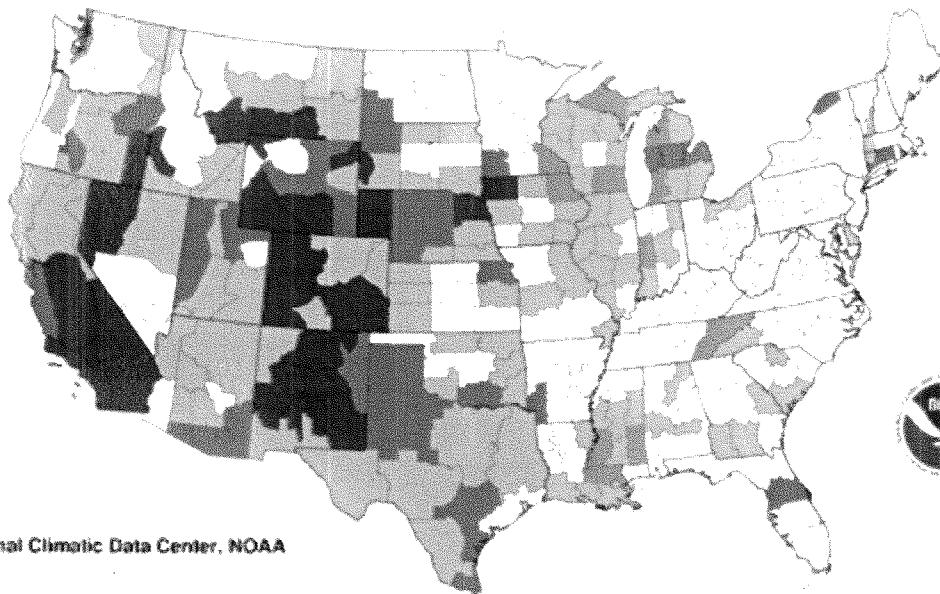
http://www.gtua.org/red_river_gcd.asp



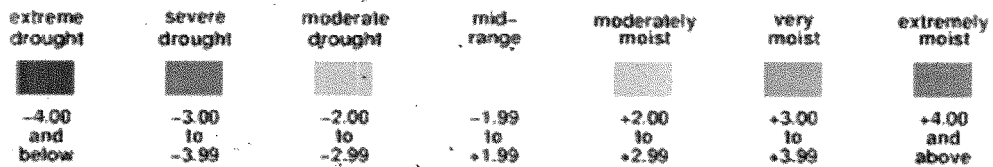
RED RIVER GROUNDWATER CONSERVATION DISTRICT FANNIN COUNTY AND GRAYSON COUNTY



Palmer Hydrological Drought Index April, 2013

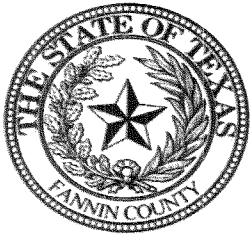


National Climatic Data Center, NOAA

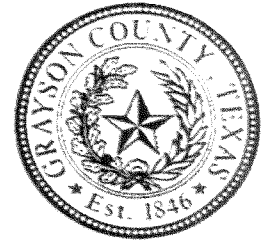


PO Box 1214
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(800) 256-0935 fax: (903) 786-8211

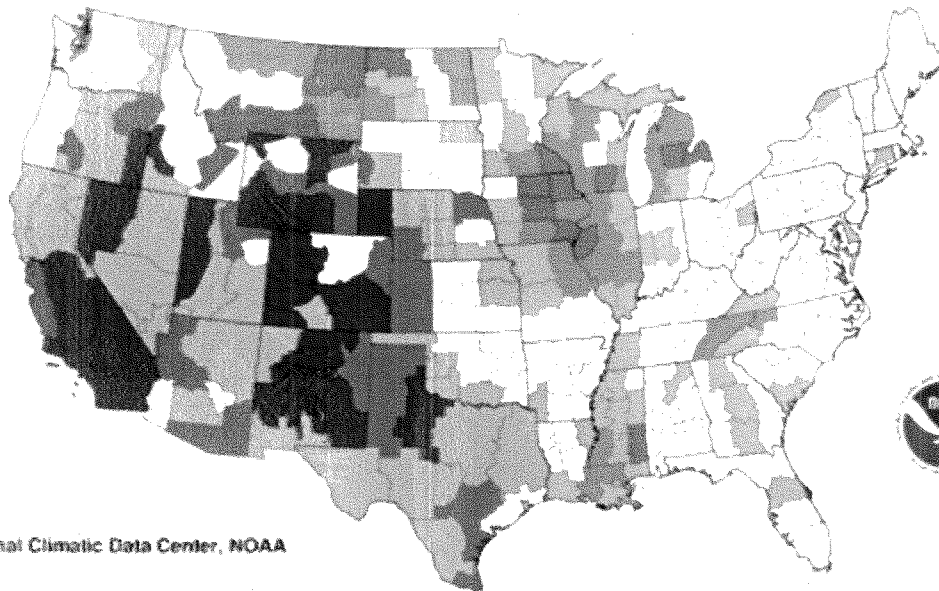
http://www.gtua.org/red_river_ged.asp



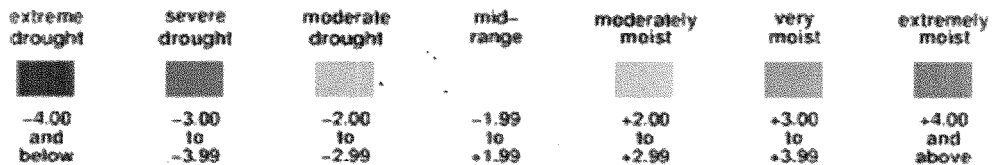
RED RIVER GROUNDWATER CONSERVATION DISTRICT FANNIN COUNTY AND GRAYSON COUNTY



Palmer Hydrological Drought Index May, 2013

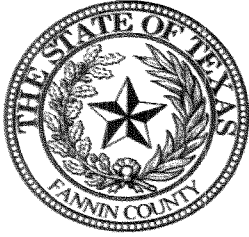


National Climatic Data Center, NOAA

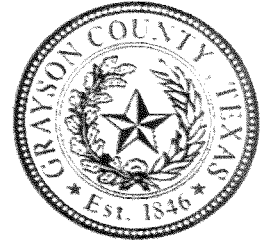


PO Box 1214
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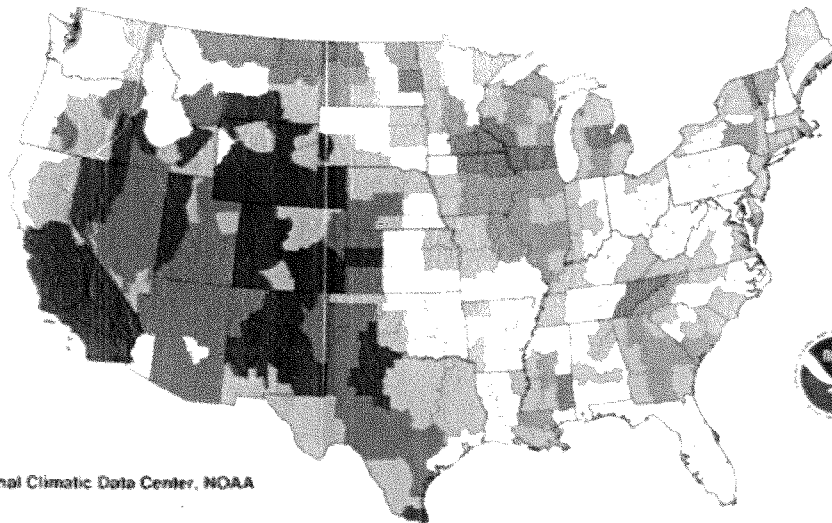
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RED RIVER GROUNDWATER CONSERVATION DISTRICT FANNIN COUNTY AND GRAYSON COUNTY



Palmer Hydrological Drought Index June, 2013



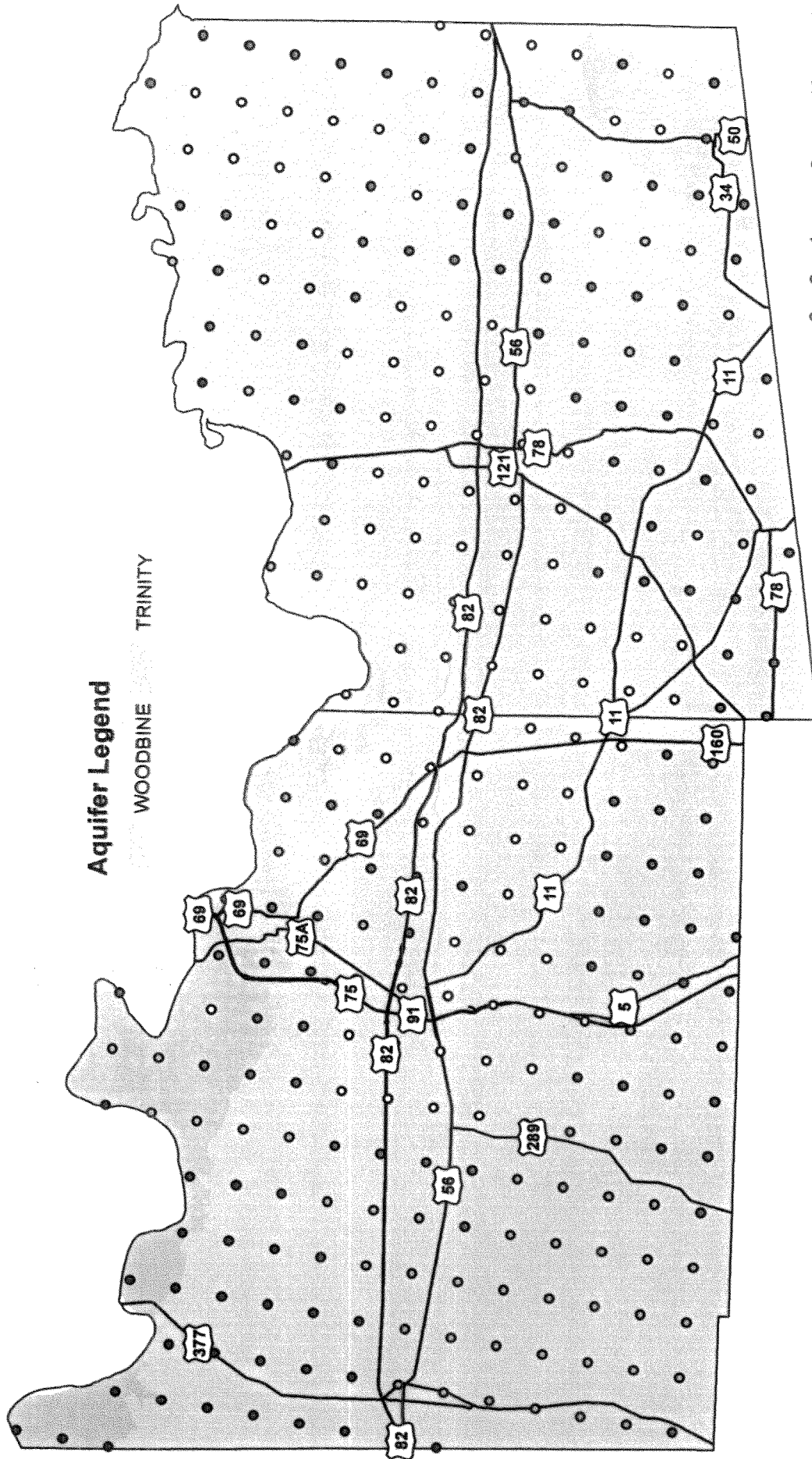
National Climatic Data Center, NOAA



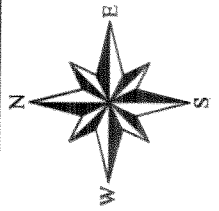
PO Box 1214
Sherman, TX 75090
(800) 256-0935 fax: (903) 786-8211

http://www.gtua.org/red_river_gcd.asp

Rainfall Totals for April 2013



Mid River Groundwater Conservation District
 PO Box 1214
 Sherman, TX 75091-1214
 (800) 256-0935

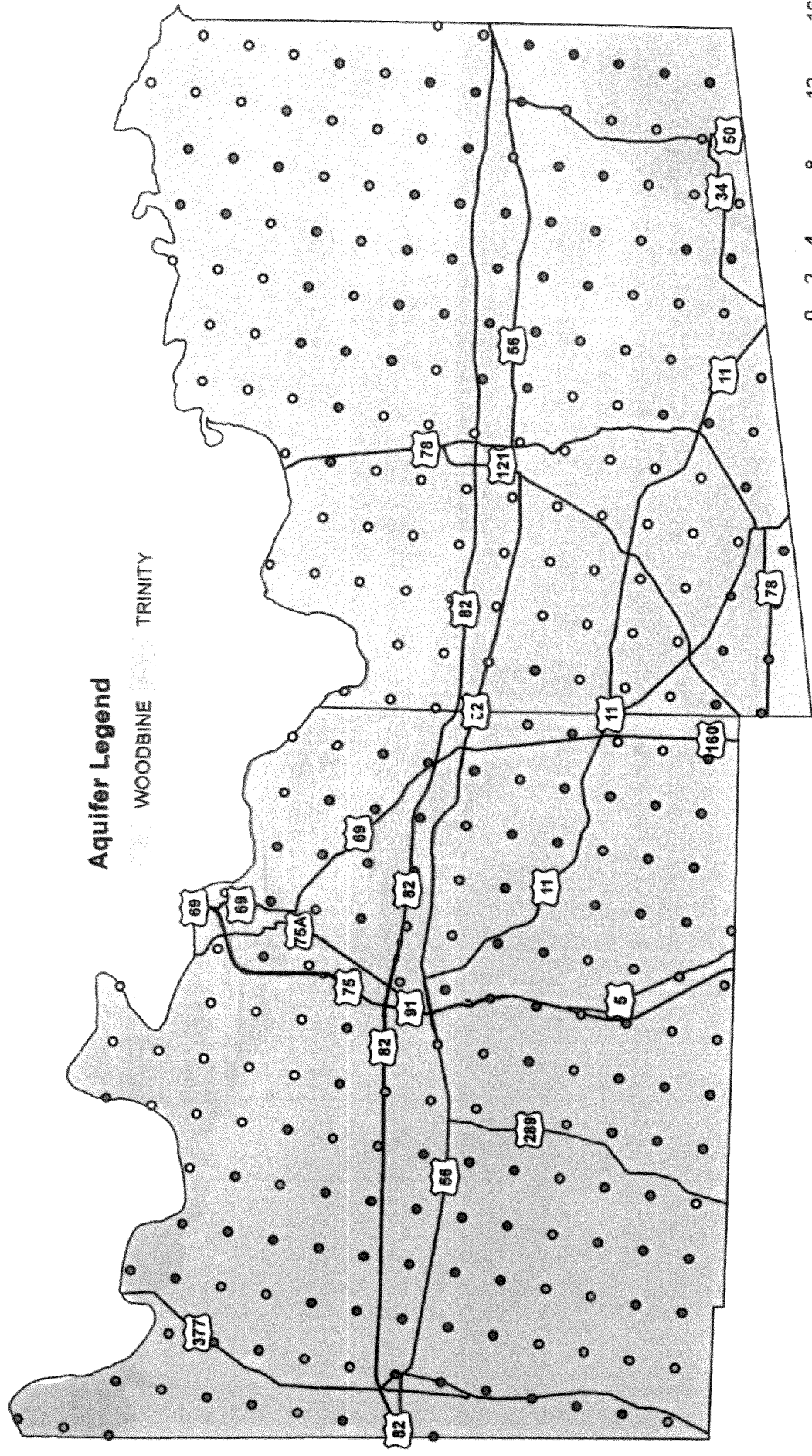


Data Source:
 National Weather Service
 Precipitation Analysis

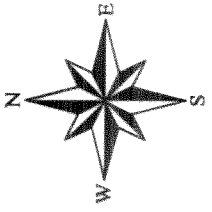
Rainfall in Inches

- 1.51 - 1.94 ○ 2.30 - 2.80
- 1.95 - 2.29 ● 2.81 - 3.69

Rainfall Totals for May 2013



Mid River Groundwater Conservation District
 PO Box 1214
 Sherman, TX 75091-1214
 (800) 256-0935

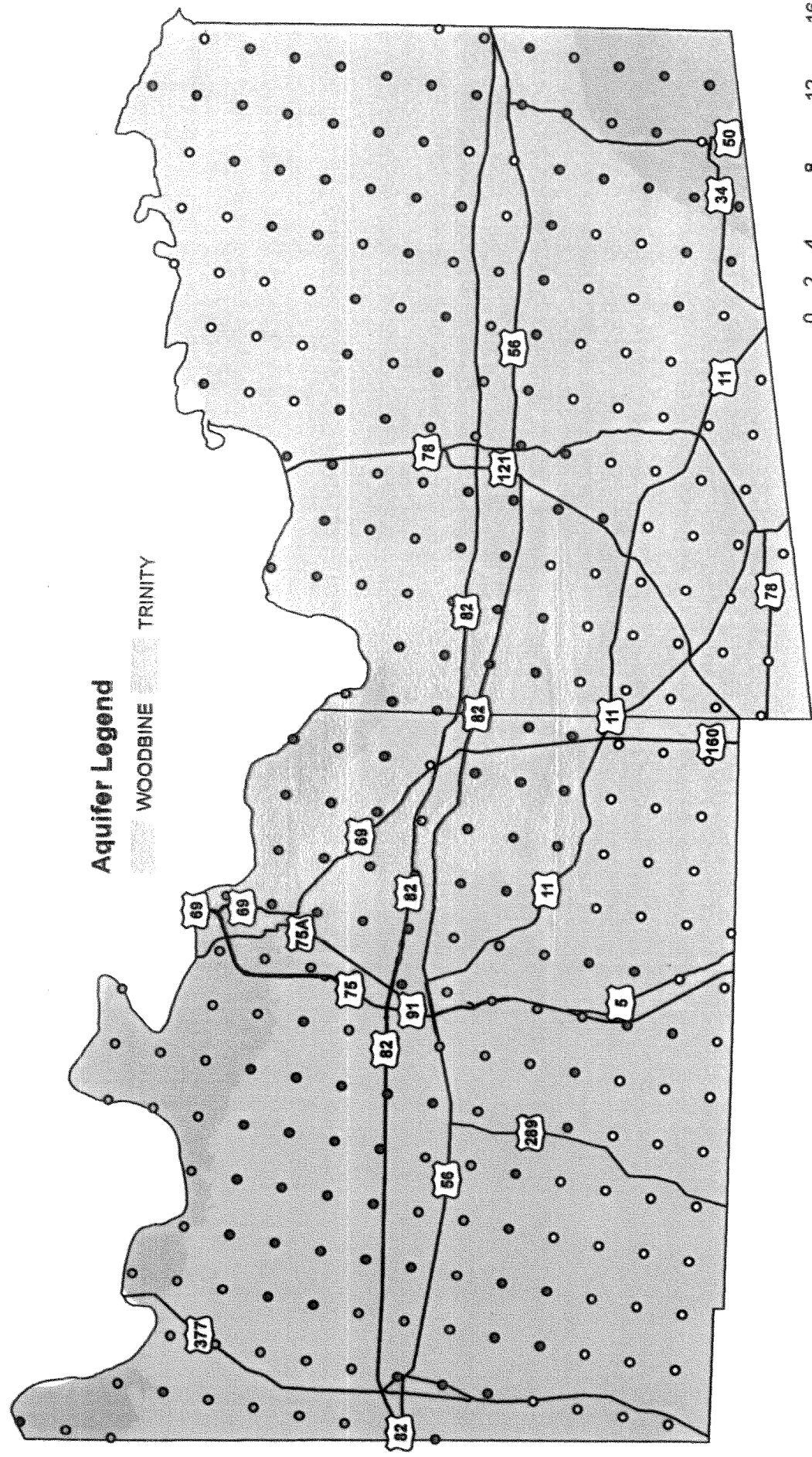


Data Source:
 National Weather Service
 Precipitation Analysis

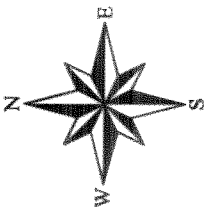
Rainfall in Inches

- 1.71 - 2.71
- 2.72 - 3.51
- 3.52 - 4.25
- 4.26 - 5.98

Rainfall Totals for June 2013



Mid River Groundwater Conservation District
 PO Box 1214
 Sherman, TX 75091-1214
 (800) 256-0935

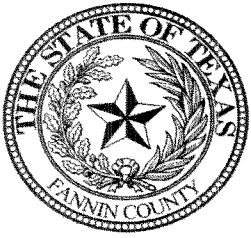


Data Source:
 National Weather Service
 Precipitation Analysis

Rainfall in Inches

- 1.68 - 3.28
- 3.29 - 4.40
- 4.41 - 5.67
- 5.68 - 7.98

ATTACHMENT 11



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: August 8, 2013

SUBJECT: AGENDA ITEM NO. 11

**ESTABLISH COMMITTEE TO PROVIDE RECOMMENDATIONS FOR ELECTION OF
OFFICERS FOR 2013-2015 AND A REPRESENTATIVE FOR GROUNDWATER
MANAGEMENT AREA 8**

ISSUE

Appointment of committee to provide recommendations for the election of officers for 2013-2015 and a representative for Groundwater Management Area 8 (GMA 8)

BACKGROUND

Officers are elected and assume office in August of each odd numbered year and are elected for a term of two-years. Officers may serve consecutive terms. Butch Henderson currently serves as representative for GMA 8 with George Olson as the alternate. President Henderson's term expires at the end of August 2013.

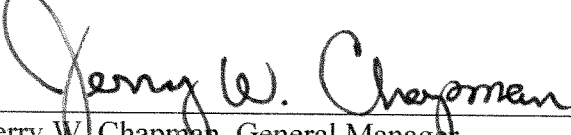
CONSIDERATIONS

The current officers are President Butch Henderson, Vice President George Olson, and Secretary/Treasurer Don Wortham.

STAFF RECOMMENDATIONS

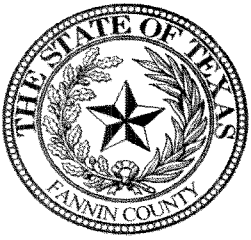
The staff requests the Board to consider forming a committee to provide recommendations to provide a nomination for a slate of officers at the September meeting, taking into account that new Board members will be sworn in at the September meeting.

PREPARED AND SUBMITTED BY:

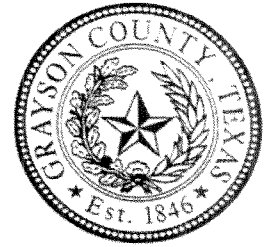


Jerry W. Chapman, General Manager

ATTACHMENT 12



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: August 9, 2013

SUBJECT: AGENDA ITEM NO. 12

CONSIDER AND ACT UPON ENFORCEMENT ACTIONS ON NON-COMPLIANT WELL OWNERS

ISSUE

Enforcement actions on non-compliant well owners

BACKGROUND

The Board of Directors has adopted a set of Temporary Rules under which the District is supposed to operate and collect information required by Chapter 36 of the Texas Water Code. Since the implementation of the Temporary Rules, most of the non-exempt well owners in Fannin and Grayson Counties have registered and are regularly reporting meter readings and paying production fees. However, there are several well owners that have not yet complied. The golf courses seem to have the most difficulty complying with the Temporary Rules of the District. The staff has made numerous contacts with these well owners and still has not received compliance. Memos are attached from the field technician regarding contacts made with Northern Challenge, Stonecreek, Bridges of Preston and Woodlawn golf courses.

OPTIONS/ALTERNATIVES

CONSIDERATIONS

The staff feels it has made reasonable efforts to contact well owners, including providing information and offering assistance with registering wells and reporting usage. The Board needs to consider the uniform implementation of the Temporary Rules to apply to all non-exempt well owners in Fannin and Grayson Counties.

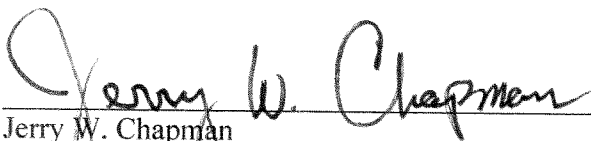
STAFF RECOMMENDATIONS

The staff recommends the Board give direction as to what steps it desires to be taken next with the well owners who have not responded to the District.

ATTACHMENTS

Update on Bridges at Preston
Update on Northern Challenge
Update on Stonecreek Country Club
Update on Woodlawn Country Club

PREPARED AND SUBMITTED BY:



Jerry W. Chapman
General Manager

Carmen Catterson

From: Wayne Parkman <w.parkman@northtexasgcd.org>
Sent: Friday, August 09, 2013 7:34 AM
To: Jerry Chapman; alanm@gtua.org; Carolyn Bennett; Carmen Catterson; Theda Anderson
Subject: Bridges at Preston

I received a phone call yesterday from Aaron Gransberry with Bridges at Preston Country Club. He need to verify the \$0.10 per 1000 gallons pumped, reporting period, and back charges for usage. He said his group took over there in April of 2012, but he had only been at that location a few months. Mr. Gransberry said that the wells had meters on them, but he can't find any paperwork where they have been read. I told him that we would have to come up with an estimate usage. He told me that he would try to come up with a usage for me. I believe he said the well driller was Smith and Foster, and that he had spoken with them about registering the well for him. He said he hasn't heard back from them yet, but he would give them a call.

I will need help keeping an eye on this. Can you please let me know if you have any contact with the Country Club or the driller.

Carmen Catterson

From: Wayne Parkman <w.parkman@northtexasgcd.org>
Sent: Friday, August 09, 2013 8:10 AM
To: Jerry Chapman; alanm@gtua.org; Carolyn Bennett; Carmen Catterson; Theda Anderson
Subject: Northern Challenge Golf Course

I paid Northern Challenge Golf Course a visit yesterday afternoon to see why they have failed to register their water wells. I spoke with a lady at the pro shop of the course that never identified herself. She said that I needed to talk with the Manager Jack Akins, but could never reach him on the phone. I explained to her the District is aggressively seeking individuals that have not complied with registering and reporting usage of water wells. She said that Mr. Akins would have to get in contact with the owners to get the wells registered. She said that the owners live in Anna, TX and their last name was Barber. I left my card and ask to have Mr. Akins contact me.

When I left the golf course I called Carmen to tell her what had transpired. Carmen said that she had placed calls for Mr. Akins in the past, but never received a response. I will try calling Mr. Akins to see what happens. If I don't get a response from him in a reasonable amount of time, I will turn them into the Board for further enforcement.

Thank you

Wayne

MEMO

To: Jerry Chapman, General Manager

From: Wayne Parkman, Field Technician

Date: August, 2013

Re: Stonecreek Country Club

You asked me to go visit Bill Magers with Stonecreek Country Club to find out why he has still not registered the two wells he has on the property. On June 13, 2013 I met with Mr. Magers, and discussed what needed to be done. Mr. Magers said that he would have a problem registering his #2 well because he didn't have any records on it. He added that he doesn't use the #2 well because of water quality. Mr. Magers registered his #1 well, but failed to pay the registration fee. After many emails and phone calls Mr. Magers has still failed to register his #2 well, and still has not paid the registration fee for well #1. We cannot approve an application until the fees are paid.

I feel we have given Stonecreek Country Club sufficient information and time to register the two wells they own. I would like you to present this matter to the Board for further enforcement.

Wayne Parkman 

Field Technician

Red River Groundwater Conservation District

MEMO

To: Jerry Chapman, General Manager

From: Wayne Parkman, Field Technician

Date: July 30, 2013

Re: Woodlawn Country Club

I visited Woodlawn Country Club on Friday July 26, 2013. I spoke with the owner Sale Omohundro. At first meeting Mr. Omohundro asked me who I was, and when I told him he said he didn't want to talk to me. Mr. Omohundro is upset that he has to pay for the water he pumps out of his well. I explained the reasons why he had to register, report, and pay.

Mr. Omohundro said that he would contact Alan of Alan's Plumbing the following Monday about getting a meter put on his well. I know that you and Mr. Omohundro discussed this same matter on April 25, 2013, and he has done nothing to get his well in compliance. I also discussed the fact that since his well is not meter we would have to come up with an estimate usage for the well going back to January 1, 2013.

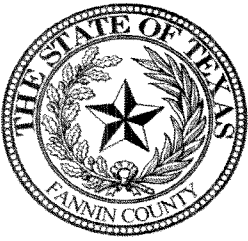
Mr. Omohundro told me that he would get his well registered after the meter was installed on his well. I informed Mr. Omohundro that the meter does not have to be installed to register the well. I feel that Mr. Omohundro is going to keep putting off registering his well as long as he can. We may need to send this matter to legal counsel or the Board.

Wayne Parkman 

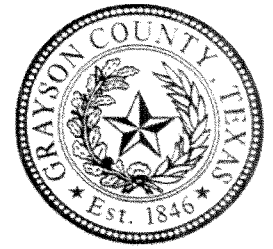
Field Technician

Red River Groundwater Conservation District

ATTACHMENT 13



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: AUGUST 9, 2013

SUBJECT: AGENDA ITEM NO. 13

GENERAL MANAGER'S REPORT

SUMMARY

The registered well information is attached for your information and use. All wells are drilled in the Woodbine, Trinity or Red River Alluvial aquifers.

ATTACHMENTS

Well Registration Summary

PREPARED AND SUBMITTED BY:

A handwritten signature in cursive script that reads "Jerry W. Chapman". The signature is written over a horizontal line.

Jerry W. Chapman, General Manager

Red River Groundwater Conservation District

Well Registration Summary As of August 9, 2013

Well Type	Total Registered	July 2013	April 2013	New Registrations Since Last Board Meeting
Domestic	91	89	77	14
Agriculture	20	20	19	1
Oil/Gas	9	9	5	4
Surface Impoundments	3	3	2	1
Commercial	6	6	5	1
Golf Course	10	9	7	3
Livestock	13	10	8	5
Irrigation	3	3	1	2
Public Water	256	256	244	12
Total	411	406	368	43

• ADJOURN