

**NORTH TEXAS
GROUNDWATER
CONSERVATION
DISTRICT**

PERMIT HEARING AND BOARD MEETING

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

**TUESDAY
SEPTEMBER 10, 2024
10:00 AM**

NOTICE OF PUBLIC MEETING

OF THE
BOARD OF DIRECTORS
of the

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
Tuesday, September 10, 2024, at 10:00 a.m.

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

Permit Hearing

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

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

Agenda:

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

Permit Amendment

- a. **Applicant:** FHQ Development Partners LP; 1900 North Akard St, Dallas, TX 75201
Location of Well:
 - **Fields No. 1:** Panther Creek Pkwy, Frisco, TX; Latitude: 33.192914 °N, Longitude: 96.849539 °W; About 1,100 feet north of Panther Creek Pkwy and about 3,355 feet west of Dallas North Tollway, in Denton County.**Purpose of Use:** Irrigation/Landscape; Filling Surface Impoundment(s)
Requested Amount of Use: 228,800,452 gallons per year
Production Capacity of Well: 1,500 gallons/minute
Aquifer: Trinity (Twin Mountains)
Amendment: Reduce annual permit amount from 242,500,452 gal/year to 228,800,452 gal/year.

New Production Permits

- a. **Applicant:** FHQ Development Partners LP; 1900 North Akard St, Dallas, TX 75201
Location of Well (Fields No. 2): Frisco, TX; Latitude: 33.215584 °N, Longitude: 96.850419 °W; About 1,490 feet west of Legacy Dr and about 350 feet north of PGA Pkwy, in Denton County.
Purpose of Use: Filling Surface Impoundment(s)
Requested Amount of Use: 6,100,000 gallons per year
Production Capacity of Well: 25 gallons/minute
Aquifer: Woodbine
- b. **Applicant:** FHQ Development Partners LP; 1900 North Akard St, Dallas, TX 75201
Location of Well (Fields No. 3): Frisco, TX; Latitude: 33.217387 °N, Longitude: 96.856761 °W; About 675 feet south of W University Dr and about 1,210 feet east of Fields Rd, in Denton County.
Purpose of Use: Filling Surface Impoundment(s)
Requested Amount of Use: 7,600,000 gallons per year
Production Capacity of Well: 25 gallons/minute
Aquifer: Woodbine
- c. **Applicant:** Cross Timbers Water Supply Corp.; 2032 E. Hickory Hill Rd, Argyle, TX 76226.
Location of Wells:
- **Orchid Hill Replacement (new):** Orchid Hill Station, Copper Canyon, TX; Latitude: 33.112609°N Longitude: 97.103537°W; About 130 feet south of Orchid Hill Rd and about 1,257 feet east of Copper Canyon Rd, in Denton County.
 - **Orchid Hill P (existing):** Orchid Hill Station, Copper Canyon, TX; Latitude: 33.112609°N Longitude: 97.103537°W; About 120 feet south of Orchid Hill Rd and about 1,245 feet east of Copper Canyon Rd, in Denton County.
 - **Orchid Hill T (existing):** Orchid Hill Station, Copper Canyon, TX; Latitude: 33.112512°N Longitude: 97.10355°W; About 150 feet south of Orchid Hill Rd and about 1,240 feet east of Copper Canyon Rd, in Denton County.
 - **Stonewood (existing):** Bartonville, TX; Latitude: 33.073763°N Longitude: 97.147343°W; About 530 feet west of the Jeter Rd/Porter Rd intersection, in Denton County.
 - **Stargate Well (existing):** Bartonville, TX; Latitude: 33.086817°N Longitude: 97.140492°W; About 750 feet south of Hat Creek Rd and about 480 feet east of Hat Creek Ct, in Denton County.
 - **Copper Hill Station (existing):** Copper Hill Station, Copper Canyon, TX; Latitude: 33.09974°N Longitude: 97.111618°W; About 375 feet north of Copper Hill Circle and about 925 feet west of Copper Canyon Rd, in Denton County.
- Purpose of Use:** Municipal/Public Water
Requested Amount of Use: 131,400,000 gallons/year
Production Capacity of Wells:
- **Orchid Hill Replacement:** 450 gallons/minute
 - **Orchid Hill P:** 125 gallons/minute
 - **Orchid Hill T:** 125 gallons/minute

- **Stonewood:** 550 gallons/minute
- **Stargate Well:** 650 gallons/minute
- **Copper Hill Station:** 220 gallons/minute

Aquifer: Trinity (Antlers)

d. **Applicant:** Mustang Special Utility District; 7985 FM 2931, Aubrey, TX 7622.

Location of Wells:

- **Temple Dane (new):** FM 720, Aubrey, TX; Latitude: 33.20996°N Longitude: 96.97434°W; About 145 feet east of FM 720 and about 4,979 feet south of US 380 E, in Denton County.
- **Houlihan (existing):** Celina, TX; Latitude: 33.299818°N Longitude: 96.846793°W; About 235 feet east of Shelby Ln and about 1,645 feet north of FM 428, in Denton County.

Purpose of Use: Municipal/Public Water

Requested Amount of Use: 297,489,600 gallons/year

Production Capacity of Wells:

- **Temple Dane:** 750 gallons/minute
- **Houlihan:** 750 gallons/minute

Aquifer: Trinity (Antlers)

New Production Permit with Replacement Well Spacing Exception

a. **Applicant:** Mustang Special Utility District; 7985 FM 2931, Aubrey, TX 76227

Location of Wells:

- **Silverado Well 1A (new replacement):** FM 2931, Aubrey, TX; Latitude: 33.248428°N, Longitude: 96.950908°W; About 177 feet north of FM 2931 and about 380 feet east of the FM 2931/Private Rd 2708 intersection, in Denton County.
- **Silverado Well 1 (existing-to be replaced):** FM 2931, Aubrey, TX; Latitude: 33.248588°N, Longitude: 96.951121°W; About 228 feet north of FM 2931 and about 330 feet east of the FM 2931/Private Rd 2708 intersection, in Denton County.
- **Silverado Well 2 (existing):** Aubrey, TX; Latitude: 33.264973°N, Longitude: 96.966326°W; About 1.2 miles east of US 377 and about 0.5 miles south of Ike Byrom Rd, in Denton County.

Purpose of Use: Municipal/Public Water System

Requested Amount of Use: 147,744,800 gallons per year

Production Capacity of Wells:

- **Silverado Well 1A:** 750 gallons/minute
- **Silverado Well 1:** 700 gallons/minute
- **Silverado Well 2:** 750 gallons/minute

Aquifer: Trinity (Antlers)

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

Board Meeting

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

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

Agenda:

1. Pledge of Allegiance and Invocation.
2. Call to order, establish quorum, declare the meeting open to the public.
3. Public comment.
4. Consider and act upon approval of the minutes from the August 13, 2024, Board meeting.
5. Consider and act upon approval of invoices and reimbursements, Resolution No. 2024-9-10-01.
6. Receive reports from the following Committees*:
 - a. Budget and Finance Committee
 1. Receive Monthly Financial Information
 2. Consider and act upon the 2025 Operating Budget and Adopt Rate Schedule
7. Consider and act upon confirming execution of Engagement Letter for Audit Services for Fiscal Year ending December 31, 2024.
8. Update and possible action regarding the process for the development of Desired Future Conditions (DFCs).
9. Discussion and possible action regarding the District’s Drought Contingency Plan.
10. Consider and act upon compliance and enforcement activities for violations of District rules.
 1. Hollyhock HOA management Company, Texas Star Community Management
 2. Triangle J Water Well Service
11. General Manager’s Report: The General Manager will update the board on operational, educational and other activities of the District.
 - a. District’s Disposal/Injection Well Program
 - b. Well Registration Summary
12. Open forum / discussion of new business for future meeting agendas.
13. Adjourn public meeting.

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

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

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

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

At any time during the meeting or work session and in compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, the North Texas Groundwater Conservation District Board may meet in executive session on any of the above agenda items or other lawful items for consultation concerning attorney-client matters (§551.071); deliberation regarding real property (§551.072); deliberation regarding prospective gifts (§551.073); deliberation regarding personnel matters (§551.074); deliberation regarding security devices (§551.076); and deliberation regarding cybersecurity (§551.089). Any subject discussed in executive session may be subject to action.

ATTACHMENT 4

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

Thursday, August 13, 2024, at 10:00 a.m.

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

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

Members Present: Robert Todd, Ronny Young, Thomas Smith, Jimmy Arthur, Allen McDonald, and Allen Knight

Members Absent: Greg Peters, Everette Newland, and Leon Klement

Staff: Paul Sigle, Allen Burks, and Stacy Patrick

Visitors: Kristen Fancher, Law Offices of Kristen Fancher, PLLC

Permit Hearing

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

Agenda:

1. Call to Order; establish quorum; declare hearing open to the public; introduction of Board.
Board President Ronny Young called the Permit Hearing to order at 10:00 a.m.
2. Public Comment on the Production Permit Applications (verbal comments limited to three (3) minutes each).
No public comments.
3. Review the Production Permit Applications of:

Request for Exception to Spacing Requirements

- a. **Applicant:** M-Ray Research & Analysis; 2802 Linden Lane, Southlake, TX 76092
Location of Well: Lot 5, Lindbergh Dr, Roanoke, TX 76262; Latitude: 33.054188°N, Longitude: 97.234192°W; About 350 feet north of Cleveland Gibbs Rd and about 475 feet east of Doolittle Dr. in Denton County.
Purpose of Use: Domestic; Commercial/Small Business; Irrigation/Landscape
Production Capacity of Well: 16 gallons/minute
Aquifer: Trinity (Antlers)

Request for Exception to Spacing Requirements: M-Ray Research & Analysis is requesting an exception to the 50-foot property spacing requirements for the following adjacent properties:

- Wheelock, Terry Wayne, Lot 15A, Lindbergh Dr. (Denton CAD PID: 95985)
- Higgins, Brian D & Kimberly A, Lot 13A, Lindbergh Dr. (Denton CAD PID: 88981)
- Flughafen LLC, Lot 11A, Lindbergh Dr. (Denton CAD PID: 88977)
- Lehto, Esa & Paivi, Lot 4, Lindbergh Dr. (Denton CAD PID: 88953)

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

Board Member Thomas Smith made a motion to approve the permits. Board Member Allen Knight seconded the motion. Motion passed unanimously.

5. Adjourn or continue permit hearing.

Board President Ronny Young adjourned the permit hearing at 10:07 a.m.

Board Meeting

Agenda:

1. Pledge of Allegiance and Invocation

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

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

Board President Ronny Young called the meeting to order at 10:09 a.m.

3. Public Comment

There were no public comments at this time.

4. Consider and act upon approval of the minutes from the July 25, 2024, Board meeting.

Board President Ronny Young asked for approval of the minutes from the July 25, 2024, meeting. Board Member Allen Knight made the motion to approve the minutes. Board Member Thomas Smith seconded the motion. Motion passed unanimously.

5. Consider and act upon approval of invoices and reimbursements, Resolution No. 2024-8-13-01.

General Manager Paul Sigle reviewed the liabilities with the Board. Discussion was held. Board Member Allen Knight made the motion to approve Resolution No. 2024-8-13-01. Board Member Robert Todd seconded the motion. Motion passed unanimously.

6. Receive reports from the following Committees*:

- a. Budget and Finance Committee
 - 1. Receive Monthly Financial Information

General Manager Paul Sigle reviewed the Financial Report with the Board. Discussion was held.

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

General Manager Paul Sigle discussed the next GMA 8 meeting which is scheduled for September 5, 2024. The committee will receive a report on the GAM Update and select a consultant for the next round of DFC planning.

8. Discussion and possible action regarding the District's Drought Contingency Plan.

General Manager Paul Sigle discussed the draft Drought Contingency Plan with the Board. The Board held a discussion. The Board suggested changes to the District's Rule where lawn and landscaping irrigation would not receive the drought buffer during a drought and penalties for over producing during a drought. The suggested will be incorporated into the Plan and brought back to the Board at the next meeting.

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

No issues

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

- a. District's Disposal/Injection Well Program

No update

- b. Well Registration Summary

General Manager Paul Sigle reviewed the well registration summary with the Board. Thirty one wells were registered in July.

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

None

12. Adjourn public meeting

Board President Ronny Young declared the meeting adjourned at 10:30 a.m.

#####

Recording Secretary

Secretary-Treasurer

ATTACHMENT 5

RESOLUTION NO. 2024-09-10-01

**A RESOLUTION BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS GROUNDWATER
CONSERVATION DISTRICT AUTHORIZING PAYMENT OF ACCRUED LIABILITIES FOR THE MONTH
OF SEPTEMBER**

The following liabilities are hereby presented for payment:

<u>Administrative Services</u>	<u>Amount</u>
GTUA - August	29,433.41
<u>Direct Costs</u>	
Awards Unlimited - Name plate for BOD LK and corrected appreciation award for DF	166.95
Nextraq - September	36.95
Discount Tire - 2 new tires for 2022 Ford Truck	532.38
<u>GMA-8</u>	
Intera - N. Trinity & Woodbine aquifers GAM Update WO#1 for 1/1/24-3/31/24	144,136.50
<u>Insurance</u>	
Bayless-Hall Blanton Insurance - BOD Dishonesty bond renewal 24-25	330.00
<u>Legal</u>	
Kristen Fancher PLLC - services through 8/31/24	3,192.00
<u>Meetings & Conferences</u>	
Pilot Point ISD - Meeting Room	75.00
<u>Refunds</u>	
Tripple Z Engineering - Driller Deposit Refund	100.00
Various Driller deposits and Well owners who have over paid on their accounts	9,302.49
<u>Well Injection Monitoring</u>	
Eno Scientific - Well probes, with controller and solar kits 6 of everything	18,659.96
GRAND TOTAL:	<u>\$ 205,965.64</u>

On motion of _____ and seconded by _____ the foregoing Resolution was passed and approved on this, the 10th day of September, 2024 by the following vote:

AYE:

NAY:

President

Secretary/Treasurer

ATTACHMENT 6 A-1

NORTH TEXAS GROUNDWATER

Balance Sheet

As of August 31, 2024

ASSETS

Current Assets

Checking/Savings

10001 Checking Account	678,690.39
10005 Cash-Index Account	20,202.07
10006 Cash - CDARS OZK	
10008 Cash - Tex Star	12,130.03
10010 Investment	3,819,084.99
10025 Accounts Receivable	106,774.73
10030 A/R Well Applications	-5,354.50
10033 A/R Penalties	3,700.00
10035 A/R GMA8 Members	30,788.60
10070 A/R Liens	14,000.00
10026 Allowance for Uncollectib	-34,513.00
12001 Prepaid Expenses	4,787.50

TOTAL ASSETS 4,650,290.81

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

23100 Accounts Payable	195,421.87
23150 Well Drillers Deposits	25,400.00

Total Liabilities 220,821.87

Equity

35100 Retained Earnings	4,262,231.87
Net Income	167,237.07

Total Equity 4,429,468.94

TOTAL LIABILITIES & EQUITY 4,650,290.81

**NORTH TEXAS GROUNDWATER
Profit Loss Budget vs. Actual
August 31, 2024**

	TOTAL				
	Aug 2024	1 mo. Budget	YTD Actual	Total Budget	% of Budget remaining
Ordinary Income/Expense					
Income					
46003 - Registration Fees	2,100.00	2,916.00	33,300.00	35,000.00	4.86%
46004 - Well Driller Fees	0.00	0.00	0.00	0.00	0.0%
46005 - PRODUCTION FEES	305.55	0.00	408,116.37	870,000.00	53.09%
46006 Income GMA8	0.00	0.00	130,864.76	281,735.00	53.55%
46007 - Penalties	0.00	0.00	4,000.00	0.00	0.0%
46008 - Online Pay Fees	78.75	0.00	904.56	1,000.00	9.54%
46015 Late Fees	-55.91	0.00	42,505.94	0.00	0.0%
Total Income	<u>2,428.39</u>	<u>2,916.00</u>	<u>619,691.63</u>	<u>1,187,735.00</u>	<u>47.83%</u>
Gross Profit	2,428.39	2,916.00	619,691.63	1,187,735.00	47.83%
Expense					
77010 ADMINISTRATIVE					
77013 Admin-Secretarial	595.00	1,250.00	5,605.25	15,000.00	62.63%
77014 Admin-Project Coordinator	85.50	417.00	1,054.50	5,000.00	78.91%
77015 Admin-GM	5,100.00	5,500.00	40,353.00	66,000.00	38.86%
77016 Admin-Clerical	2,916.86	3,917.00	21,497.91	47,000.00	54.26%
77040 ADMIN-MILEAGE	527.48	333.00	1,515.33	4,000.00	62.12%
77025 ACCOUNTING	4,741.34	2,750.00	24,495.42	33,000.00	25.77%
77027 AUDITING	0.00	0.00	9,500.00	6,206.00	-53.08%
77050 BANKING FEES	241.70	167.00	1,350.60	2,000.00	32.47%
77150 CONSULTING-HYDROGEO SVC	0.00	4,392.00	27,054.25	52,700.00	48.66%
77325 DIRECT COSTS-REIMB	834.54	500.00	3,501.28	6,000.00	41.65%
77450 DUES & SUBSCRIPTION	0.00	650.00	5,000.00	7,800.00	35.9%
77480 EQUIPMENT	0.00	167.00	0.00	2,000.00	100.0%
77485 Equipment Database	0.00	4,167.00	3,421.50	50,000.00	93.16%
77500 FEES-GMA8	9.50	0.00	144,533.57	2,000.00	-7,126.68%
77550 FIELD TECH	9,271.30	15,833.00	83,543.30	190,000.00	56.03%
77560 Field Permitting/Geologis	4,650.00	5,417.00	42,036.00	65,000.00	35.33%
77650 FUEL/MAINTENANCE	182.72	417.00	2,753.48	5,000.00	44.93%
77800 INJECTION WELL MONITORING	0.00	58.00	325.60	700.00	53.49%
77810 INSURANCE & BONDING	478.75	581.00	4,196.00	6,975.00	39.84%
77970 LEGAL					
77975 Legal-Injection	0.00	833.00	3,322.50	10,000.00	66.78%
77980 Legal-Legislation	0.00	2,500.00	6,251.77	30,000.00	0.0%
77970 LEGAL - Other	3,192.00	5,000.00	20,132.00	60,000.00	66.45%
78010 MEETINGS & CONFERENCES	300.00	583.00	4,106.29	7,000.00	41.34%
78310 Rent	200.00	200.00	1,600.00	2,400.00	33.33%
78600-SOFTWARE MAINT	0.00	208.00	1,801.64	2,500.00	27.93%
78610 TELEPHONE	298.07	317.00	2,388.43	3,800.00	37.15%
78780 Well Monitoring/Testing	18,659.96	1,350.00	18,924.96	16,200.00	-16.82%
Total Expense	<u>52,284.72</u>	<u>57,507.00</u>	<u>480,264.58</u>	<u>698,281.00</u>	<u>31.22%</u>
Other Income/Expense					
Other Income					
46100 INTEREST INC	0.00	8,333.00	27,810.02	100,000.00	72.19%
Total Other Income	<u>0.00</u>	<u>8,333.00</u>	<u>27,810.02</u>	<u>100,000.00</u>	
Net Other Income	0.00	8,333.00	27,810.02	100,000.00	
Net Income	<u><u>-49,856.33</u></u>	<u><u>-46,258.00</u></u>	<u><u>167,237.07</u></u>	<u><u>589,454.00</u></u>	

ATTACHMENT 6 A-2

**NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
BUDGET 2025**

	Actual 2022	Actual 2023	Approved 2024	Actual 6/30/2024	Estimate @12/31/24	Proposed 2025	
Ordinary Income/Expense							
Income							
46006 GMA8	2,194.63	337,923.69	281,735	-	281,735	90,909	
46005 PRODUCTION FEES	1,067,983.77	1,020,753.26	870,000	163,084.99	870,000	980,000	Ave last three yrs(971) and 5 years(868), assumes \$0.10
46004 Drillers Fees	14,200.00	14,950.00	-	-	-	-	
46003 WELL REG FEES	45,100.00	36,400.00	35,000	26,800.00	53,600	40,000	
46007 Penalty & Fines	-	8,500.00	-	1,500.00	-	-	
46100 Interest	24,467.02	142,512.03	100,000	27,598.88	143,000	75,000	
46008 On-Line pay fees	1,046.26	1,270.31	1,000	523.43	1,047	1,000	assumes approximately 25% utilization @ 2.9%+0.30 per transaction
46015 LATE FEES	24,254.81	57,995.37	-	32,480.62	64,961	-	
Bad Debt Recoveries		3,300.00					
Total Income	1,179,246.49	1,623,604.66	1,287,735	251,987.92	1,414,343	1,186,909	
Expense							
77040 ADMIN MILEAGE	2,776.49	1,247.31	4,000	901.80	1,804	3,000	
77013 ADMIN-SECRETARIAL	10,157.75	8,037.25	15,000	3,811.50	7,623	11,000	average of last 3 years
77014 ADMIN-PROJECT COORD	1,571.86	1,228.50	5,000	912.00	1,824	-	Last 3 years average rounded down, Nichole not spending near as much time due to work load
77015 ADMIN-GM	62,133.63	45,196.50	66,000	29,653.00	59,306	60,000	
77016 ADMIN-CLERICAL	49,731.13	35,951.79	47,000	14,868.55	29,737	30,000	
77030 ADS-LEGAL	2,793.91	942.77	2,000		2,000	4,000	Management plan, possible DFC, possible rules
77035 - BAD DEBT		13,213.00					
77025 ACCOUNTING	29,519.78	27,556.00	33,000	16,906.08	33,812	33,000	Acct. has taken some of the workload from Project Coordinator, and also will be looking at raises
77027 AUDITING	5,850.00	6,025.00	6,206	9,500.00	9,500	10,450	From Engagement letter
77050 BANKING FEES	947.34	1,330.23	2,000	948.51	1,897	2,000	
77100 GMA 8 Modeling		357,000.00	315,619	27,054.25	315,619	100,000	Est \$200,000 over two yrs
77150 CONSULTING-HYDROGEO	5,170.25	21,275.00	52,700		52,700	200,000	
77550 CONTRACT FIELD TECH	136,129.16	101,371.00	190,000	60,388.00	120,776	125,000	75% tech services employees
77560 GW - TECH LEAD	60,488.00	53,908.75	65,000	30,261.00	60,522	65,000	
77325 DIRECT COSTS-REIMB	4,563.22	5,654.27	6,000	1,884.16	3,768	6,000	copies, postage, truck GPS, etc....
77450 DUES & SUBSCRIPTION	7,396.00	7,390.00	7,800	5,000.00	7,800	7,800	2,390 TAGD, TWCA 408, + \$5k TAGD Contribution
77480 EQUIPMENT	48,643.88	756.92	2,000		2,000	2,000	
77485 EQUIPMENT-DATABASE			50,000	-	50,000	50,000	Updating and improving Data Base
77490 CAPITAL OUTLAY		6,205.13					
77500 FEES-GMA8	665.05	24,664.19	2,000	368.67	2,000	2,000	
77650 FUEL/MAINTENANCE	5,181.48	3,351.62	5,000	2,272.56	4,545	5,000	
77800 Inject Well Monitoring	1,260.47	665.40	700	325.60	651	700	STATE WIDE PLAT
77810 INSURANCE & BONDING	5,804.46	6,671.00	6,975	3,238.50	6,500	7,000	TWCA 5745, Bonds 219,+ 10%
77970 LEGAL	20,702.00	26,466.52	60,000	14,616.00	29,232	30,000	
77980 LEGAL-LEGISLATION	-	21,795.49	30,000	6,251.77	12,504	36,000	Looking at some lobby services between sessions
77975 LEGAL-INJECTION	10,600.00	6,028.00	10,000	3,322.50	6,645	10,000	
78010 MEETINGS & CONFERENCES	6,976.21	5,991.95	7,000	3,731.29	7,463	7,500	
78310 RENT	2,400.00	2,400.00	2,400	1,200.00	2,400	5,160	
78600 SOFTWARE MAINT	2,466.56	2,775.86	2,500	1,322.44	2,645	3,000	Last year was just QB renewal(\$900 per year), moved other costs here in 22=(Go Daddy - Email, Domain, website...\$1600), ESRI
78610 TELEPHONE	3,990.70	3,703.27	3,800	1,794.55	3,589	3,800	Phones
78780 WELL MONITORING/TESTING	176.78		16,200	165.00	16,200	80,000	Purchase 12 more and remote devices
88888 Contingencies							
Operating Expense	488,096.11	798,802.72	1,015,900.14	240,697.73	855,061.76	899,410.00	
Net to Fund Balance	691,150.38	824,801.94	271,834.79	11,290.19	559,281.27	287,499.00	Keep in mind that this includes no late fees which is not reality

RESOLUTION 2024-09-10-02
ADOPTING A BUDGET FOR 2025

THE STATE OF TEXAS

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

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

Whereas, the District’s Board of Directors (“Board”) has considered the anticipated activities of the District for January 1, 2025, through December 31, 2025, all anticipated expenses and revenues, and has reviewed the proposed budget prepared by the District’s Budget & Finance Committee;

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

Whereas, the Board finds that the adoption of the attached budget is merited to support the District’s activities and related expenses from January 1, 2025 through December 31, 2025, and that the attached budget will allow the District to carry out the District’s objectives and responsibilities as prescribed by the District Act and Chapter 36 of the Texas Water Code.

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

- (1) The above recitals are true and correct.
- (2) The Board of Directors of the North Texas Groundwater Conservation District hereby adopts an operating budget for January 1, 2025, to December 31, 2025, as provided in the budget appended hereto as “Attachment A”, which is incorporated herein by reference and hereby approved and adopted.
- (3) The Board of Directors, its officers, and the District employees are further authorized to take any and all actions necessary to implement this resolution.

AND IT IS SO ORDERED.

PASSED AND ADOPTED on this 10th day of September 2024.

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

By: _____
President

SEAL

Secretary

RESOLUTION NO. 2024-09-10-3

**RESOLUTION TO ESTABLISH 2024 WATER USE FEE RATES
FOR THE NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT**

THE STATE OF TEXAS §
§
NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT §

WHEREAS, the North Texas Groundwater Conservation District (the “District”) is a political subdivision of the State of Texas organized and existing under and by virtue of Article XVI, Section 59, of the Texas Constitution as a groundwater conservation district, acting pursuant to and in conformity with Chapter 36, Texas Water Code and Act of May 19, 2009, 81st Leg., R.S., ch. 248, 2009 Tex. Gen. Laws 686 codified at Chapter 8856 of the Texas Special District Local Laws Code (the “District Act”);

WHEREAS, the District is a governmental agency and a body politic and corporate that is statutorily charged under Chapter 36 of the Texas Water Code and the District Act with protecting the quantity and the quality of groundwater within Cooke, Colin, and Denton Counties;

WHEREAS, the District by rule, resolution, or order may establish, amend, pledge, encumber, and spend the proceeds from, and assess to any person production fees, based on the amount of groundwater authorized by permit to be withdrawn from a well or on the amount of water actually withdrawn, to enable the District to fulfill its purposes and regulatory functions as provided by the District Act;

WHEREAS, the District may assess a production fee for groundwater produced from a well or class of wells exempt from permitting under Section 36.117 of the Texas Water Code, except for a well exempt from permitting under Section 36.117(b)(1), which must be based on the amount of groundwater actually withdrawn from the well and may not exceed the amount established by the District for uses recognized as non-exempt pursuant to Chapter 36 of the Texas Water Code, the District Act, and rules promulgated by the District pursuant to the authority delegated therefrom;

WHEREAS, despite having authority to assess a production fee not to exceed 30 cents per each one thousand gallons of groundwater used annually for nonagricultural purposes, the Board determines that the production fee of \$0.10 cents per each one thousand gallons of groundwater used annually for nonagricultural purposes represents an appropriate, fiscally conservative fee that adequately addresses anticipated budgeting and revenue considerations for the District;

WHEREAS, in accordance with the District Act, the Board determines it necessary and appropriate to keep the production fee of \$1.00 per acre-foot used annually for agricultural purposes, which is the same as that set by the Board for the previous year;

WHEREAS, the Board recognizes that the assessment of such fees serves a legitimate regulatory purpose;

WHEREAS, the Board finds that the notice and hearing requirements for the meeting of the Board, held this day, to take up and consider adoption of these water use have been, and are, satisfied; and

WHEREAS, the Board finds that the proposed resolution is merited and necessary to support the District's efforts in managing the groundwater resources within the boundaries of the District in a manner consistent with the requirements of Chapter 36, Water Code, and the District Act, and that it is supportable under the laws of the State of Texas.

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

- (1) Each of the above recitals are true and correct.
- (2) The Board of Directors of the North Texas Groundwater Conservation District hereby sets a water use fee rate for groundwater production for calendar year 2025 of Ten cents per each one thousand gallons (\$0.10/ 1,000 gallons) of groundwater produced annually for nonagricultural purposes, which includes all nonexempt commercial, municipal, industrial, manufacturing, public water supply, oil and gas, and other nonagricultural users within the District that are not exempt from the water use fee payment requirements set forth in the temporary rules adopted by the District. Such rate will be effective and assessed to groundwater production that occurs during 2025 (January 1, 2025 through December 31, 2025).
- (3) The Board of Directors of the North Texas Groundwater Conservation District hereby sets a water use fee rate for groundwater production for calendar year 2025 of one dollar per acre-foot (\$1.00 / acre-foot) of groundwater used annually for agricultural purposes. Such rate will be effective during 2025 (January 1, 2025 through December 31, 2025).
- (4) The Board of Directors, its officers, and the District staff are further authorized to take any and all actions necessary to implement this resolution.

AND IT IS SO ORDERED.

PASSED AND ADOPTED on this 10th day of September 2024.

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

By: _____
Board President

ATTEST:

Board Secretary-Treasurer



2025 Fee Schedule

Well Registration Fee (<17.36 GPM)	\$100
New Well Registration & Production Permit Application Fee (>17.36 GPM), <i>also applies to permit amendments</i>	\$600
Additional fee for Production Permit Applications which require a Hydrogeological Report (≥200 GPM)	\$1,100
Well Driller Log Deposit Fee (refundable if conditions in District Rules are met)	\$100
Additional fee for Registration of an existing unregistered Non-Exempt Well (additional penalties may apply if well was not self-reported)	\$500
Meter Seal Replacement Fee (For replacing seals for reasons other than well or meter failure)	\$100
Water Use Fees (Non-Exempt Wells)	
- Non-Agricultural Use	\$0.10/1000 gal
- Agricultural Use	\$1/acre-foot
Additional Water Use Fees (Non-Exempt Wells) for Production in Excess of Maximum Amount Authorized by Permit, 1st violation:	
- Non-Agricultural Use	\$0.30/1000 gal
- Agricultural Use	\$3/acre-foot
Additional Water Use Fees (Non-Exempt Wells) for Production in Excess of Maximum Amount Authorized by Permit, subsequent violation, within 3 calendar years of 1st violation:	
- Non-Agricultural Use (1 st violation)	\$1.00/1000 gal
- Agricultural Use	\$10/acre-foot
Failure to Submit Water Production Reports by the Deadline	\$50



Failure to Pay Water Use Fee by Payment Deadline 15%

Failure to Pay Water Use Fee within 60-days of the Payment Deadline (See Appendix A of the Rules for schedule of Violations) Major Violation

Notes: Information about the payment and water production report deadlines can be found at [Billing \(northtexasgcd.org\)](http://northtexasgcd.org)

ATTACHMENT 7

McClanahan and Holmes, LLP

CERTIFIED PUBLIC ACCOUNTANTS

GEORGE H. STRUVE, CPA
DEBRA J. WILDER, CPA
TEFFANY A. KAVANAUGH, CPA
APRIL J. HATFIELD, CPA
BRITTANY L. MARTIN, CPA

STEVEN W. MOHUNDRO, CPA,
OF COUNSEL

228 SIXTH STREET S.E.
PARIS, TEXAS 75460
903-784-4316
FAX 903-784-4310

304 WEST CHESTNUT
DENISON, TEXAS 75020
903-465-6070
FAX 903-465-6093

1400 WEST RUSSELL
BONHAM, TEXAS 75418
903-583-5574
FAX 903-583-9453

Bonham, Texas
August 12, 2024

Members of Management and Board
North Texas Groundwater Conservation District

We are pleased to confirm our understanding of the services we are to provide North Texas Groundwater Conservation District (the District) for the year ended December 31, 2024.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and each major fund, and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's 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. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedule – General Fund

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

1. Comparative Balance Sheet – General Fund
2. Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and

therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditors' Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of North Texas Groundwater Conservation District and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We have identified the following significant risks of material misstatement as part of our audit planning:

- 1) Management Override of Controls
- 2) Improper Revenue Recognition Due to Fraud

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures – Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Other Services

We will also assist in preparing the financial statements and related notes of the District in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of McClanahan and Holmes, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of McClanahan and Holmes, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

August 12, 2024

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or any additional period requested by regulators. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

April J. Hatfield is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit in approximately April 2025 and to issue our reports no later than June 2025, unless extenuating circumstances occur.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs except that we agree that our gross fee, including expenses will not exceed \$10,450. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoice for these fees will be rendered upon completion of the audit and is payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary based upon unexpected circumstances caused by North Texas Groundwater Conservation District, we will discuss it with you and submit a new fee estimate that must be agreed on by both parties before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to management and those charged with governance of North Texas Groundwater Conservation District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to North Texas Groundwater Conservation District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

McClanahan and Holmes, LLP

Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of North Texas Groundwater Conservation District.

Management Signature: _____

Title: _____

Date: _____

Governance Signature: _____

Title: _____

Date: _____

Briscoe, Burke & Grigsby LLP
CERTIFIED PUBLIC ACCOUNTANTS

Report on the Firm's System of Quality Control

August 19, 2021

To the Partners of McClanahan and Holmes, LLP
and the Peer Review Committee of the Texas Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of McClanahan and Holmes, LLP (the firm) in effect for the year ended March 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards). A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

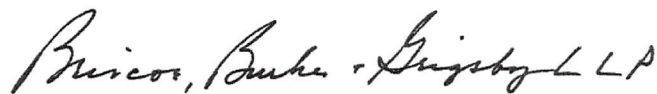
Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of McClanahan and Holmes, LLP in effect for the year ended March 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. McClanahan and Holmes, LLP has received a peer review rating of *pass*.



Certified Public Accountants

ATTACHMENT 9



NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

P.O. Box 508, Gainesville, TX 76241
5100 Airport Drive, Denison, TX 75020
Office: 1 (855) 426-4433 | Fax: (903) 786-8211
ntgcd@northtexasgcd.org | www.northtexasgcd.org

Drought Contingency Plan

Adopted February 9, 2021

Amended

I. Purpose

The North Texas Groundwater Conservation District (the District) adopts this Drought Contingency Plan (“plan”) for the purpose to conserve, preserve, protect, and recharge the groundwater resources of Cooke, Collin and Denton Counties, and to prevent waste and degradation of quality of those groundwater resources. The Board of Directors adopts this plan in order to implement Sections 36.113 and 36.1131 of the Texas Water Code, and Sections 3.10(a), 3.16(b), and 6.2 of the District’s Rules.

II. Applicability

Provisions of this plan shall apply to all registered wells and all persons or organizations, public or private, owning or operating wells within Cooke, Collin or Denton Counties, regardless of purpose of use, size, capacity, date drilled, ownership, or the exemption status of a well.

III. Enforcement

This Drought Contingency Plan will rely primarily on voluntary compliance. The District encourages the voluntary reduction measures outlined in this plan to achieve a desired level of conservation and reduced impact to the aquifers. However, this section does not exclude the District from exercising authority of its Enforcement Policy and Civil Penalty Schedule in the District’s Rules regarding wasteful use of water.

IV. Public Water Supply Entities

The District recognizes that Public Water Supply Entities develop and utilize drought contingency plans that accomplish the intent of this Drought Contingency Plan. The District will support and provide assistance when requested from a Public Water Supply Entity, using groundwater, to implement their plans and use their discretion as to how much desired reduction is to be

accomplished during a drought. The District asks to be notified by each Public Water Supply Entity in the event that a drought stage has been triggered or canceled.

V. *Initiation and Determination of Drought Stages*

The various drought stages will be initiated and terminated by the District’s Board of Directors (the Board), utilizing the Texas Water Development Board’s (TWDB) publication of the U.S. Drought Monitor. Each drought stage will last a minimum of 30 days and renew automatically unless changed by Board action.

The drought stages will be implemented and terminated by resolution of the Board of Directors and will be implemented on a county-by-county basis.

Public notification of the initiation or termination of drought stages shall be by means of any of the following: notification on the District’s website, in a newspaper(s) of general circulation, radio announcement, mail, fax, or email to owners/operators of permitted wells. The District’s website will display the most current drought stage.

The TWDB’s publication of the U.S. Drought Monitor can be found [here](#).

The weekly map is based on measurements of climatic, hydrologic and soil conditions, as well as reported impacts and observations from more than 350 contributors around the country. Eleven climatologists from the partner organizations take turns serving as the lead author producing the map each week. The authors examine all the data and use their best judgment to reconcile any variances in what different sources report. The U.S. Drought Monitor is a composite index that includes many indicators. The drought stages of this plan will coincide with the various stages of drought which are as follows:

Category	Description	Ranges				
		Palmer Drought Severity Index (PDSI)	CPC Soil Moisture Model (Percentiles)	USGS Weekly Streamflow (Percentiles)	Standardized Precipitation Index (SPI)	Objective Drought Indicator Blends (Percentiles)
D0	Abnormally Dry	-1.0 to -1.9	21 to 30	21 to 30	-0.5 to -0.7	21 to 30
D1	Moderate Drought	-2.0 to -2.9	11 to 20	11 to 20	-0.8 to -1.2	11 to 20
D2	Severe Drought	-3.0 to -3.9	6 to 10	6 to 10	-1.3 to -1.5	6 to 10
D3	Extreme Drought	-4.0 to -4.9	3 to 5	3 to 5	-1.6 to -1.9	3 to 5
D4	Exceptional Drought	-5.0 or less	0 to 2	0 to 2	-2.0 or less	0 to 2

VI. *Drought Stages*

Stage 1 - Moderate Drought

Voluntary Water Reduction Goal - 5%. Encourage water conservation methods through public awareness of methods to reduce overall usage by 5% through the following practices:

- Re-use and re-circulate water whenever possible.
- Check for and repair all leaks.
- Outdoor lawn and landscape watering should be done during times of low evaporation loss and use timers or smart irrigation controllers to avoid overwatering and waste.
- Washing vehicles at a car wash usually uses less water than washing at home.
- Washing sidewalks, driveways, parking areas, streets, tennis courts, or any outdoor surfaces could be considered waste.
- Other water conservation practices.

Stage 2 - Severe Drought

Voluntary Water Reduction Goal - 10%. Continue to encourage the water conservation methods with a goal to reduce overall usage by 10% through the following practices:

- Re-use and re-circulate water whenever possible.
- Check for and repair all leaks.
- Outdoor lawn and landscape watering should be done between the hours of 8:00 PM to ~~8~~¹⁰:00 AM.
- Limit watering of lawns and landscapes to once every ~~5~~^{to}~~7~~ days.
- Wash vehicles only at a car wash when needed.
- Keep decorative fountains, landscape ponds, and swimming pools covered whenever possible to reduce evaporation.
- Do not use water to wash sidewalks, driveways, parking areas, streets, tennis courts, or any outdoor surfaces except for human or animal health and safety reasons, or fire hazard prevention.
- Providing groundwater to ponds, tanks, lakes, reservoirs, swimming pools, or other surface impoundments for holding water that have a total capacity of more than 100,000 gallons is discouraged.
- Water livestock in leak-proof troughs (livestock tanks) when practical.

Stage 3 - Extreme Drought

Voluntary Water Reduction Goal - 20%. Continue to encourage the practice of water conservation methods and reduce overall usage by 20% through the following practices:

- Re-use and re-circulate water whenever possible.
- Check for and repair all leaks.

Formatted: Outline numbered + Level: 1 + Numbering
Style: Bullet + Aligned at: 0.5" + Indent at: 0.75"

- Outdoor lawn and landscape watering should be done between the hours of 8:00 PM to 8:00 AM.
- Limit watering of lawns and landscapes to once every 5-7 days.
- Wash vehicles only at a car wash when needed.
- Keep decorative fountains, landscape ponds, and swimming pools covered whenever possible to reduce evaporation.
- Do not use water to wash sidewalks, driveways, parking areas, streets, tennis courts, or any outdoor surfaces except for human or animal health and safety reasons, or fire hazard prevention.
- Providing groundwater to ponds, tanks, lakes, reservoirs, swimming pools, or other surface impoundments for holding water that have a total capacity of more than 100,000 gallons is discouraged.
- Water for dust control is discouraged.
- Watering livestock in leak-proof troughs is recommended.

Mandatory Restrictions Applicable to Irrigation Permits – The 15% Drought Buffer in District Rule 6.2 does not apply to permits issued for irrigation use.

Formatted: Font: Italic

Formatted: Indent: Left: 0"

Formatted: Indent: Left: 0.75", No bullets or numbering

Stage 4 - Exceptional Drought

Voluntary Water Reduction Goal - 30%. Continue to encourage the practice of water conservation methods and reduce overall usage by 30%:

- Re-use and re-circulate water whenever possible.
- Check for and repair all leaks.
- Limit watering of lawns and landscapes to once every 14 days.
- No vehicle washing
- Do not use water to wash sidewalks, driveways, parking areas, streets, tennis courts, or any outdoor surfaces except when required for human or animal health and safety reasons, or fire hazard prevention.
- Providing groundwater to ponds, tanks, lakes, reservoirs, swimming pools, or other surface impoundments for holding water regardless of capacity is prohibited.
- Water for dust control only when required by law.
- Watering livestock in leak-proof troughs is highly recommended.

Mandatory Restrictions Applicable to Irrigation Permits – The 15% Drought Buffer in District Rule 6.2 does not apply to permits issued for irrigation use.

Formatted: Normal, No bullets or numbering

VII. Lawn and Landscape Irrigation

To ensure efficient and beneficial use of groundwater, even during normal conditions, the following practices are required for any permits issued for lawn or landscape irrigation use:

A. Year-Round Outdoor Watering Schedules

Mandatory weekly watering schedule has been gradually gaining acceptance in the region and the state. All permittees to adhere to a permanent outdoor watering schedule for lawns and landscaping.

- Summer (April 1 – October 31): Spray irrigation with sprinklers or irrigation systems at each service address must be limited to no more than two days per week. Additionally, prohibit lawn irrigation watering from 10 a.m. to 6 p.m. Education should be provided that irrigation should only be used when needed, which is often less than twice per week, even in the heat of summer.
- Winter (November 1 – March 31): Spray irrigation with sprinklers or irrigation systems at each service address must be limited to no more than one day per week with education that less than once per week (or not at all) is usually adequate.

Additional irrigation may be provided by hand-held hose with shutoff nozzle, use of dedicated irrigation drip zones, and/or soaker hose provided no runoff occurs. Many North Texas horticulturists have endorsed twice-weekly watering as more than sufficient for landscapes in the region, even in the heat of summer.

Time of Day Watering Schedule

During the summer months (April 1 – October 31) under normal conditions, spray irrigation with an irrigation system or sprinkler is only permitted on authorized watering days, before 10 a.m. or after 6 p.m. The primary purpose of this measure is to reduce wind drift and evaporation losses during the active growing season. The time-of-day watering schedule requirement increases watering efficiency by eliminating outdoor irrigation use when climatic factors negatively impact irrigation system efficiencies. Midday irrigation is not an optimal time to irrigate because evapotranspiration rates are higher, and plants are more susceptible to stress associated with factors such as higher temperatures and lower relative humidity.

Smart Irrigation Controllers and Management

- All lawn and landscaping irrigation systems are required to utilize smart irrigation controllers and management practices to prevent excess watering by the irrigation system.

Formatted: Font: 12 pt, Not Italic

Formatted: Heading 2, No bullets or numbering

Formatted: Indent: Left: 0"

Formatted: Font: Bold

Formatted: Font: Bold

Formatted: Indent: Left: 0"

Formatted: Normal, No bullets or numbering

ATTACHMENT 11 b.

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

Well Registration Summary

(as of 8/31/2024)

Well Type	Collin	Cooke	Denton	Total NTGCD	New Registrations August 2024
Domestic	98	764	1178	2040	13
Public Water System	41	76	241	358	2
Irrigation	109	7	230	346	0
Surface Impoundment	65	20	148	233	2
Livestock	7	98	74	179	0
Oil / Gas	1	6	64	71	0
Agriculture	11	17	52	80	1
Commercial	7	9	55	71	0
Golf Course Irrigation	15	2	21	38	0
Industrial / Manufacturing	11	11	9	31	0
*Other	6	5	9	20	0
Monitoring	0	0	6	6	0
TOTALS	371	1015	2087	3473	18

NOTE: Plugged wells have been excluded

***Examples of "Other" uses: Closed Loop Geothermal, Construction, and Fire Suppression**

ADJOURN