

**RED RIVER
GROUNDWATER
CONSERVATION
DISTRICT**

BOARD MEETING

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

**THURSDAY
FEBRUARY 14, 2013**

AGENDA

AGENDA
RED RIVER GROUNDWATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING
GREATER TEXOMA UTILITY AUTHORITY BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020
WEDNESDAY, FEBRUARY 14, 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 14th day of February, 2013 at 2:00 pm or as upon adjournment of the public hearing, whichever is later 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 December 12, 2012, Public Hearing and Board Meeting
4. Review and approval of monthly invoices.
5. Receive monthly financial information
6. Consider and discuss frequency of meetings and payment of legal invoices
7. Consider and act upon a resolution establishing a meter re-sealing fee for wells
8. Receive update on District well registration website project
9. Receive Management Plan Quarterly Report Regarding Assessment of Drought in District
10. Receive 2012 Annual Report
11. General Manager's report: The General Manager will update the Board on operational, educational and other activities of the District
12. Open forum / discussion of new business for future meeting agendas
13. 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.

³ Persons 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 PUBLIC HEARING
RED RIVER GROUNDWATER CONSERVATION DISTRICT**

WEDNESDAY, DECEMBER 12, 2012

**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: Dale McQueen, Fannin County Leader
Alex Moser, Moser Drilling

NOTE: The audio recording of the hearing is the official record of the hearing. These minutes are provided only for convenience.

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

President Henderson called the hearing to order at 1:30 PM. All members were present.

2. Review draft amendment to the Temporary Rules

Mr. Chapman explained that the staff and the Rules Committee discussed potential amendments to the Temporary Rules. The Committee, composed of Board Members Gattis, Latham and Wortham met and discussed the changes and have provided a recommendation. The staff had requested the Board review the Temporary Rules and discussed changes that would better suit the District without causing hardships.

These changes include modifications to the reporting and payment periods. The Board had developed a method for funding the District using contributions based on a proportionate share of water pumped in 2010. The District began registering wells and collecting production volume information in 2012. The reporting periods were initially set on a semi-annual basis. This would cause the District to receive no funds in 2012 until September or October. The staff has recommended that the reporting period be shortened to quarterly with payments and meter readings due within 30 days following the end of the period.

The registration process has also been recommended for modifications to separate exempt wells and non-exempt wells. Exempt wells would be given a 360-day registration with the ability to extend an

additional year. Non-exempt wells will be eligible for up to two years, depending on the difficulty and complexity of the well being drilled.

The Committee also provided recommended changes to implement seals on meters. The District would provide a seal on every meter that can only be removed by the District. If the seal needs to be removed to facilitate a meter change or repair, the District would need to be contacted to be present when the seal is removed and the new seal is added. The staff has discussed the response time and has commented that two days may not be adequate to respond to a request to remove a seal. The staff recommends the response time be extended to five days. The seals will help the District receive the most accurate information on the well and will verify that the meter has not been removed from one well to another. The cost to purchase the crimper and the seals will be minimal. The initial seal would be at cost to the District with subsequent seals be charged at the cost to install the seal.

The Committee also recommended removal of Section 8.3, which allowed for metering of aggregate systems. The Committee felt that each well should be individually metered to verify the amount of water being pumped by each well.

The enforcement area has also been amended for non-compliant well owners. A minor violation was also added for drilling with an expired well registration. If the Rules are contested in court, and the District wins, the person who filed suit must pay for all of the District's legal fees.

3. Public Comment (verbal comments limited to three (3) minutes each; written comments may also be submitted for the Board's consideration.)

Mr. Moser clarified that if someone challenged the District's Temporary Rules, if they lose they must pay all of the District's legal fees, but if they win they do not. However, the District will not be required to pay the individual's legal fees. Mr. Chapman confirmed this to be true.

Mr. Moser also asked if he would be able to break a seal to work on a meter and then put the well back into service. The Board stated that the Rules are designed for only the staff to be allowed to remove the seal, except in emergency situations.

Mr. Moser stated that he occasionally receives calls for abandoned or capped wells to be put back in service, even though they have not been used in several years. He asked if those wells would need to be registered and the Board confirmed all new exempt and non-exempt wells need to be registered. The well would have to be registered before any work began to rehabilitate the well.

4. Adjourn or continue public hearing on proposed rules

The Board unanimously adjourned the public hearing at approximately 1:50 PM.

#####

Recording Secretary

Secretary-Treasurer

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

TUESDAY, DECEMBER 12, 2012

**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:

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

Visitors: Dale McQueen, Fannin County Leader
Alex Moser, Moser Drilling

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

President Henderson called the meeting to order at 2:00 PM. All members were present.

2. Public Comment.

No comments received.

3. Consider approval of Minutes of October 16, 2012, board meeting

Vice President Olson motioned to approve the Minutes of the October 16, 2012 board meeting. The motion was seconded by Board Member Gattis and passed unanimously.

4. Consider and act upon revisions to Temporary Rules

The Board recommended modifying the date in the proposed amendments to five days.

Board Member Gattis motioned to adopt the amended Temporary Rules. The motion was seconded by Vice President Olson and passed unanimously.

5. Review and approval of monthly invoices.

President Henderson reviewed the invoices provided for payment. These include the auditing firm Rutherford, Taylor & Company, PC, administrative fees for GTUA, meeting posting notices for Herald Democrat, geodatabase services for IT Nexus.

Board Member Gattis motioned to approve the monthly invoices. The motion was seconded by Board Member Latham and passed unanimously.

6. Receive Monthly Financial Information and consider 2012 budget amendment

Each year at the end of the fiscal year, the District reviews and amends the budget to more accurately reflect actual expenditures. The staff has prepared a draft budget amendment with line item reallocations, but no adjustment to the total budget cost. Mr. Chapman reviewed the line item reallocations with the Board.

Board Member Gattis motioned to approve the 2012 amended budget. The motion was seconded by Board Member Patterson and passed unanimously.

7. Consider and act upon audit engagement letter with Rutherford, Taylor & Company, PC

Last year the Board solicited proposals for auditing services. This is the same auditing firm that performed the 2012 audit. The engagement letter includes a proposed price of \$3,500.

Board Member Gattis motioned to approve the 2012 audit engagement letter with Rutherford Taylor & Company. The motion was seconded by Board Member Morrison. Board Member Patterson clarified that the District can solicit an auditing firms with a price included. Cities are not able to solicit proposals with prices, the same way that engineering proposals cannot include rates. Vice President Olson stated that since the firm was engaged last year, this year is just a renewal of an agreement already approved. The motion passed unanimously.

8. Review State Brush Control Plan

The District's Management Plan includes a provision that the Board review the State Brush Control Plan annually. A summary of the plan was provided to the Board and the entire plan will be included in the annual report in January. The State Brush Control Plan states that this area is not included in an approved study area. President Henderson recommended the Board members review the Brush Control Plan and become familiar with the information contained within.

9. Consider and act upon Resolution Regarding Records Management Policy

Mrs. Bennett serves as the District's Records Retention Officer. The District needs to adopt a policy establishing records retention practices. She recommends the Board approve the State's recommended schedule.

Vice President Olson motioned to approve a Resolution Regarding Records Management Policy. The motion was seconded by Board Member Latham and passed unanimously.

10. Consider and act upon a Resolution Relating to a Travel, Training and Expense Reimbursement Policy

Every time a Board member attends a meeting, the member should be entitled to submit a voucher for reimbursements for travel costs. The staff has provided a policy that provides instructions on how to handle requests for reimbursements. Past requests for reimbursements for mileage have been handled on a case by case basis.

Board Member Gattis motioned to approve a Resolution Relating to a Travel, Training, and Expense Reimbursement Policy. The motion was seconded by Vice President Olson and passed unanimously.

11. Consider and act upon 2013 Administrative Services Agreement with Greater Texoma Utility Authority

Two years ago, the District discussed the Greater Texoma Utility Authority (GTUA) providing administrative services. The GTUA Board has found the situation agreeable and has recommended the contract be continued. The accounting services have been increased to \$12,000 from approximately \$4,000 to account for

additional time needed to bill for production. The only other difference is that the GTUA staff was granted a 2.5% salary increase.

Board Member Patterson motioned to approve the 2013 Administrative Services Agreement with GTUA. The motion was seconded by Board Member Gattis and passed unanimously. President Henderson commended the work performed by the staff.

12. General Manager's Report

Mr. Chapman referred the Board to the well registration summary as of December 3, 2012. The District received 11 new well registrations. The staff followed up with the Texas Water Development Board on the amount of agricultural irrigation estimates and separated the golf course irrigation. Mr. Moore explained that the staff contacted the county extension agents for estimates on golf courses and their amount of irrigation. The staff then searched on the internet for a list of golf courses and then used Google Earth to estimate the amount of acres being irrigated. Each golf course was then contacted to confirm their method of irrigation. Board Member Gattis asked how much of the acres being irrigated are sod, but the staff did not have that information available.

The legislative session begins in January 2013 and water, education and transportation will be the three major topics of discussion. The Texas Alliance of Groundwater Districts has started reviewing the items they will pursue. They are trying to get some funding for water projects included in the list of items for consideration by the Legislature. One of these is to have it clarified in the Texas Water Code that water used for hydraulic fracturing is not exempt from permitting. Other items relate to injection wells and a definition of water under groundwater districts jurisdiction to be specified as brackish water, as well as fresh water.

President Henderson asked about an article included in the Herald Democrat regarding funding of water projects from the Rainy Day Fund. Mr. Chapman explained that several methods of funding water projects have been discussed by the Legislature. Some states have been encouraging people to leave Texas due to the lack of water. Other methods of funding include a bottled water tax, a fee added to each water user so that the municipalities would have to collect fees and send to the State, or a fee added to electrical bills. Other suggestions are to add 1/8 or a 1/4 percent to sales tax or to take \$1 billion from the rainy day fund. Most of the State is in a very serious long-term water situation.

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

The next meeting has been tentatively scheduled for February 21, 2012 at 2:00 PM.

14. Adjourn

Board Member Gattis motioned to adjourn, seconded by Vice President Olson, and passed unanimously. The Board adjourned at approximately 2:41 PM.

#####

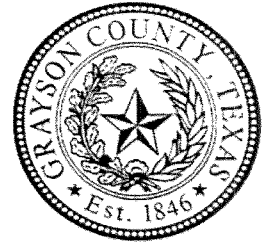
Recording Secretary

Secretary-Treasurer

ATTACHMENT 6



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: FEBRUARY 7, 2013

SUBJECT: AGENDA ITEM NO. 6

CONSIDER AND DISCUSS FREQUENCY OF MEETINGS AND PAYMENT OF LEGAL INVOICES

ISSUE

The staff thought it would be a good measure to place an item on the agenda for the Board to discuss frequency of Board meetings. The Board is required to meet quarterly, and has expressed the desire to meet less frequent than monthly.

One matter to consider if the Board meets less than monthly is the attorney billings. At this time, staff is not authorized to pay attorney billings without prior approval by the Board. Staff feels this is the best manner in which to handle the attorney billings.

OPTIONS/ALTERNATIVES

Section 36.064 of the Texas Water Code states "The Board shall hold regular meetings at least quarterly." It is the Board's option to continue to meet as often as possible, setting the next date during each meeting. However, the Board could establish a standard date to meet, possibly quarterly.

Regarding attorney billings, the Board could establish that the billings be provided to the officers by email, and subsequently approved or disapproved for payment. Another option could be to appoint a committee that is responsible for review of attorney billings and approval for staff to process payment.

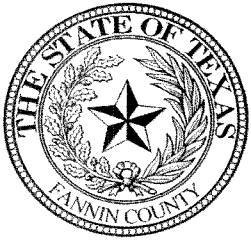
SUMMARY

The staff desires to meet the direction and needs of the Board concerning board meetings. If the Board is content with the current manner of setting meetings, the staff will continue to plan board meetings in this manner.

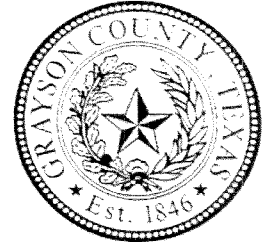
PREPARED AND SUBMITTED BY:

Jerry W. Chapman, General Manager

ATTACHMENT 7



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: FEBRUARY 5, 2013

SUBJECT: AGENDA ITEM NO. 7

CONSIDER AND ACT UPON A RESOLUTION ESTABLISHING A RE-SEALING FEE FOR WELLS

ISSUE

Establishing a well re-sealing fee

BACKGROUND

The Board has previously established a procedure to place seals on each meter installed on wells in the District in order to insure the reliability and accountability of production information recorded. The first seal is placed by the District on the meter at no charge to the well owner. However, changes for re-sealing based upon meter removal or replacement, as well as for repairs made, have been determined by the District to be paid by the well owner. This will help the District recoup some of the costs of applying the new seal to the meters.

CONSIDERATIONS

The seals on the meters will help the District maintain quality records of groundwater production. The fee will help cover the costs incurred by the District to install the seals. Approximately 2 to 4 hours of staff time would be necessary for the field technician to visit and re-seal a well when required.

STAFF RECOMMENDATIONS

The staff recommends the Board consider establishing a well re-sealing fee.

ATTACHMENTS

Draft Resolution

PREPARED AND SUBMITTED BY:

A handwritten signature in cursive script that reads "Jerry Chapman".

Jerry W. Chapman, General Manager

RESOLUTION NO. 2013-02-14-02

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE RED RIVER GROUNDWATER CONSERVATION DISTRICT ESTABLISHING A METER RE-SEALING FEE

WHEREAS, the Red River Groundwater Conservation District ("District") has determined a need to register all new and existing wells within the District's boundaries in Fannin and Grayson Counties; and

WHEREAS, the District has determined that a seal should be installed on each meter in order to insure the integrity of the groundwater production information; and

WHEREAS, the Board amended the Temporary Rules on December 12, 2012 to include a provision for the District to install seals on each well meter; and

WHEREAS, the Board agreed the initial seal installed on the meter will be provided at no cost to the well owner, but all future seals would be charged a meter re-sealing fee; and

WHEREAS, the Temporary Rules amended on December 12, 2012 includes a provision to establish a well meter re-sealing fee by resolution; and

WHEREAS, the District has determined that installing a seal on each meter will take approximately two (2) to four (4) hours of staff time; and

WHEREAS, the Board has determined that a \$250 Well Meter Re-Sealing Fee should be charged when a well registration form for an existing non-exempt well or any new well is submitted to the District;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RED RIVER GROUNDWATER CONSERVATION DISTRICT that the Well Meter Re-Sealing Fee in the amount of \$250 becomes effective immediately.

Upon motion by _____ seconded by _____, the foregoing Resolution was passed and approved on this 14th day of February, 2013 by the following vote:

AYE:

NAY:

ABSTAIN:

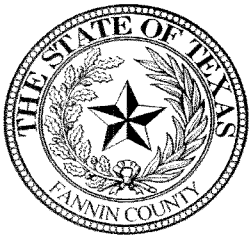
At a meeting of the Board of Directors of the Red River Groundwater Conservation District.

President

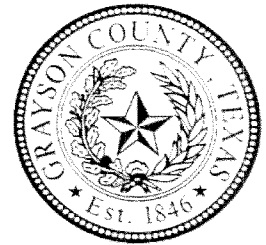
ATTEST:

Secretary-Treasurer

ATTACHMENT 8



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: FEBRUARY 7, 2013

SUBJECT: AGENDA ITEM NO. 8

RECEIVE UPDATE ON DISTRICT WELL REGISTRATION WEBSITE PROJECT

ISSUE

Update on well registration website project

BACKGROUND

In 2011 the Board issued a contract to Alan Plummer Associates, Inc. to develop a well registration website. The cost for this project was \$65,900 plus the cost of the website hosting and server license. This work on this project began in late 2011 and continued through 2012. The work on the initial phase of the project was completed in late 2012. The project has been paid in full and is considered complete.

In the summer of 2012, the Board issued a contract for a second phase of the project and a monthly maintenance contract to IT Nexus. Phase 2 added functionality and search capabilities to the website for a total additional cost of \$10,200. The maintenance is an annual contract for \$500 per month.

The contractors have been very responsive and the staff has had no complaints regarding response time. IT Nexus is currently working to develop a feature to provide for meter change outs and a place to record monthly flushing totals, which will be deducted from the total production costs for each month.

CONSIDERATIONS

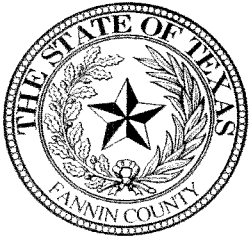
The website is fully functioning. Any modifications or improvements noted by the staff or other users have been provided to the consultant and been promptly addressed. The website continues to be upgraded on a monthly basis, with upgrades not included in Phase 2 coming from the maintenance funds.

PREPARED AND SUBMITTED BY:

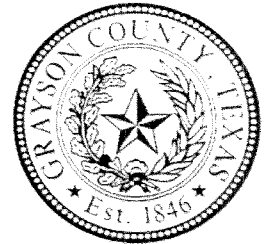
A handwritten signature in cursive script that reads "Jerry W. Chapman".

Jerry W. Chapman, General Manager

ATTACHMENT 11



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: FEBRUARY 7, 2013

SUBJECT: AGENDA ITEM NO. 11

GENERAL MANAGER'S REPORT

SUMMARY

The registered well information is attached for your information and use. There has not been much change since the last month. The field technician has experienced some health problems and has not been able to inspect wells in the past month.

ATTACHMENTS

Well Registration Summary

PREPARED AND SUBMITTED BY:

A handwritten signature in cursive script that reads "Jerry W. Chapman".

Jerry W. Chapman, General Manager

Red River Groundwater Conservation District

Well Registration Summary

As of February 7, 2013

Well Type	Total Registered	Previous Month	New Registrations
Domestic	55	47	8
Agriculture	16	16	0
Oil/Gas	5	5	0
Surface Impoundments	1	0	1
Commercial	5	4	1
Golf Course	7	7	0
Livestock	8	8	0
Irrigation	1	1	0
Public Water	231	231	0
Total	329	319	10

ADJOURN