

**NORTH TEXAS  
GROUNDWATER  
CONSERVATION  
DISTRICT**

**BOARD MEETING**

**MUSTANG SUD ADMINISTRATIVE OFFICES  
7985 FM 2931  
AUBREY, TEXAS**

**WEDNESDAY  
AUGUST 16, 2017  
10:00 AM**

# NOTICE OF PUBLIC MEETING

OF THE  
BOARD OF DIRECTORS of the

**NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT**  
at the

**Mustang SUD Administrative Offices**  
**7985 FM 2931**  
**Aubrey, Texas**  
**Wednesday, August 16, 2017**

## Board Meeting

The regular Board Meeting will begin at 10:00 a.m.

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

### Agenda:

1. Pledge of Allegiance and Invocation.
2. Call to order, establish quorum; declare meeting open to the public.
3. Public comment.
4. Consider and act upon approval of the minutes from the June 13, 2017, board meeting.
5. Consider and act upon approval of invoices and reimbursements.
6. Consider Report from Nominating Committee and act upon Election of Officers.
7. Appointment of a Rules Committee.
8. Receive reports from the following Committees\*:
  - a. Budget and Finance Committee
    - 1) Receive Monthly Financial Information
    - 2) Consider and Act Upon Amending 2017 Budget
    - 3) Consider and act upon 2018 Operating Budget and Adopt Rate Schedule
  - b. Investment Committee
    - 1) Receive Quarterly Investment Report
  - c. Groundwater Monitoring and Database Committee
  - d. Management Plan Committee
    - 1) Receive Quarterly Report

9. Update and possible action regarding the process for the development of Desired Future Conditions (DFCs).
10. Designation of Director to Serve as District's Joint Planning Representative for Groundwater Management Area 8.
11. Consider and act upon compliance and enforcement activities for violations of District rules.
  - a. Strittmatter Irrigation & Supply, Inc. lawsuit
12. General Manager's Report: The General Manager will update the board on operational, educational and other activities of the District.
  - a. Update on oil and gas and disposal/injection well monitoring activities with the Railroad Commission of Texas
  - b. Bylaws revisions
13. Receive presentation from the District's Hydrogeologist and Legal Counsel regarding permanent rules development.
  - a. Consider and act upon action items for rules development
14. Open forum / discussion of new business for future meeting agendas.
15. 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](mailto: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); 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.



ATTACHMENT 4

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

**TUESDAY, JUNE 13, 2017**

**MUSTANG SUD ADMINISTRATIVE OFFICES  
7985 FM 2931  
AUBREY, TEXAS**

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Members Present: Eddy Daniel, P.E., Allen Knight Chris Boyd, Philip Sanders, Thomas Smith, P.E., Ron Sellman, Ronny Young, Joseph Helmberger, P.E., and Evan Groeschel

Members Absent:

Staff: Drew Satterwhite, P.E., Allen Burks, Wayne Parkman, Carolyn Bennett, Velma Starks

Visitors: Peter M. Schulmeyer, Collier Consulting  
Neal Welch, City of Sanger  
Carl Deaton, Hankins, Eastup, Deaton, Tonn & Seay Certified Public Accountants

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1. Pledge of Allegiance and Invocation

President Daniel led the group in the Pledge of Allegiance and provided the invocation.

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

President Daniel called the meeting to order at 10:00 a.m., established a quorum was present, and declared the meeting open to the public.

3. Presentation of Service Appreciation Plaque to Eddy Daniel.

General Manager Satterwhite expressed appreciation for President Daniel's leadership and hard work during his eight years on the board and serving as president. Mr. Satterwhite also acknowledged Mr. Daniel's hard work and leadership as Chairman of the GMA8 Committee. The Board of Directors echoed Mr. Satterwhite's sentiments. President Daniel's thanked the Board of Directors for their hard work and support throughout the last 8 years.

Eddy Daniel left after presentation.

4. Administer Oath of Office to newly appointed Board Members.

Carolyn Bennett administered the Oath of Office to newly appointed Board Members – Evan Groeschel, Thomas Smith, and Allen Knight who was appointed to replace Eddy Daniel as Collin

County Groundwater Producers Board representative.

5. Public Comment

There were no citizens present requesting to appear before the Board of Directors for public comment.

6. Consider and act upon approval of Minutes from the April 11, 2017 board meeting

After review and discussion, motion was made by Chris Boyd and seconded by Thomas Smith to approve the Minutes from the April 11, 2017 board meeting. Motion passed unanimously.

7. Consider and act upon approval of invoices and reimbursements.

General Manager Satterwhite commented on the Sledge Law legislative item. He updated the board on the legislative bills. He reminded the Board that they had budgeted \$10,000 with the option of board review to pay more than budgeted if necessary or amend budget. The board discussed the \$10,363.00 and decided to increase the budget amount to \$15,000.00. The Board decided to put an item on the next agenda for a budget amendment. Chris Boyd made the motion to approve the liabilities. Thomas Smith seconded the motion. Motion passed unanimously.

8. Consider and act upon 2016 Audit

Carl Deaton, Partner with Hankins, Eastup, Deaton, Tonn & Seay Certified Public Accountants presented the audit. Joseph Helmberger made the motion to accept the audit as presented. Ron Sellman seconded the motion. Motion passed unanimously.

Board requested that legal counsel be asked regarding a contract for GMA8 members.

9. Receive reports from the following Committees\*:

a. Budget and Finance Committee

1) Receive Monthly Financial Information

General Manager Satterwhite reviewed the financial information with the Board.

b. Groundwater Monitoring and Database Committee

1) Update on Database Development

General Manager Satterwhite reported on the meetings that have been held with INTERA and the progress that is being made.

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

General Manager Satterwhite informed the Board we are waiting on TWDB to tell us that the Explanatory Report administrative is complete.



11. Appointment of a Budget Committee

The Board decided to put this on next month's agenda.

12. Appointment of a Nominating Committee for Election of Officers

The Board appointed Philip Sanders, Thomas Smith, and Ron Sellman to serve on the Nominating Committee.

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

a. Strittmatter Irrigation & Supply, Inc. lawsuit

General Manager Satterwhite provided a brief overview of the where the lawsuit stood. The Board requested that Kristen put together a confidential information report for the Board.

b. District rules and procedures

General Manager Satterwhite requested Board direction on the f discovery of unregistered non-exempt wells. The Board discussed charging late fees, payment of past production based on formulas to calculate the amounts due, and credits to producers already fined for nonpayment. The Board decided that the District should allow 90 days for installation of a meter after first contact, at 91 days a violation is to be assessed. Send certified letters to the well owners informing them of the need to register the well. The District staff will work with legal counsel to develop a protocol for the unregistered wells, as well as how to handle the past unregistered well owners who have already paid based upon the formulaic approaches. Philip Sanders made motion, subject to approval and other recommendations by legal counsel, to set a time frame for notified well owners to register their well(s), allow 90 days for installation of a meter, with a violation assessed if the well owner does not register their well or meter their well within established timeframes. A Thomas Smith seconded the motion. Motion passed unanimously.

The Board then discussed a well located on wedding venue property. The Board concurred with the determination the well is non-exempt.

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

a. Update on oil and gas and disposal/injection well monitoring activities with the Railroad Commission of Texas

No report

15. Open Forum / discussion of new business for future meeting agendas

Legal Counsel and Hydrogeologist will be at next meeting to discuss future spacing and permanent rules. Other items requested on the next agenda include election of officers, appointment of a committee for budget and permanent rules. The Board requested staff to submit a letter to non-exempt well owners stating that no rate increase is anticipated.

16. Adjourn public meeting

Ronny Young declared the meeting adjourned 11:13 a.m.

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\_\_\_\_\_  
Recording Secretary

\_\_\_\_\_  
Secretary-Treasurer



ATTACHMENT 5

RESOLUTION NO. 2017-08-16-1

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT AUTHORIZING PAYMENT OF ACCRUED LIABILITIES FOR THE MONTH OF JULY AND AUGUST 2017

The following liabilities are hereby presented for payment:

<u>Administrative Services</u>	<u>Amount</u>
GTUA - July 2017	18,121.73
GTUA - June	22,674.27
<u>Advertising</u>	
Gainesville Daily Register July 2017	237.60
Denton Publishing Company July 2017	438.00
<u>Auditing</u>	
Hankins, Eastup, Deaton Tonn & Seay - 5/31/17 Audit	5,400.00
<u>Consultant</u>	
LBG-Guyton - Hydro Services through May 31, 2017	647.70
<u>Direct Costs</u>	
A1 Printing - #10 business envelopes	195.00
Awards Unlimited - appreciation award for E. D. and Name plate for A. Knight	135.95
NexTraq - June 2017 GPS tracking for truck	39.95
USTI - E-Billing	16.00
<u>Injection Well Monitoring</u>	
Statwide Plat Service - May 2017	50.00
Statwide Plat Service June 2017	56.40
<u>Legal</u>	
Fancher Legal - May 2017, Gen. & Strittmatter Law suit.	1,231.69
Fancher Legal - June 2017, Gen. & Strittmatter Law suit.	2,260.00
<u>Meetings &amp; Conference</u>	
Mustang - Rent	75.00
Texas Alliance Groundwater - Registration for D.S. and two Field Techs	452.50
<u>Software Maintenance</u>	
Aquaveo - June 2017 well dabase maintenance	500.00
Intera - April / May / June 2017	15,380.89
<u>Telephone</u>	
8x8 Phone Services	125.89
<b>GRAND TOTAL:</b>	<b><u>\$ 49,916.84</u></b>

On motion of \_\_\_\_\_

and seconded by \_\_\_\_\_ the foregoing  
Resolution was passed and approved on this, 16th Day of August 2017 by the following vote:

AYE:  
NAY:

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

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary/Treasurer



ATTACHMENT 7





## AGENDA COMMUNICATION

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DATE: August 8, 2017

SUBJECT: AGENDA ITEM NO. 7

### APPOINTMENT OF A RULES COMMITTEE

#### ISSUE

Appointment of a Rules Committee

#### BACKGROUND

The District is in the process of developing permanent rules which will include, but not be limited to, establishing permitting and well spacing rules.

Staff is proposing that the President establish a Rules Committee to help guide the Board, staff and consultants through the rules development process. The Officers will be rotated at the August 2017 meeting and we have had some turnover in Board representation. Due to these facts, the Board requested at the last meeting to place an item on the next agenda to make a formal appointment of this committee.

#### CONSIDERATIONS

The Committees are appointed by the Board President. Last year's Committee consisted of Evan Groeschel, Philip Sanders, and Eddy Daniel.

#### PREPARED AND SUBMITTED BY:

Drew Satterwhite, P.E., General Manager

ATTACHMENT 8 a. 1)



## North Texas Groundwater Conservation District

**Balance Sheet**

For General Fund (00)

July 31, 2017

Assets

00-01-10001	Checking Account	403,248.70
00-01-10005	Index Account	777,113.61
00-01-10010	Investments	.00
00-01-10025	Accounts Receivable	184,844.89
00-01-10030	Undeposited Funds	.00
00-01-10035	A/R Central Texas GCD	.00
00-01-10036	A/R Clearwater UWCD	.00
00-01-10037	A/R Middle Trinity GCD	.00
00-01-10038	A/R Northern Trinity GCD	.00
00-01-10039	A/R Post Oak Savannah GCD	.00
00-01-10040	A/R Prairielands GCD	.00
00-01-10041	A/R Saratoga UWCD	3,257.28
00-01-10042	A/R Southern Trinity GCD	.00
00-01-10043	A/R Upper Trinity GCD	.00
00-01-10044	A/R Red River GCD	.00
00-01-10045	A/R Barco Well Services	.00
00-01-10046	A/R Whitetail Holdings LTD	.00
00-01-10047	A/R Experian	.00
00-01-10048	A/R Strittmatter Irrigation	14,000.00
00-01-12001	PP Expense	4,092.00
	<b>Total</b>	<u>1,386,556.48</u>
	<b>Total Assets</b>	<u>\$ 1,386,556.48</u>

Liabilities and Fund Balance

00-01-23100	Accounts Payable	26,166.79
00-01-23150	Well Drillers Deposits	48,600.00
00-01-23200	Loan Proceeds	300,000.00
	<b>Total</b>	<u>374,766.79</u>
	<b>Total Liabilities</b>	<u>374,766.79</u>
00-01-35100	Fund Balance	907,788.89
00-01-35105	Committed Fund Balance	.00
00-01-35110	Current Year Excess of Revenue over Expenses	94,006.33
	<b>Total</b>	<u>1,001,795.22</u>
	Excess of Revenue Over Expenditures	9,994.47
	<b>Total Fund Balances</b>	<u>1,011,789.69</u>
	<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,386,556.48</u>



**North Texas Groundwater Conservation District**  
**Statement of Revenue and Expenditures**

8/10/2017 8:57am

Page 1

Revised Budget  
 For General Fund (00)  
 For the Fiscal Period 2017-7 Ending July 31, 2017

Account Number	Current Budget	Current Actual	Annual Budget	YTD Actual	Remaining Budget %
<b>Revenues</b>					
00-01-46001 Well Production Fees	\$ 0.00	\$ 0.00	\$ 746,000.00	275,241.07	63.10%
00-01-46003 Well Registration Fees	833.33	800.00	10,000.00	9,800.00	2.00%
00-01-46005 Well Drillers Fees	0.00	0.00	0.00	0.00	0.00%
00-01-46010 GMA8 Fees	833.33	0.00	10,000.00	0.00	100.00%
00-01-46015 Late Fees	0.00	0.00	3,000.00	(216.63)	107.22%
00-01-46016 Penalty and Fines	0.00	0.00	1,500.00	0.00	100.00%
00-01-46100 Interest Inc	83.33	183.23	1,000.00	1,250.30	(25.03%)
<b>Total General Fund Revenues</b>	<b>\$ 1,749.99</b>	<b>\$ 983.23</b>	<b>\$ 771,500.00</b>	<b>\$ 286,074.74</b>	<b>62.92%</b>
<b>Expenditures</b>					
00-01-77012 Admin-Mileage	\$ 200.00	\$ 3.80	\$ 2,400.00	1,245.86	48.09%
00-01-77013 Admin-Secretarial	2,500.00	1,316.00	30,000.00	14,672.00	51.09%
00-01-77014 Admin-Project Coordinator	708.33	1,608.00	8,500.00	14,424.00	(69.69%)
00-01-77015 Admin-GM	4,166.67	2,340.00	50,000.00	29,940.00	40.12%
00-01-77016 Admin-Clerical	3,166.67	2,760.00	38,000.00	19,018.32	49.95%
00-01-77025 Accounting	1,666.67	1,339.50	20,000.00	10,852.00	45.74%
00-01-77027 Auditing	450.00	0.00	5,400.00	5,400.00	0.00%
00-01-77030 Advertising	83.33	675.60	1,000.00	1,018.43	(1.84%)
00-01-77050 Banking Fees	0.00	0.00	0.00	0.00	0.00%
00-01-77100 Consulting Services	0.00	0.00	0.00	0.00	0.00%
00-01-77150 Consulting- Hydrogeo	6,250.00	0.00	75,000.00	46,819.49	37.57%
00-01-77175 Consulting - Model Runs	1,666.67	0.00	20,000.00	0.00	100.00%
00-01-77325 Direct Cost	333.33	132.70	4,000.00	2,996.99	25.08%
00-01-77450 Dues & Subscription	166.67	0.00	2,000.00	125.00	93.75%
00-01-77480 Equipment	166.67	0.00	2,000.00	0.00	100.00%
00-01-77500 Fees-GMA8	916.67	0.00	11,000.00	3,075.52	72.04%
00-01-77550 Field Tech	10,000.00	7,769.00	120,000.00	64,024.50	46.65%
00-01-77560 Field Permitting/Geologist	0.00	0.00	70,000.00	0.00	100.00%
00-01-77650 Fuel/Maintenance	250.00	185.96	3,000.00	1,538.06	48.73%
00-01-77800 Injection Well Monitoring	58.33	0.00	700.00	370.60	47.06%
00-01-77810 Insurance	416.67	356.00	5,000.00	2,192.00	56.16%
00-01-77970 Legal	5,000.00	2,260.00	60,000.00	17,611.91	70.65%
00-01-77975 Legal-Injection	833.33	0.00	10,000.00	5,560.60	44.39%
00-01-77980 Legal-Legislation	833.33	0.00	15,000.00	10,363.00	30.91%
00-01-78010 Meetings & Conferences	250.00	392.84	3,000.00	2,046.61	31.78%
00-01-78310 Rent	200.00	400.00	2,400.00	1,400.00	41.67%
00-01-78600 Software Maint	600.00	0.00	30,000.00	20,452.41	31.83%
00-01-78610 Telephone	166.67	0.00	2,000.00	932.97	53.35%
<b>Total General Fund Expenditures</b>	<b>\$ 41,050.01</b>	<b>\$ 21,539.40</b>	<b>\$ 590,400.00</b>	<b>\$ 276,080.27</b>	<b>53.24%</b>
<b>General Fund Excess of Revenues Over Expenditures</b>	<b>\$ (39,300.02)</b>	<b>\$ (20,556.17)</b>	<b>\$ 181,100.00</b>	<b>\$ 9,994.47</b>	<b>94.48%</b>

ATTACHMENT 8 a. 2)





## AGENDA COMMUNICATION

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DATE: August 7, 2017

SUBJECT: AGENDA ITEM NO. 8 a. 2)

### CONSIDER AND ACT UPON AMENDING 2017 BUDGET

#### ISSUE

Consider and act upon amendments to the 2017 budget

#### BACKGROUND

At the June 2017 meeting, the Board of Directors authorized the expenditure of up-to \$15,000 to Sledge Law Group for legal work involved with the legislative session of 2017. The Board subsequently requested a budget amendment so that the budget would reflect the appropriate amount allocated for this task.

#### CONSIDERATIONS

The Board can decide to amend the budget for any of the attached items as they see fit, or the Board can wait until the end of the year to modify the budget for adjustments of expenditures that occurred during the course of the year.

The budget amendment would increase the legal-legislation item from \$10,000 to \$15,000. This would increase the overall expenditures of the budget to \$590,400 which is still well below the District's budgeted revenue

#### STAFF RECOMMENDATIONS

The staff recommends the Board approve the proposed amended budget.

#### ATTACHMENTS

Proposed Amended Budget

#### PREPARED AND SUBMITTED BY:



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Drew Satterwhite, P.E. General Manager



# North Texas Groundwater Conservation District

## Revised Annual Budget

For General Fund (00)  
For the Fiscal Year 2017

Account Number	Description	Original Budget		Revisions		Revised Budget	
		Debits	Credits	Debits	Credits	Debits	Credits
00-01-46001	Well Production Fees		\$746,000.00		\$0.00		\$746,000.00
00-01-46003	Well Registration Fees		\$10,000.00		\$0.00		\$10,000.00
00-01-46005	Well Drillers Fees		\$0.00		\$0.00		\$0.00
00-01-46010	GMA8 Fees		\$10,000.00		\$0.00		\$10,000.00
00-01-46015	Late Fees		\$3,000.00		\$0.00		\$3,000.00
00-01-46016	Penalty and Fines		\$1,500.00		\$0.00		\$1,500.00
00-01-46100	Interest Inc		\$1,000.00		\$0.00		\$1,000.00
<b>General Fund Revenue</b>			<b>\$771,500.00</b>		<b>\$0.00</b>		<b>\$771,500.00</b>
00-01-77012	Admin-Mileage	\$2,400.00		\$0.00		\$2,400.00	
00-01-77013	Admin-Secretarial	\$30,000.00		\$0.00		\$30,000.00	
00-01-77014	Admin-Project Coordinator	\$8,500.00		\$0.00		\$8,500.00	
00-01-77015	Admin-GM	\$50,000.00		\$0.00		\$50,000.00	
00-01-77016	Admin-Clerical	\$38,000.00		\$0.00		\$38,000.00	
00-01-77025	Accounting	\$20,000.00		\$0.00		\$20,000.00	
00-01-77027	Auditing	\$5,400.00		\$0.00		\$5,400.00	
00-01-77030	Advertising	\$1,000.00		\$0.00		\$1,000.00	
00-01-77050	Banking Fees	\$0.00		\$0.00		\$0.00	
00-01-77100	Consulting Services	\$0.00		\$0.00		\$0.00	
00-01-77150	Consulting- Hydrogeo	\$75,000.00		\$0.00		\$75,000.00	
00-01-77175	Consulting - Model Runs	\$20,000.00		\$0.00		\$20,000.00	
00-01-77325	Direct Cost	\$4,000.00		\$0.00		\$4,000.00	
00-01-77450	Dues & Subscription	\$2,000.00		\$0.00		\$2,000.00	
00-01-77480	Equipment	\$2,000.00		\$0.00		\$2,000.00	
00-01-77500	Fees-GMA8	\$11,000.00		\$0.00		\$11,000.00	
00-01-77550	Field Tech	\$120,000.00		\$0.00		\$120,000.00	
00-01-77560	Field Permitting/Geologist	\$70,000.00		\$0.00		\$70,000.00	
00-01-77650	Fuel/Maintenance	\$3,000.00		\$0.00		\$3,000.00	
00-01-77800	Injection Well Monitoring	\$700.00		\$0.00		\$700.00	
00-01-77810	Insurance	\$5,000.00		\$0.00		\$5,000.00	
00-01-77970	Legal	\$60,000.00		\$0.00		\$60,000.00	
00-01-77975	Legal-Injection	\$10,000.00		\$0.00		\$10,000.00	
00-01-77980	Legal-Legislation	\$10,000.00		\$0.00		\$10,000.00	
00-01-78010	Meetings & Conferences	\$3,000.00		\$5,000.00		\$15,000.00	
00-01-78310	Rent	\$2,400.00		\$0.00		\$3,000.00	
00-01-78600	Software Maint	\$30,000.00		\$0.00		\$2,400.00	
00-01-78610	Telephone	\$2,000.00		\$0.00		\$30,000.00	
						\$2,000.00	

**North Texas Groundwater Conservation District**  
**Revised Annual Budget**

For General Fund (00)  
 For the Fiscal Year 2017

Account Number	Description	Original Budget		Revisions		Revised Budget	
		Debits	Credits	Debits	Credits	Debits	Credits
<b>General Fund Expense</b>		\$585,400.00		\$5,000.00		\$590,400.00	
<b>General Fund</b>			\$186,100.00	\$5,000.00	\$0.00	\$181,100.00	

ATTACHMENT 8 a. 3)





## AGENDA COMMUNICATION

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**DATE:** August 8, 2017

**SUBJECT:** AGENDA ITEM NO. 8 a.3)

**CONSIDER AND ACT UPON 2018 OPERATING BUDGET AND ADOPT RATE SCHEDULE**

**ISSUE**

2018 operating budget and rate schedule

**BACKGROUND**

In the past, the Board of Directors of the North Texas Groundwater Conservation District ("District") has established the practice of trying to adopt a budget and rate schedule as early as possible. The District's fiscal year is based on a calendar year from January 1<sup>st</sup> through December 31<sup>st</sup>, while many of the groundwater producers who pay production fees operate on fiscal years that begin October 1<sup>st</sup> through September 30<sup>th</sup>. For this reason, the Board has attempted to establish production fees as early as possible in the budget planning process.

A draft 2018 budget was presented to the Budget Committee on August 11 and their comments have been incorporated into the attached draft budget. A draft fee schedule is also attached and the committee thought this document merited in depth discussion from the entire board.

**STAFF RECOMMENDATIONS**

The staff requests direction from the Board on the adoption of the 2018 Budget and Fee Schedule.

**ATTACHMENTS**

2018 Draft Budget  
2018 Draft Fee Schedule  
Resolutions

**PREPARED AND SUBMITTED BY:**

Drew Satterwhite, P.E., General Manager

Debi Atkins, Finance Officer

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT  
BUDGET 2018

Ordinary Income/Expense	Actual 2016	Approved 2017	Actual 6/30/2017	Est 12/31/2017	Proposed 2018
<b>Income</b>					
46003 GMA8	51,043	10,000			10,000
46001 PRODUCTION FEES	650,463	746,000	275,766	551,532	698,000
46005 Drillers Fees	2,200				
46006 WELL REG FEES	20,400	10,000	9,000	18,000	18,000
46016 Penalty & Fines	15,250	1,500			
46100 Interest	2,033	1,000	889	1,777	1,500
46015 LATE FEES	5,852	3,000			
<b>Total Income</b>	<b>747,242</b>	<b>771,500</b>	<b>285,655</b>	<b>571,309</b>	<b>727,500</b>
<b>Expense</b>					
77012 ADMIN MILEAGE	2,174	2,400	1,242	2,484	2,500
77013 ADMIN-SECRETARIAL	26,880	30,000	13,356	26,712	30,000
77014 ADMIN-PROJECT COORD	13,618	8,500	12,816	25,632	15,000
77015 ADMIN-GM	45,028	50,000	27,600	55,200	55,000
77016 ADMIN-CLERICAL	32,352	38,000	16,258	32,517	33,000
77030 ADS-LEGAL	1,303	1,000	343	686	1,000
77025 ACCOUNTING	26,247	20,000	9,513	19,025	25,000
77027 AUDITING	5,300	5,400	5,400	5,400	5,500
77050 BANKING FEES	30				
77100 CONSULTING UPDATE					
77150 CONSULTING-HYDROGEO	45,687	75,000	39,546	79,093	85,000
77175 CONSULTING-MODEL RUNS		20,000			
77550 CONTRACT FIELD	108,794	120,000	56,256	112,511	125,000
77860 CONTRACT PERMITTING/GEOLOGIST		70,000			70,000
77325 DIRECT COSTS-REIMB	3,234	4,000	2,859	5,719	4,000
77450 DUES & SUBSCRIPTION	2,072	2,000	125	2,000	2,000
77480 EQUIPMENT	1,093	2,000			2,000
77500 FEES-GMA8	41,326	11,000	3,076	6,151	11,000
77650 FUEL/MAINTENANCE	3,511	3,000	1,352	2,704	3,000
77800 Inject Well Monitoring	626	700	264	528	700
77810 INSURANCE & BONDING	3,812	5,000	1,836	3,672	4,000
77970 LEGAL	51,971	60,000	15,352	30,704	50,000
77980 LEGAL-LEGISLATION		15,000	10,363	20,726	
77975 LEGAL-INJECTION	8,265	10,000	5,561	11,121	10,000
78000 LOAN REIMB	300,000				
78010 MEETINGS & CONFERENCES	3,457	3,000	1,654	3,308	4,500
78310 RENT	2,400	2,400	1,000	2,400	2,400
78600 SOFTWARE MAINT	7,894	30,000	19,952	39,905	10,000
78610 TELEPHONE	1,913	2,000	933	1,866	2,000
78775 WATER QUALITY ISSUES					
78780 WELL MONITORING/TESTING					
<b>Total Expense</b>	<b>738,986</b>	<b>590,400</b>	<b>246,656</b>	<b>490,063</b>	<b>552,600</b>
<b>Net to Fund Balance</b>	<b>8,256</b>			<b>81,246</b>	<b>174,900</b>

**Production Income Summary**

	2014	2015	2016	Average
<b>Production Income</b>	\$ 698,005	\$ 746,247	\$ 650,463	\$ 698,238
<b>Gallons of Production</b>	6,980,050,000	7,462,470,000	6,504,631,600	7,221,260,000

Production Income @ \$.09/1000	\$ 722,126
Production Income @ \$.09/1000	\$ 686,020
Production Income @ \$.09/1000	\$ 649,913
Production Income @ \$.085/1000	\$ 613,807
Production Income @ \$.08/1000	\$ 577,701

\* Please note we have \$29,500 in proposed income from sources other than production  
Expenditures in proposed budget are equal to \$ 552,600

**Fund Balance Policy Breakdown**

Committed Fund Balance	\$ 825,000
Unassigned as of 1/1/17	\$ 464,077
Unassigned (33%) Req'd	\$ 182,358



LBG Guyton Proposed Budget Items

Task	Cost
Assistance with permanent rule development (permitting, outcrop-subcrop, management zones, spacing, etc.)	\$25,000
GMA-8, coordination meetings with neighboring districts, Meeting Attendance, etc.	\$10,000
Permitting/Spacing Implementation, assistance with permits and variances	\$20,000
Commissioner's Court Appearances for Lot Size Implementation	\$5,000
Better Defining Outcrop/Subcrop and Regional Boundaries	\$25,000

This item will potentially be needed based upon the spacing/permitting scheme implemented by the Board next year



## Draft 2018 Fee Schedule

Well Registration Fee****	\$100
Well Driller Log Deposit Fee***	\$100 (refundable if log submitted within 60 days)
Agricultural Water Use Fee**	\$1 per acre-foot
Non-Exempt Water use Fee**	\$0.10 per 1,000 gallons
Failure to Pay Water Use Fee within 30-days*	15%
Failure to Pay Water Use Fee within 60-days*	Major Violation – See Appendix A of the Temporary Rules for schedule of Violations

- \* Adopted on August 12, 2014 in Temporary Rules
- \*\* Adopted on July 14, 2015 by Resolution No. 2015-07-14-2
- \*\*\* Adopted on January 10, 2012 by Resolution No. 2012-01-10-3
- \*\*\*\* Adopted on February 12, 2013 by Resolution No. 2013-02-12-2

**RESOLUTION 2017-08-16-02**

**ADOPTING A BUDGET FOR 2018**

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, 2018 through December 31, 2018, 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, 2018 through December 31, 2018, 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, 2018, to December 31, 2018, 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 16<sup>th</sup> day of August, 2017.

**NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT**

By: \_\_\_\_\_  
President

SEAL

\_\_\_\_\_  
Secretary

**RESOLUTION NO. 2017-08-16-3**

**RESOLUTION TO ESTABLISH 2018 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 \_\_\_\_\_ 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 2018 of \_\_\_\_\_ cents per each one thousand gallons (\$\_\_\_\_\_ / 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 2018 (January 1, 2018 through December 31, 2018).
- (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 2018 of one dollar per acre-foot (\$1.00 / acre-foot) of groundwater used annually for agricultural purposes. Such rate will be effective during 2018 (January 1, 2018 through December 31, 2018).
- (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 16th day of August, 2017.

**NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT**

By: \_\_\_\_\_  
Board President

ATTEST:

\_\_\_\_\_  
Board Secretary-Treasurer



ATTACHMENT 8 b. 1)

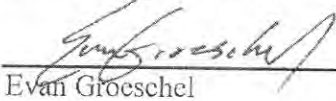
North Texas Groundwater Conservation District  
Investment Report  
June 30, 2017

This report complies with the requirements of the Public Funds Investment Act and covers all the funds of the District that are subject to the Act. At June 30, 2017, the investment position was a little more than \$1,200,000. \$776,789 of these funds are invested in a CDARS program thru Independent Bank earning .25%.

The District was in compliance with all provisions on the investment policy and the Public Funds Investment Act as of June 30, 2017.

All transactions were routine.

Presented by North Texas Groundwater Conservation District Investment Officers:



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Evan Groeschel



ATTACHMENT 8 d. 1)



# NTG CID NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

COLLIN COUNTY - COOKE COUNTY - DENTON COUNTY

## General Manager's Quarterly Report

Date: June 30, 2017

### North Texas GCD Management Plan

This quarterly briefing is being provided pursuant to the adopted Management Plan for the quarter ending June 30, 2017.

**Well Registration Program:**

Current number of wells registered in the District: 1,915

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

**Well Inspection/Audit Program:**

**2017  
Well Inspections**

Month	Collin	Cooke	Denton	Total
January	6	1	14	21
February	3	2	18	23
March	13	4	10	27
April	13	10	10	33
May	5	12	15	32
June	10	2	18	30
July				
August				
September				
October				
November				
December				
<b>Total</b>	<b>50</b>	<b>31</b>	<b>85</b>	<b>166</b>

ATTACHMENT 10



DATE: August 7, 2017

SUBJECT: AGENDA ITEM NO. 10

**DESIGNATION OF DIRECTOR TO SERVE AS DISTRICT'S JOINT PLANNING REPRESENTATIVES FOR  
GROUNDWATER MANAGEMENT AREA 8**

**ISSUE**

Mr. Eddy Daniel, P.E., has decided to retire his position on the District's Board of Directors after 8 years of service and dedication. Mr. Daniel will need to be replaced as the District's representative for Groundwater Management Area ("GMA") 8.

**BACKGROUND**

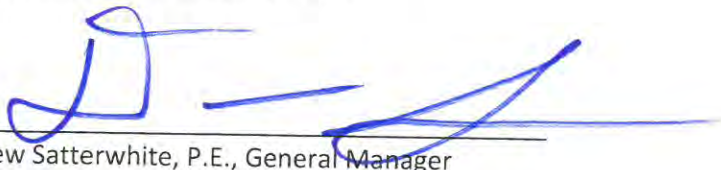
The GMA adopted Administrative Policies and Procedures in 2014. The following is an excerpt from the referenced document which describes the method of selecting a representative:

*A Member District's Board President or the President's designee shall be the Member District Representative for GMA 8 planning activities. In the event that the Board President chooses to appoint a designee as the representative or alternate representative of the Member District, evidence of the appointment shall be required to the GMA 8 Administrator either by letter or by copy of the minutes of the meeting at which the President made the appointment. If GMA 8 has been notified that the designee shall serve as an alternate to the President, no further notice to GMA 8 is needed for the alternate to represent the Member District at a GMA 8 meeting. At any time a Member District changes Presidents or designees, the Member District shall notify the GMA 8 Administrator in writing within 60 days of the change.*

**CONSIDERATIONS**

The meetings have traditionally been held in Cleburne, TX as this is a central location for the GMA.

**PREPARED AND SUBMITTED BY:**



Drew Satterwhite, P.E., General Manager



ATTACHMENT 12

North Texas Groundwater Conservation District

Well Registration Summary  
As of June-30-2017

Well Type	Total Registered Collin County	Total Registered Cooke County	Total Registered Denton County	Total INTGCD	New Registrations since May-31-2017
Agriculture	6	11	34	51	0
Commercial / Small Business	6	8	24	38	1
Domestic Use (household / lawn watering at residence)	67	292	498	860	13
Filling a pond or other surface impoundment**	40	13	53	107	3
Golf course irrigation	15	2	21	38	0
Industrial / Manufacturing	6	9	7	23	3
Irrigation	68	5	142	216	6
Leachate	0	0	0	0	0
Livestock Watering	6	56	33	95	2
Monitoring	0	0	0	0	0
Municipal / Public Water System	33	71	212	318	0
Other	10	6	27	43	0
Piezometer	0	0	0	0	0
Poultry	0	0	0	0	0
Solely to supply water for rig actively***	1	1	7	9	0
Supplying water for oil or gas production*	0	5	53	59	0
Not Specified	13	10	34	58	1
SUM	271	489	1145	1915	29

North Texas Groundwater Conservation District

Well Registration Summary  
As of July-31-2017

Well Type	Total Registered Collin County	Total Registered Cooke County	Total Registered Denton County	Total NTGCD	New Registrations since Jun-30-2017
Agriculture	6	11	34	51	0
Commercial / Small Business	6	8	26	40	0
Domestic Use (household / lawn watering at residence)	69	295	509	876	18
Filling a pond or other surface impoundment**	40	13	53	107	1
Golf course irrigation	15	2	21	38	0
Industrial / Manufacturing	7	9	7	24	0
Irrigation	68	5	144	218	3
Leachate	0	0	0	0	0
Livestock Watering	7	56	35	98	2
Monitoring	0	0	0	0	0
Municipal / Public Water System	33	71	212	318	0
Other	10	6	28	44	1
Piezometer	0	0	0	0	0
Poultry	0	0	0	0	0
Solely to supply water for rig actively***	1	1	7	9	0
Supplying water for oil or gas production*	0	5	53	59	0
Not Specified	13	10	35	59	1
SUM	275	492	1164	1941	26



ADJOURN