

**NORTH TEXAS
GROUNDWATER
CONSERVATION
DISTRICT**

BOARD MEETING

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

**TUESDAY
JULY 11, 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
Tuesday, July 11, 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. Consider Report From Nominating Committee and Election of Officers.
4. Appointment of a Budget Committee.
5. Appointment of a Rules Committee.
6. Public comment.
7. Consider and act upon approval of the minutes from the June 13, 2017, board meeting.
8. Consider and act upon approval of invoices and reimbursements.
9. Receive reports from the following Committees*:
 - a. Budget and Finance Committee
 - 1) Receive Monthly Financial Information
 - 2) Consider and Act Upon Amending 2017 Budget
 - b. Investment Committee
 - 1) Receive Quarterly Investment Report
 - c. Groundwater Monitoring and Database Committee
 - d. Management Plan Committee

1) Receive Quarterly Report

10. Update and possible action regarding the process for the development of Desired Future Conditions (DFCs).
11. Designation of Director to Serve as District's Joint Planning Representative for Groundwater Management Area 8.
12. Consider and act upon compliance and enforcement activities for violations of District rules.
 - a. Strittmatter Irrigation & Supply, Inc. lawsuit
13. 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
14. Receive presentation from the District's Hydrogeologist and Legal Counsel regarding permanent rules development.
 - a. Consider and act upon action items for rules development
15. Open forum / discussion of new business for future meeting agendas.
16. 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); 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 3



AGENDA COMMUNICATION

DATE: July 7, 2017

SUBJECT: AGENDA ITEM NO. 3

CONSIDER REPORT FROM NOMINATING COMMITTEE AND ELECTION OF OFFICERS

ISSUE

Consider report from Nominating Committee and election of officers

BACKGROUND

Section 2.4 of the Bylaws of the North Texas Groundwater Conservation District requires that each odd-numbered year at the July Board meeting the Board meet and elect three directors to serve as officers. Officers shall be elected for two year terms. Except for the President, officers may serve multiple terms. The position of President must rotate every two years between the counties in alphabetical order beginning with Collin County. This cycle, the Presidency rotates back to Cooke County for the term beginning July 2017 through June 2019.

CONSIDERATIONS

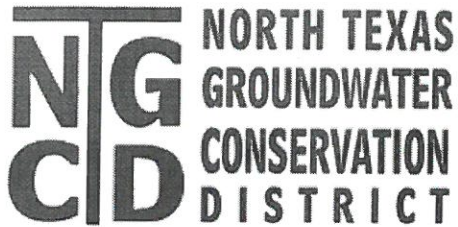
The Officer Committee met on July 7th and will be prepared to make a recommendation to the Board of Directors.

PREPARED AND SUBMITTED BY:

A handwritten signature in blue ink, appearing to read 'Drew Satterwhite', written over a horizontal line.

Drew Satterwhite, P.E., General Manager

ATTACHMENT 4



AGENDA COMMUNICATION

DATE: July 7, 2017
SUBJECT: AGENDA ITEM NO. 4

APPOINTMENT OF A BUDGET COMMITTEE

ISSUE

Appointment of a Budget Committee

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 1st through December 31st, while many of the groundwater producers who pay production fees operate on fiscal years that begin October 1st through September 30th. For this reason, the Board has attempted to establish production fees as early as possible in the budget planning process.

CONSIDERATIONS

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

PREPARED AND SUBMITTED BY:

A handwritten signature in blue ink, appearing to read 'Drew Satterwhite', written over a horizontal line.

Drew Satterwhite, P.E., General Manager

ATTACHMENT 5



AGENDA COMMUNICATION

DATE: July 7, 2017

SUBJECT: AGENDA ITEM NO. 5

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 staff and consultants through the rules development process. The Officers will be rotated at the July 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 July 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 7

**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**

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

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 9a.(2)



AGENDA COMMUNICATION

DATE: July 7, 2017

SUBJECT: AGENDA ITEM NO. 9 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. A draft budget was not available at the time of agenda preparation due to staff vacation schedules. A draft amended budget will be available for review at the meeting.

STAFF RECOMMENDATIONS

The staff recommends the Board approve the proposed amended budget.

PREPARED AND SUBMITTED BY:

Drew Satterwhite, P.E. General Manager

ATTACHMENT 9b. (1)

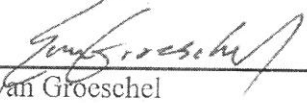
North Texas Groundwater Conservation District
Investment Report
June 30, 2017

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:



Evan Groeschel

ATTACHMENT 9d. (1)



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

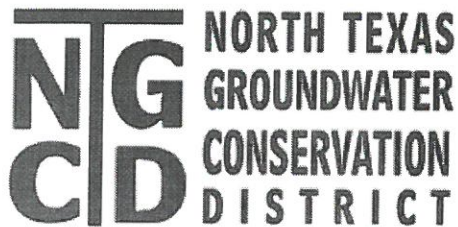
Aquifers in which the wells have been completed: Trinity and Woodbine

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				
Total	50	31	85	166

ATTACHMENT 11



AGENDA COMMUNICATION

DATE: July 7, 2017

SUBJECT: AGENDA ITEM NO. 11

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

ISSUE

Mr. Eddy Daniel, P.E., has decided not to continue serving 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

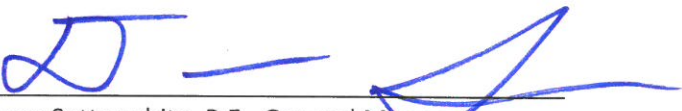
The GMA adopted Administrative Policies and Procedures in 2014. The following is an excerpt from the referenced document which describes the method of selecting a representative.

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 13

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 NTGCD	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

ADJOURN