

**NORTH TEXAS
GROUNDWATER
CONSERVATION
DISTRICT**

BOARD MEETING

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

**TUESDAY
DECEMBER 12, 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, December 12, 2017

Public Meeting to Adopt Desired Future Conditions

The Public 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") will hold a public meeting, accept public comment, and may discuss and consider adoption of the District's Desired Future Conditions.

Agenda

1. Call to Order; establish quorum; declare meeting open to the public; introduction of Board.
2. Review of Desired Future Conditions applicable to the District.
3. Public Comment on District's Desired Future Conditions (verbal comments limited to three (3) minutes each).
4. Consider and act upon adoption of the Desired Future Conditions applicable to the District.

Board Meeting

The regular Board Meeting will begin upon adjournment of the above-noticed Public Meeting to Adopt Desired Future Conditions.

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 November 14, 2017, board meeting.
5. Consider and act upon approval of invoices and reimbursements.
6. Consider and act upon approval of investment Policy.
7. Receive reports from the following Committees*:
 - a. Budget and Finance Committee
 - 1) Receive Monthly Financial Information
 - b. Groundwater Monitoring and Database Committee
8. Update and possible action regarding the process for the development of Desired Future Conditions (DFCs).
9. Consider and act upon compliance and enforcement activities for violations of District rules.
10. General Manager's Report: The General Manager will update the board on operational, educational and other activities of the District.
11. Receive presentation regarding permanent rules development.
 - a. Consider and act upon action items for rules development
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 during an open meeting.

ATTACHMENT 4

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

TUESDAY NOVEMBER 14, 2017

MUSTANG SUD ADMINISTRATIVE OFFICES
7985 FM 2931
AUBREY, TEXAS

Members Present: Allen Knight, Evan Groeschel, Ron Sellman, Philip Sanders, Thomas Smith, Ronny Young, and Chris Boyd

Members Absent: Joe Helmberger

Staff: Drew Satterwhite, Paul Sigle, Allen Burks, Velma Starks, Theda Anderson, and Carolyn Bennett

Visitors: James Beach, LBG Guyton
Kristen Fancher, Fancher Law Firm
Steve Stoner, Collier Consulting

1. Pledge of Allegiance and Invocation

President Ronny Young led the group in the Pledge of Allegiance and Thomas Smith provided the invocation.

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

President Young called the meeting to order at 10:04 a.m., established a quorum was present, and declared the meeting open to the public.

3. Public Comment

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

4. Consider and act upon approval of the minutes from the October 10, 2017 board meeting.

Motion was by Thomas Smith to approve the minutes of the October 10, 2017 meeting. The motion was seconded by Chris Boyd, and passed unanimously.

5. Consider and act upon approval of invoices and reimbursements

After review and brief discussion Allen Knight made the motion to approve Resolution No. 2017-14-11-1. Thomas Smith seconded the motion. Motion passed unanimously.

6. Consider and act upon 2018 Administrative Services Contract with Greater Texoma Utility Authority

General Manager Drew Satterwhite provided the Board with background information. The District and GTUA have entered into an agreement for administrative services to be provided by GTUA for the District since 2010. Both GTUA and District have been satisfied with this agreement. The Scope of Services remains the same as the contract executed for 2017. The budgeted amounts identified in the contract are consistent with the 2018 budget adopted by the District.

Philip Sanders made the motion to approve the 2018 Administrative Services Contract with Greater Texoma Utility Authority. Ron Sellman seconded the motion. Motion was passed unanimously. Board members expressed their appreciation for the staff and the work they do.

7. Receive reports from the following Committees*:

a. Budget and Finance Committee

1) Receive Monthly Financial Information

General Manager Drew Satterwhite reviewed the financial information with the Board. He informed them that two CDs were purchased at Landmark Bank with better interest rates than we had been receiving. Board Member requested that the financials chart the previous year to date with current snap shot to see comparison.

b. Groundwater Monitoring and Database Committee

General Manager Drew Satterwhite informed the Board that INTERA is in the process of pulling data and behind the scenes programing.

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

General Manager Drew Satterwhite informed the Board that the TWDB informed the District that the Administrative is complete. The next thing the Board will have to do is the ten days posting for public comment to adopt the DFC.

9. Consider and act upon compliance and enforcement activities for violations of District's Rules.

a. 440 Ranch

General Manager Drew Satterwhite provided background information to the Board. The 440 Ranch has a 190 gpm well, no meter, not submitting a production report and not paying fees. The Staff explained that 440 Ranch was in major violation for 1) failure to install meter, 2) failure to submit meter readings, and 3) failure to pay fees. Thomas Smith made the motion to issue three (3) violations at \$500 each for a total of \$1,500. Evan Groeschel seconded the motion. Motion passed unanimously.

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

General Manager Drew Satterwhite stated that 19 new wells have been registered for a total of 2015 wells.

General Manager Satterwhite asked the Board for their views on starting some type of awards plaque for lowest water loss and best conservation practice. The Board asked staff to use data and come up with ideas to be presented at a future board meeting.

Paul Sigle informed the Board of the status of the TWDB's Mesonot weather station program. He informed the Board that the TWDB will be in the area in late November.

- 11. Receive presentation regarding water well spacing analysis for permanent rules development.
 - a. Consider and act upon action items for rules development

The Board requested that a joint effort between James Beach, Kristen Fancher and Drew Satterwhite with Staff to put together a draft of rules based on using tier approach to spacing, 5 day, 2%, and formula for confined and unconfined aquifers.

- 12. Open forum/discussion of new business for future meetings

- 13. Adjourn public meeting

President Young declared the meeting adjourned at 11:44 p.m.

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Recording Secretary

Secretary-Treasurer

ATTACHMENT 5

RESOLUTION NO. 2017-12-12-1

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

The following liabilities are hereby presented for payment:

<u>Administrative Services</u>	<u>Amount</u>
GTUA - November	23,632.79
<u>Advertising</u>	
Denton Publishing Company	88.50
Star Local Media	475.00
<u>Consultant</u>	
LBG Guyton - October	10,809.86
<u>Direct Costs</u>	
Nextraq - November	39.95
Grayson County Tax Assessor - 2018 Registration for F150 Ford Truck	7.50
USTI - August through October 2017	7.68
USTI - November 2017	4.96
USPS - 2018 Post Office Box Lease	80.00
<u>Insurance</u>	
Bayless-Hall 2018 Dishonesty Bond Renewal	219.00
<u>Legal</u>	
Kristen Fancher PLLC September	3,562.00
<u>Legal- Injection</u>	
Sledge Law - Through Sept 2017	1,603.90
<u>Meetings & Conferences</u>	
Mustang SUD - BOD Room Rental November	75.00
<u>Well Monitoring</u>	
Statewide Plat Service - October	56.40
GRAND TOTAL:	\$ <u>40,662.54</u>

On motion of _____ and seconded by _____ the
foregoing Resolution was passed and approved on this, the 12th day of December, 2017 by the following
vote:

AYE:
NAY:

President

Secretary/Treasurer

ATTACHMENT 6



AGENDA COMMUNICATION

DATE: December 4, 2017

SUBJECT: AGENDA ITEM NO. 6

CONSIDER AND ACT UPON APPROVAL OF INVESTMENT POLICY

ISSUE

Consider and act upon the Investment Policy as required by the Public Funds Investment Act ("PFIA").

BACKGROUND

The North Texas Groundwater Conservation District initially adopted an Investment Policy in 2012. This policy is required to be reviewed annually in order to comply with Public Funds Investment Act. The proposed policy states that the Board of Directors will approve broker/dealers and PFIA training sources on an annual basis. Below, is a list of the proposed broker/dealers and PFIA training sources:

Independent training sources:

- Association of Water Board Directors
- Texas Rural Water Association
- Texas Water Utilities Association
- Government Finance Officers' Association
- Government Finance Officers' Association of Texas
- Government Treasurers' Organization of Texas
- Council of Governments
- University of North Texas Center for Public Management
- American Institute of Certified Public Accountants
- Association of Governmental Accountants

Broker/Dealer List:

- BOKF Financial
- FTN Financial
- Raymond James

OPTIONS/ALTERNATIVES

The Board could adopt the attached policy, modify the policy, or defer to committee for review.

CONSIDERATIONS

The adoption of this policy will be evidence that the Board is responsible in its use of public funds.

STAFF RECOMMENDATIONS

The staff recommends adopting the Proposed Investment Policy as well as the proposed broker/dealers and PFIA training sources.

ATTACHMENTS

Proposed Investment Policy - Redline

PREPARED AND SUBMITTED BY:

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

Drew Satterwhite, P.E.
General Manager

EXHIBIT "A"

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

INVESTMENT POLICY

REVIEWED AND APPROVED: December 12, 2017

EXHIBIT "A"

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

INVESTMENT POLICY

1.01 PURPOSE

This policy with respect to district investments has been adopted by the Board of Directors (the "Board") of North Texas Groundwater Conservation District (the "District") to establish the principles and criteria by which the funds of the District should be invested and secured (a) to preserve the principal, (b) to earn interest, (c) to address investment diversification, yield, and maturity, (d) to fulfill the duties of the designated Investment Officer of the District, (e) to comply with the types of authorized investments and to specify the maximum allowable stated maturity of the District's investments, and (f) to comply with the provisions of Texas law related to the investment and security of funds applicable to groundwater conservation districts ("Investment Laws"). The provisions of Chapter 36 ~~and Chapter 49~~ of the Texas Water Code relating to investments and securities, the Public Funds Investment Act (the "Act") as amended in Chapter 2256 of the Texas Government Code, and other appropriate statutes are applicable to the investment of the District's funds.

1.02 POLICY OF INVESTMENT

A. The preservation of principal shall be the primary concern of the District and the District Investment Officer. To the extent that the principal is protected, District funds shall be invested to yield the highest possible rate of return to meet the current and future financial needs of the District and to maintain liquidity, all while taking into consideration the strength of the financial institution, and complying with any Internal Revenue Code laws or regulations and procedures set forth in any bond resolutions or orders, adopted from time to time by the Board. Funds of the District shall be invested by the District's staff in accordance with the policy. Any resolution or order adopted by the Board relating to investment policies or procedures shall be in writing and shall be made available to requesting members of the public.

B. Investment of funds shall be governed by the following investment objectives, in order of priority:

1. Understanding suitability of investments to the District's requirements,

2. Preservation and safety of principal,

a. Credit risk - the District will minimize credit risk, the risk of loss due to the failure of the issuer or backer of the investment

b. Interest rate risk - the District will minimize the risk that the interest earnings and the market value of investments in the portfolio will fall due to changes in general interest rates

3. Liquidity,

4. Marketability prior to maturity of each investment,

5. Diversification, and

6. Yield.

- a. ~~Preservation and safety of principal~~
- b. ~~Liquidity~~
- c. ~~Diversification~~
- d. ~~Yield.~~

- C. The investment of the District's funds should be diversified to minimize risk or loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. The Investment Officer, to the extent possible, will attempt to match investments with anticipated cash flow requirements. Matching securities with cash flow dates will normally increase yield, will lock in higher yields, and reduce the need to sell securities prior to maturity, thus reducing market risk.

1.03 DELEGATION OF INVESTMENT AUTHORITY

- A. The Board shall designate by resolution one or more officers ~~or employees and/or General Manager and Finance Officer~~ of the District to be responsible for the investment of its funds and be the District's Investment Officer(s). The Board resolution shall also authorize the Investment Officer to engage in investment transactions, deposit, withdraw, wire funds for investments, transfer and manage funds on behalf of the District. However, there shall be no transfer, expenditure, or appropriation of District funds, other than a transfer of the funds from one District account to another account of the District as stated above, unless by check or draft signed by two (2) members of the Board or authorized by separate order or resolution of the Board.
- B. The Investment Officer is responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. The Board retains ultimate fiduciary responsibility.
- C. The Investment Officer shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this Investment Policy. Procedures will include reference to safekeeping, wire transfer agreements, banking services contracts, and other investment related activities.
- D. All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer or designee may engage in an investment transaction except as provided under the terms of this Policy and the procedures established.
- E. The Investment Officer's authority is effective until the District rescinds the authority or until: (1) termination of employment with the District for an Investment Officer who is an employee of the District; or (2) vacating the office of director for an Investment Officer who is a director of the Board.

- F. An officer or employee of a regional planning commission, council of governments or similar regional planning agency created under Chapter 391, Local Government Code, is ineligible to be designated as an investment officer under this policy.
- G. Should total District funds exceed \$50,000, there is hereby established an investment committee, composed of the Investment Officer, and at least two directors. The investment committee shall meet quarterly as needed to monitor and review the investments and collateral pledge agreements of the District. The Investment Officer shall be the chairman of the committee. The committee shall report concerning the District's investments transaction for the preceding year describing the investment portion of the District at the end of each fiscal year. The report shall be written and signed by members of the committee. The committee also shall report to the Board on its review the month following each quarterly meeting.
- H. No person may deposit, withdraw, invest, transfer, or manage in any other manner funds of the District without the express written authority of the Investment Officer.
- H.I. Obtain and review competitive rates from qualified investment providers, financial institutions and broker/dealers.

1.04 PRUDENT PERSON RULE

- A. The actions of the Investment Officer in the performance of his or her duties as manager of the District's funds shall be evaluated using the "prudent person" standard. Investments shall be made with judgment and care under prevailing circumstances which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived.
- B. The Investment Officer acting in accordance with written procedures exercising due diligence shall be relieved by personal responsibility for an individual security's performance provided that deviations from expectations are reported in a timely fashion to the governing body and appropriate action is taken to control adverse developments.

1.05 INVESTMENT STRATEGY BY FUND

Funds in the District accounts shall be invested by the Investment Officer as follows:

- a. Capital Projects Account: The District may choose to have a Capital Projects Account from time to time, and, if so, shall maintain as its primary objective to maximize the suitability of the investment in such funds to the financial requirements of the District while preserving the safety of principal with regard to monies collected or allocated for such fund.
- b. Operating Account: Funds in this account shall be invested to meet the operating requirements of the District as determined by the annual operating budget of the District, or by resolution of the Board.
- c. Debt Service Account: Funds in this account shall be invested to meet the debt service

requirements of the District. In order to accomplish this, the District will invest such funds in amounts and maturity dates that most likely match the debt service requirements of the District.

1.06 AUTHORIZED INVESTMENTS

A. Acceptable investments under this Policy shall be limited to the instruments listed below and as further described by the Act. If additional types of securities are approved for investment by public funds by state statute, they will not be eligible for investment by the District until this Policy has been amended and the amended version is adopted by the Board:

- a. Obligations of the United States Government, its agencies and instrumentalities, including the Federal Home Loan Banks, but excluding principal-only and interest-only mortgage backed securities, collateralized mortgage obligations, and real estate mortgage investment conduits; not to exceed two years to stated maturity, ~~excluding mortgage backed securities~~;
- b. Fully insured or collateralized certificates of deposit and other forms of deposit placed in compliance with the Act from any bank doing business in the State of Texas and under the terms of a written depository agreement with that bank, not to exceed one year to stated maturity, to include certificates of deposit purchased through the CDARS program with a Texas bank; and
- c. AAA-rated, constant dollar Texas Local Government Investment Pools as defined by the Act.

B. Bids for investments, including certificates of deposit, may be solicited:

- a. Orally;
- b. In writing;
- c. Electronically; or
- d. In any combination of those methods.

C. All purchases of securities shall be made on a delivery versus payment basis assuring that no District funds are released before the security is received by the custodian.

1.07 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

A. All investments made by the District will be made through either the District's banking services bank or an approved broker/dealer. The Board will review the list of broker/dealers annually. A list of at least three broker/dealers will be maintained of approved investment broker/dealers. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 153C-1 (uniform net capital rule). ~~in order to assure competitive bidding.~~

B. Securities broker/dealers must meet certain criteria as determined by the Investment Officer. The following criteria must be met by those firms on the list:

- a. Proof of certification by the Financial Industry Regulatory ~~Association~~ Authority (FINRA) and provision of FINRA CRD number,

- b. ~~District certification~~Audited financial statements, and
 - c. Proof of current registration with the Texas State Securities Board.
- C. Every broker/dealer and bank with which the District transacts business will be provided a copy of this Investment Policy for review to assure that they are familiar with the goals and objectives of the investment program. ~~A representative of the firm will be required to return a signed certification stating that the Investment Policy has been received and reviewed and that controls are in place to control that only authorized securities are sold to the District. A form of the certification is attached to this Investment Policy.~~

1.08 SAFEKEEPING AND COLLATERALIZATION

A. Safekeeping of District Owned Securities.

- a. All purchased securities shall be cleared to safekeeping on a delivery versus payment basis and held in safekeeping by an independent third party financial institution, or the District's banking services depository.
- b. All safekeeping arrangements shall be approved by the Investment Officer and an agreement of the terms executed in writing. The independent third party custodian shall be required to issue safekeeping receipts to the District listing each specific security, rate, description, maturity, cusip number, and other pertinent information. Each safekeeping receipt will be clearly marked that the security is being held for the District or pledged to the District.

B. Securities Pledged as Collateral

- a. All securities pledged to the District for all bank time or demand deposits shall be held by an independent third party bank doing business in Texas. The safekeeping bank may not be within the same holding company as the bank from which securities are pledged.

b. Collateralization is required on all time and demand deposits over the FDIC insurance coverage.

a. In order to anticipate market changes and provide a level of additional security for all funds, the collateralization level will be 102% of the market valued deposit amount of the principal and plus accrued interest on the deposit, less the applicable level of FDIC insurance.

b. Collateral will be held by an independent third party custodian. The custodian shall provide a written monthly report directly to the District listing all pledged collateral by description and par at a minimum. The investment officers will monitor adequacy of collateralization levels to verify market values and total collateral positions.

a-c. If the collateral pledged for a deposit falls below the deposit value of the deposit, plus accrued interest, less FDIC insurance, the institution holding the deposit will be notified by the investment officers and will be required to pledge additional collateral no later than the end of the next business day.

C. Authorized Collateral

- a. The only types of collateral authorized by the District are:
 - i. Obligations of the U. S. Government, its agencies and instrumentalities including mortgage-backed securities which pass the bank test.
 - ii. Obligations of a state or subdivision, city, county, school district of any state which is rated A or better by two nationally recognized rating agencies.

b. If the depository proposes a collateral pooling program, the Investment Officer will review and evaluate the program's risk and cost to the District for presentation to the Board. The pooling of collateral allows a bank to create a pool of securities for collateral purposes for multiple governments and will not result in securities pledged directly/specifically to each government.

b.c. Collateralized deposits often require release or substitution of collateral. Any broker/, dealer, or financial institution requesting substitution must contact the investment officers for approval and settlement. The substituted security's value will be calculated and substitution approved, if its value is equal to or greater than the required security level. The investment officers, or a designee, must provide written notification of the decision to the bank or the custodian/safekeeping agent holding the security prior to any security release. Substitution is allowable for all transactions, but should be limited, if possible, to minimize potential administrative problems and transfer expense. The investment officers may limit substitution and assess appropriate fees if substitution becomes excessive or abusive.

1.09 INVESTMENT TRAINING

- A. The Investment Officer shall attend ~~at least one training, as required by Water Code 4936.15761-session,~~ from an independent source approved by the Board involving at least six (6) hours of instruction. ~~related to the responsibilities and duties under Subchapter 2256 of the Act unless the Investment Officer currently is in compliance with the requirements of the Act.~~ The initial training shall occur within 12 months after the Investment Officer takes office or assumes his or her duty. The Investment Officer shall attend an investment training session not less than once in a two-year period and receive not less than four (4) hours of instruction related to the duties and investment responsibilities under Subchapter 2256 of the Act from an independent source approved by the Board.
- B. Training under this section must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act.

1.10 REPORTING AND PERFORMANCE EVALUATION

- A. The Investment Officer shall submit a monthly report to the District Manager.
- B. Not less than quarterly, the Investment Officer shall prepare and submit to the Board a written report of investment transactions for all funds subject to this policy for the preceding reporting period. The report must:
- Describe in detail the District's investment position on the date of the report;
 - Be prepared by the Investment Officer;
 - Be signed by the Investment Officer;
 - State the maturity date of each separately invested asset that has a maturity date;
 - State the book value and the market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested; and
 - State the compliance of the investment portfolio of the District with:

- i. The investment strategy expressed in the District's Investment Policy; and
 - ii. Relevant provisions of the Act.
- C. Market prices for market evaluations will be obtained from an independent source.
- D. In addition, the report shall explain the quarter's total investment return and compare the return with budgetary expectations.
- E. All reports shall be in compliance with the Act.

1.11 MISCELLANEOUS

- A. The District, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to the District's established investment policies to review investment performance and to ensure investment security. The controls shall be designed to prevent loss of public funds due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, or imprudent actions.
- B. The District shall review this policy at least annually and adopt a resolution confirming the continuance of the policy without amendment or adopt an amended investment policy.
- C. This investment policy was reviewed and approved on December 12, 2017 and supersedes any prior policies adopted by the Board regarding investment or securitization of District funds.

CERTIFICATION

I hereby certify that I have received and thoroughly reviewed the investment policy of North Texas Groundwater Conservation District ("District") and have implemented reasonable procedures and controls designed to preclude imprudent investment activities arising out of investment transactions conducted between this firm and the District. Transactions between this firm and the District will be directed towards protecting the District from credit or market risk.

All the sales personnel of this firm dealing with the District's account have been informed and will be routinely informed of the District's investment horizons, limitations, strategy and risk constraints, whenever we are so informed.

This firm pledges due diligence in informing the District through its duly appointed Investment Officer of foreseeable risks associated with financial transactions connected to this firm.

(Firm)

(Signature of Registered Principal)

(Name)

(Title)

(Date)

Notification Phone Nos. & Addresses of the District:

Board of Directors

North Texas Groundwater Conservation District
PO Box 508
Gainesville, Texas 76241
(855) 426-4433

Investment Officer

Ronny Young, Secretary/Treasurer

RESOLUTION NO. 2017-12-12-2

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT RELATING TO AN INVESTMENT POLICY

WHEREAS, the North Texas Groundwater Conservation District ("District") was created by an act of the 81st Legislature on May 19, 2009, R.S., ch. 248, 2009 Tex. Gen. Laws 686, codified at TEX. SPEC. DIST. LOC. LAWS CODE ANN. ch. 8856 ; and

WHEREAS, the District has a responsibility of approving investments for the resources in its care and custody; and

WHEREAS, the District has appointed an Investment Committee of its membership to compose an Investment Policy; and

WHEREAS, that Committee has reviewed the existing document attached hereto as Exhibit "A"; and

WHEREAS, the Board has reviewed this document and believes it to be in conformance with the State statutes regarding the investment of public funds;

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

1. The Investment Policy attached as Exhibit "A" is hereby re-adopted by this resolution and shall be in full force until further change by Board action.
2. The District's Investment Officers are designated by this resolution to be the Secretary of the Board of Directors, the General Manager and the Finance Officer.

Upon motion by _____, seconded by _____, the foregoing Resolution was passed and approved on this 12th day of December, 2017 by the following vote:

AYE:

NAY:

ABSTAIN:

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

President

ATTEST:

Secretary-Treasurer

ATTACHMENT 7 A-1

North Texas Groundwater Conservation District

Balance Sheet

For General Fund (00)

November 30, 2017

Assets

00-01-10001	Checking Account	133,933.51
00-01-10005	Index Account	205,603.36
00-01-10010	Investments	1,000,000.00
00-01-10025	Accounts Receivable	42,184.70
00-01-10048	A/R Strittmatter Irrigation	14,000.00
00-01-12001	PP Expense	2,976.00
	Total	<u>1,398,697.57</u>
	Total Assets	<u>\$ 1,398,697.57</u>

Liabilities and Fund Balance

00-01-23100	Accounts Payable	41,758.04
00-01-23150	Well Drillers Deposits	39,430.53
	Total	<u>81,188.57</u>
	Total Liabilities	<u>81,188.57</u>
00-01-35100	Fund Balance	1,292,708.63
00-01-35110	Current Year Excess of Revenue over Expenses	8,544.36
	Total	<u>1,301,252.99</u>
	Excess of Revenue Over Expenditures	16,256.01
	Total Fund Balances	<u>1,317,509.00</u>
	Total Liabilities and Fund Balances	<u>\$ 1,398,697.57</u>

North Texas Groundwater Conservation District

Statement of Revenue and Expenditures

Revised Budget

For General Fund (00)

For the Fiscal Period 2017-11 Ending November 30, 2017

Account Number	Previous YTD Budget	Previous YTD Actual	Annual Budget	YTD Actual	Remaining Budget %
Revenues					
00-01-46001 Well Production Fees	\$ 534,000.00	\$ 525,738.52	\$ 746,000.00	\$ 466,046.90	37.53%
00-01-46003 Well Registration Fees	4,400.00	12,500.00	10,000.00	14,800.00	(48.00%)
00-01-46005 Well Drillers Fees	0.00	0.00	0.00	0.00	0.00%
00-01-46010 GMA8 Fees	27,273.00	18,644.91	10,000.00	(2,748.36)	127.48%
00-01-46015 Late Fees	0.00	3,511.80	3,000.00	780.49	73.98%
00-01-46016 Penalty and Fines	0.00	15,000.00	1,500.00	1,000.00	33.33%
00-01-46100 Interest Inc	916.63	1,851.47	1,000.00	1,799.90	(79.99%)
Total General Fund Revenues	\$ 566,589.63	\$ 577,246.70	\$ 771,500.00	\$ 481,678.93	37.57%
Expenditures					
00-01-77012 Admin-Mileage	\$ 0.00	\$ 2,105.86	\$ 2,400.00	\$ 1,869.81	22.09%
00-01-77013 Admin-Secretarial	0.00	25,396.00	30,000.00	20,643.00	31.19%
00-01-77014 Admin-Project Coordinator	0.00	10,704.25	8,500.00	19,452.00	(128.85%)
00-01-77015 Admin-GM	0.00	43,803.50	50,000.00	48,156.00	3.69%
00-01-77016 Admin-Clerical	0.00	29,964.00	38,000.00	30,533.52	19.65%
00-01-77025 Accounting	18,333.37	25,029.00	20,000.00	17,702.65	11.49%
00-01-77027 Auditing	5,000.00	5,300.00	5,400.00	5,400.00	0.00%
00-01-77030 Advertising	1,000.00	1,303.40	1,000.00	1,238.43	(23.84%)
00-01-77050 Banking Fees	0.00	30.00	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	31,533.37	40,795.50	75,000.00	79,788.76	(6.39%)
00-01-77175 Consulting - Model Runs	4,583.37	0.00	20,000.00	0.00	100.00%
00-01-77325 Direct Cost	3,666.63	2,897.07	4,000.00	5,103.88	(27.60%)
00-01-77450 Dues & Subscription	1,600.00	1,946.83	2,000.00	3,078.83	(53.94%)
00-01-77480 Equipment	2,291.63	1,092.95	2,000.00	1,495.71	25.21%
00-01-77500 Fees-GMA8	36,666.63	7,732.66	11,000.00	3,399.07	69.10%
00-01-77550 Field Tech	87,083.37	99,394.00	120,000.00	109,981.50	8.35%
00-01-77560 Field Permitting/Geologist			70,000.00	740.00	98.94%
00-01-77650 Fuel/Maintenance	2,750.00	3,359.66	3,000.00	2,619.71	12.68%
00-01-77800 Injection Well Monitoring	641.63	526.30	700.00	584.40	16.51%
00-01-77810 Insurance	4,583.37	5,648.00	5,000.00	4,224.04	15.52%
00-01-77970 Legal	45,833.37	36,981.00	60,000.00	32,431.80	45.95%
00-01-77975 Legal-Injection	6,875.00	8,264.65	10,000.00	16,606.30	(66.06%)
00-01-77980 Legal-Legislation	0.00	0.00	15,000.00	14,095.00	6.03%
00-01-78010 Meetings & Conferences	1,833.37	3,005.19	3,000.00	3,354.22	(11.81%)
00-01-78310 Rent	2,200.00	2,200.00	2,400.00	2,200.00	8.33%
00-01-78600 Software Maint	6,875.00	6,893.93	30,000.00	38,844.57	(29.48%)
00-01-78610 Telephone	1,833.37	1,758.33	2,000.00	1,879.72	6.01%
Total General Fund Expenditures	\$ 265,183.48	\$ 366,132.08	\$ 590,400.00	\$ 465,422.92	21.17%
General Fund Excess of Revenues Over Expenditures	\$ 301,406.15	\$ 211,114.62	\$ 181,100.00	\$ 16,256.01	

ATTACHMENT 10

North Texas Groundwater Conservation District

Well Registration Summary
As of November-30-2017

Well Type	Total Registered	Total Registered	Total Registered	Total	New Registrations
	Collin County	Cooke County	Denton County	NTGCD	since Oct-31-2017
Agriculture	6	11	35	52	1
Commercial / Small Business	6	8	26	40	0
Domestic Use (household / lawn watering at residence)	76	309	550	937	16
Filling a pond or other surface impoundment**	42	13	58	114	2
Golf course irrigation	15	2	21	38	0
Industrial / Manufacturing	7	10	7	25	0
Irrigation	75	5	156	237	6
Leachate	0	0	0	0	0
Livestock Watering	7	57	36	100	1
Monitoring	0	0	0	0	0
Municipal / Public Water System	33	70	223	326	3
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	54	60	0
Not Specified	14	10	39	64	1
SUM	292	507	1239	2045	30

ADJOURN