

**MINUTES OF THE PUBLIC HEARING
RED RIVER GROUNDWATER CONSERVATION DISTRICT**

WEDNESDAY, JANUARY 18, 2012

**AT THE GREATER TEXOMA UTILITY AUTHORITY
BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TX 75020**

Members Present: George "Butch" Henderson, George Olson, Don Wortham, David Gattis, Mark Patterson

Members Absent: Harold Latham, Don Morrison

Staff: Jerry Chapman, Carolyn Bennett and Carmen Catterson

Visitors: Jonathan Cannon, Herald Democrat
Bill Hutchison, LBG Guyton
Alex Moser, AL Moser Drilling
Joey Rickman, City of Honey Grove

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

I. Call to Order and introduction of Board

President Henderson called the hearing to order at 1:31 PM. All members except Board Members Latham and Morrison were present.

II. Review draft Amended Bylaws

Mr. Chapman briefly reviewed the reason for the changes to the bylaws.

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

On page 2, President Henderson requested that the "groundwater producing entities" be left as a requirement for contributing to the election for board member. This was left out of the legislation, so General Counsel recommended not including it in the bylaws. The Board discussed including this in a future amendment to the legislation. The Board reviewed pages 3 through 6, which was all added for clarification by the General Counsel. No changes were recommended on pages 8. On page 9, additional language was added to clarify that board members are exempt from conflicts of interest. Mr. Chapman specified that in the enabling legislation, the entities that formed the District wanted their interests represented and by creating an exclusion to Section 36.058 of the Texas Water Code they were able to represent the interest group that appointed them. Vice President Olson expressed his approval of this in that it says "may participate", so if a conflict was present, the director could abstain and not participate.

Section 2.8 was recommended to be amended to state that director reimbursements are subject to prior approval of the Board or upon request by the President or General Manager. This would include travel expenses to attend meetings. This section also specifies that a position on this board is not a position of emolument, which means a position with pay. Positions of emolument include members of the National Guard, retired teachers, etc. This statement verifies that persons holding those types of positions are eligible to serve on this board.

Section 2.9 is new and was added to address additional population growth over the next ten years. Adjustments to the board must be considered every ten years to address potential reapportionment of representation of water users on the board based on changes to the population and water users in the district's boundaries. The District would be required to send a notice to the members of the house of representatives and members of the senate within the boundary of the District of any changes that need to be made.

Section 3.3(c) was added to provide that a majority of the board would be sufficient to approve a permit to authorize a water producer to sell water outside the District boundaries, as long as it is within their certificated service area. The Board discussed this and agreed this meant that 4 members would be a sufficient number of votes for approval, versus the required six votes for all financial matters.

Mr. Moser commented on the rates that were established for 2012, which went from \$0.03 to \$0.06 per 1,000 gallons. President Henderson agreed that the rate increased, but specified that the rate is still the lowest in the area and Vice President Olson agreed that it was based on some one-time expenditures.

IV. Adjourn or continue public hearing on proposed rules

Upon motion by Board Member Gattis seconded by Vice President Olson and passed unanimously, the Board adjourned at approximately 1:52 PM.

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Recording Secretary


Secretary-Treasurer