

**NORTH TEXAS
GROUNDWATER
CONSERVATION
DISTRICT**

**PERMIT HEARING, SHOW CAUSE HEARING,
AND BOARD MEETING**

**PILOT POINT ISD ADMINISTRATION
829 S. HARRISON ST.
PILOT POINT, TEXAS 76258**

**TUESDAY
OCTOBER 8, 2019
10:00 AM**

NOTICE OF PUBLIC MEETING

OF THE
BOARD OF DIRECTORS of the

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
at the

Pilot Point ISD Administration Office
829 S. Harrison St.
Pilot Point, TX 76258
Tuesday, October 8, 2019

Permit Hearing

The Permit Hearing 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 conduct a permit hearing on the following Production Permit Applications:

Agenda:

1. Call to Order; establish quorum; declare hearing open to the public; introduction of Board.
2. Review the Production Permit Applications of:

Applicant: AIWR 2017-7, LLP; 2505 N. SH 360, Suite 800, Arlington, TX 75050

Location of Well: Well #1: Latitude: 33.24665°N Longitude: -96.72801°W; located south of County Road 123 between North Custer Road and County Road 124 in the City of McKinney; Well #2: Latitude: 33.24185°N Longitude: -96.72858°W; located south of County Road 123 between North Custer Road and County Road 124 in the City of McKinney.

Purpose of Use: Public Water System, Landscape Irrigation and Pools

Requested Amount of Use: 80,000,000 gallons per year

Production Capacity of Well: 400 gallons per minute (200 gallons per minute per well)

Aquifer: Trinity (Paluxy) Aquifer

Applicant: Mustang Special Utility District; 7985 FM 2931, Aubrey, TX 76227

Location of Well: Latitude: 33.26471°N Longitude: -96.96672°W; approximately 1.5 miles east of Highway 377 and south of Ike Byrom Rd. in the Town of Cross Roads.

Purpose of Use: Public Water System

Requested Amount of Use: 147,744,800 gallons per year

Production Capacity of Well: 750 gallons per minute

Aquifer: Trinity (Antlers) Aquifer

3. Public Comment on the Production Permit Applications (verbal comments limited to three (3) minutes each).

4. Consider and act upon the Production Permit Applications, including designation of parties and/or granting or denying the Production Permit Applications in whole or in part, as applicable.
5. Adjourn or continue permit hearing.

Show Cause Hearing

The Show Cause Hearing will begin upon adjournment of the above noticed Permit Hearing.

Notice is hereby given that the Board of Directors of the North Texas Groundwater Conservation District ("District") will hold a show cause hearing and may discuss, consider, and take all necessary action regarding the subject matter of the hearing.

Agenda:

1. Call to Order, declare hearing open to the public, and take roll.
2. Conduct Show Cause hearing under Rule 11.6 on the following for alleged violations of District Rules, discuss, consider, receive testimony, and take appropriate action, including without limitation authorizing the District to initiate a civil lawsuit to enforce compliance with the District Rules, including recovery of civil penalties, costs, and attorney's fees, and all other appropriate legal and equitable relief.
 - A. DWW Golf Management Company
3. Adjourn or continue show cause hearing.

Board Meeting

The regular Board Meeting will begin upon adjournment of the above noticed Show Cause Hearing.

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 August 27, 2019, Board meeting.
5. Consider and act upon approval of invoices and reimbursements, Resolution No. 2019-10-08-01.

6. Receive reports from the following Committees*:
 - a. Budget and Finance Committee
 - 1) Receive Monthly Financial Information
 - b. Investment Committee
 - 1) Receive Quarterly Investment Report
7. Review and act upon approval of Investment Policy.
8. Consider and act upon authorizing the purchase of Continuous Well Monitoring Equipment.
9. Update and possible action regarding the process for the development of Desired Future Conditions (DFCs).
 - a. Presentation, discussion and possible action on development of Desired Future Conditions and Modeled Available Groundwater numbers for submission to Groundwater Management Area 8 for the current joint planning cycle
10. Consider and act upon compliance and enforcement activities for violations of District rules.
 - a. DWW Golf Management Company
11. General Manager's Report: The General Manager will update the board on operational, educational and other activities of the District.
 - a. District's Disposal/Injection Well Program
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.

ATTACHMENT 4

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

TUESDAY AUGUST 27, 2019

**PILOT POINT ISD ADMINISTRATION OFFICE
829 S. HARRISON ST/
PILOT POINT, TEXAS 76258**

Members Present: Ronny Young, Allen Knight, Ryan Henderson, Lee K. Allison, Thomas Smith, David Flusche, Evan Groeschel, and Joe Helmsberger

Members Absent: Ron Sellman

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

Visitors: Kristen Fancher, Fancher Legal
Darryl Waldock, Aqua Texas
Michelle Carte, UTRWD
Matt Van Hattem, Collier Consulting
Mike Hernandez, Aqua Texas
Peter M. Schulmeyer, Collier Consulting

Permit Hearing

Agenda:

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

President Thomas Smith called the permit hearing to order at 10 a.m.

2. Review the Production Permit Applications of:

Applicant: Aqua Texas, Inc.; 9450 Silver Creek Road, Fort Worth, Texas 76108

Location of Well: 15510 Sam Reynolds Road, Justin, TX 76247; Latitude: 33.076844°N, Longitude: 97.367553°W; Located north of Sam Reynolds Road about 500 feet west of the Sam Reynolds Road and Dalrymple Lane intersection

Purpose of Use: Public Water System

Requested Amount of Use: 8,630,000 gallons per year

Production Capacity of Well: 340 gallons per minute

Aquifer: Antlers (Trinity) Aquifer

Applicant: Prosper ISD, 605 E. 7th Street, Prosper, TX 75078

Location of Well: 3080 Fishtrap Road, Prosper, TX 75078; Latitude: 33.232°N Longitude: -96.849°W; Located west of Harper Road about 800 feet north of the Fishtrap Road and Harper Road Intersection

Purpose of Use: Irrigation

Requested Amount of Use: 8,500,000 gallons per year

Production Capacity of Well: 150 gallons per minute

Aquifer: Twin Mountains (Trinity) Aquifer

General Manager Drew Satterwhite reviewed the permits with the Board. The Aqua Texas permit is the first permit requiring a Hydrogeological Report. General Manager Drew Satterwhite explained how the Hydrogeological Report and Historical Usage.

The staff then proceed to explain the Prosper ISD application and request. Discussion ensued on both permits by the Board of Directors.

3. **Public Comment on the Production Permit Applications.**

There were no public comments.

4. **Consider and act upon the Production Permit Applications, including designation of parties and/or granting or denying the Production Permit Applications in whole or in part, as applicable.**

Board Member Joe Helmsberger made the motion to grant the applications as presented. Board Member Ronny Young seconded the motion. Motion passed unanimously.

5. **Adjourn or continue permit hearing.**

Board President Thomas Smith adjourned the permit hearing at 10:18 a.m.

Board Meeting

1. **Pledge of Allegiance and Invocation**

President Thomas Smith 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 Thomas Smith called the meeting to order 10:20 a.m., established a quorum was present, and declared the meeting open to the public.

3. **Public Comment**

There were no public comments.

4. **Consider and act upon approval of the minutes from the July 16, 2019, Board meeting.**

Board President Thomas Smith asked for approval of the minutes from the July 16, 2019 meeting. Board Member David Flusche made the motion to approve the minutes. Board Member Allen Knight seconded the motion. Motion passed unanimously.

5. Consider and act upon approval of invoices and reimbursements, Resolution No. 2019-08-27-01.

General Manager Drew Satterwhite reviewed the liabilities with the Board. Board Member Ronny Young made the motion to approve Resolution No. 2019-08-27-01. Board Member Allen Knight seconded the motion. Motion passed unanimously.

6. 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.

7. Consider and act upon confirming execution of Engagement Letter for Audit Services for Fiscal year ending December 31, 2019.

General Manager Drew Satterwhite provided background information for the Board. In 2018 proposals for audit services for a period up to five (5) years were solicited. Four proposals were received. The audit committee recommended McClanahan and Holmes, LLP of Bonham, Texas and the Board accepted the recommendation. The fees for the 2019 audit services will be \$5,500 which is \$35 less than they indicated in their 5-year proposal to the District. Board Member Joe Helmberger made the motion to authorize the engagement letter with McClanahan and Homes, LLP for the 2019 audit. Board Member Allen Knight seconded the motion. Motion passed unanimously.

8. Consider and Act upon amendments to the District's Hydrogeological Report Requirements.

General Manager Drew Satterwhite informed the Board that the District now requires a hydrogeological report to be submitted as part of the application process for wells or well systems capable of producing 200 gallons per minute or more. The staff has identified a few items that the Board may want to consider adding or changing. Suggested change is to:

- D. Interference analysis must include the following:
 - 1. Provide quantitative analysis that shows the projected impacts from 1) the proposed production from the well or well system(if applicable) and 2) the well or well system (if applicable) running 100% of the simulation periods. **NOTE:Applicant is advised to work with District Staff to settle on proposed production volume prior to performing the analysis.**

Suggested addition to guidelines is:

- F. Copies of the modeling files must be submitted with the report.

A discussion was held and Kristen Fancher, Legal Counsel, explained legal process of potential situations. Board Member Ronny Young made the motion to adopt the amended Hydrogeological Report Requirements. Board Member Ryan Henderson seconded the motion. Motion passed unanimously.

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

a. Creation of a DFC Committee for this planning cycle

A DFC Committee for this planning cycle was created. Members are Evan Groeschel, Ronny Young, Lee K. Allison and Thomas Smith (ex officio). General Manager Drew Satterwhite briefly explained that the GMA 8 group has 9 factors, which have been divided into 3 factors at a time to be discussed by the individual district DFC committees and then the information to be brought to the GMA 8 meeting. James Beach, WSP, will then take the data and provide maps and proposed pumping numbers. The Districts have also been asked to complete a Similar Rules Survey.

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

a. DWW Golf Management Company

General Manager Drew Satterwhite informed the Board that DWW Golf Management Company has not paid all fees that were required. Mr. Satterwhite recommended that the next step should be taken which is a Show Cause Hearing. This will be scheduled for the next meeting allowing DWW Golf Management Company to discuss the situation with the Board of Directors.

b. C.L. Miller

General Manager Drew Satterwhite informed the Board that C.L. Miller sent in completion and driller's log at which time it was discovered that no Application and Notice to Proceed had been processed for this particular well. The driller had been told by the well owner that all necessary permits had been obtained. The driller accepted responsibility for failing to have checked with the District and drilling without a Notice to Proceed. This is a major violation and the fine is \$500. The well is a 25 gpm domestic. A discussion was held and it was suggested that the driller be given opportunity to register this well according to the Permanent Rules as a non-exempt well within 30 days or to modify the well to 17.36 gpm or less exempt well within 60 days. Board Member Joe Helmberger made the motion to fine the driller \$500 and to give the driller the opportunity to register this well according to the Permanent Rules as a non-exempt well within 30 days or to modify the well to 17.36 gpm or less exempt well within 60 days. Board Member Allen Knight seconded the motion. Motion passed unanimously.

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

a. District's Disposal/Injection Well Program

General Manager Drew Satterwhite informed the Board that memorandums have been sent.

There is no report to be given at this time.

b. Monitoring Well Equipment

General Manager Drew Satterwhite informed the Board that there are three wells in Savannah, two wells at 2,000+ feet and one well at 600 feet with no pumping equipment. The usage of monitoring wells and loading information to the website was discussed.

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

After a brief discussion it was decided to cancel the September meeting and have the next meeting on the regular schedule on October 8.

13. Adjourn public meeting

Board President Thomas Smith declared the meeting adjourned at 11:19 a.m.

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Recording Secretary

Secretary-Treasurer

ATTACHMENT 5

RESOLUTION NO. 2019-10-08-01

**A RESOLUTION BY THE BOARD OF DIRECTORS OF THE NORTH TEXAS GROUNDWATER
CONSERVATION DISTRICT AUTHORIZING PAYMENT OF ACCRUED LIABILITIES FOR THE
MONTHS OF AUGUST AND SEPTEMBER**

The following liabilities are hereby presented for payment:

<u>Administrative Services</u>	<u>Amount</u>
GTUA - August	44,433.32
GTUA - September	24,067.04
<u>Advertising</u>	
Denton Record Chronicle - Water conservation tips	480.00
Gainesville Daily Register - Water conservation tips.	237.60
<u>Consultant</u>	
WSP - For services through August	9,320.00
<u>Direct Costs</u>	
Tax Assessor - Registration for F150	21.75
NexTraq - GPS Tracking - August	39.95
NexTraq - GPS Tracking - September	39.95
<u>Equipment</u>	
Earl Owen Automotive Supply - Retractable bed cover for new F150	1,371.97
Sam Pack's Five Star Ford - 2019 Ford F150 4WH Drive	26,840.00
<u>GMA-8</u>	
WSP - GMA-8 Hyrdo Geo services through July	4,685.51
WSP - GMA-8 Hyrdo Geo services through August	2,507.50
<u>Inlection Well Monitoring</u>	
Statewide Plat Services - Services Through July with email attachment	56.40
Statewide Plat Services - Services through August	50.00
<u>Insurance</u>	
Bayless Hall - Public Employee Position renewal 19-20	330.00
TWCA Risk Mgmt - New Auto Insurance for 2019 F150	818.00
<u>Legal</u>	
Fancher Legal - July	2,756.00
Fancher Legal - August	1,719.80
<u>Legal-Injection Well Monitoring</u>	
Sledge Law - Services through 6/30/2019	10,293.28
<u>Meetings & Conferences</u>	
Pilot Point ISD - Meeting Room	75.00
<u>Software Maintenance</u>	
Aquaveo - August well database maintenance	500.00
USTI - 6 month renewal for accounting software 9/1/19-2/29/20	281.08
GRAND TOTAL:	<u><u>\$ 130,924.15</u></u>

On motion of _____ and seconded by

the foregoing Resolution was passed and approved on this, the 8th day of October, 2019 by the following vote:

AYE:

NAY:

President

Secretary/Treasurer

ATTACHMENT 6 A-1

Balance Sheet

For General Fund (00)

September 30, 2019

Assets

00-01-10001	Checking Account	100,989.46
00-01-10005	Index Account	6,670.19
00-01-10008	Cash- TexStar	86,602.36
00-01-10010	Investments	1,550,000.00
00-01-10025	Accounts Receivable	24,851.37
00-01-10026	Allowance for Uncollectible Accounts	(15,500.00)
00-01-10041	A/R Saratoga UWCD	173.02
00-01-10042	A/R Southern Trinity GCD	468.55
00-01-10044	A/R Red River GCD	468.55
00-01-10050	A/R 440 Ranch	1,500.00
00-01-10070	A/R Liens - Strittmatter Irrigation	14,000.00
00-01-10071	A/R C Miller Drilling	600.00
00-01-10072	A/R DWW Golf Management Co	500.00
00-01-12001	PP Expense	3,992.47
	Total	<u>1,775,315.97</u>
	Total Assets	<u>\$ 1,775,315.97</u>

Liabilities and Fund Balance

00-01-23100	Accounts Payable	35,130.37
00-01-23150	Well Drillers Deposits	33,550.00
	Total	<u>68,680.37</u>
	Total Liabilities	<u>68,680.37</u>
00-01-35100	Fund Balance	1,292,708.63
00-01-35110	Current Year Excess of Revenue over Expenses	526,943.69
	Total	<u>1,819,652.32</u>
	Excess of Revenue Over Expenditures	(113,016.72)
	Total Fund Balances	<u>1,706,635.60</u>
	Total Liabilities and Fund Balances	<u>\$ 1,775,315.97</u>

North Texas Groundwater Conservation District

Statement of Revenue and Expenditures

10/2/2019 11:51am

Revised Budget

For General Fund (00)

For the Fiscal Period 2019-9 Ending September 30, 2019

Account Number	Current Budget	Current Actual	Annual Budget	YTD Actual	Remaining Budget %
Revenues					
00-01-46001 Well Production Fees	\$ 171,500.00	\$ 1,053.02	\$ 686,000.00	\$ 248,447.12	63.78%
00-01-46003 Well Registration Fees	1,666.67	900.00	20,000.00	7,600.00	62.00%
00-01-46005 Well Drillers Fees	0.00	0.00	0.00	(100.00)	0.00%
00-01-46010 GMA8 Fees	1,666.67	0.00	20,000.00	9,603.20	51.98%
00-01-46015 Late Fees	0.00	20.38	0.00	7,421.80	0.00%
00-01-46016 Penalty and Fines	0.00	1,000.00	0.00	1,500.00	0.00%
00-01-46100 Interest Inc	250.00	13,855.08	3,000.00	24,041.19	(701.37%)
Total General Fund Revenues	\$ 175,083.34	\$ 16,828.48	\$ 729,000.00	\$ 298,513.31	59.05%
Expenditures					
00-01-77012 Admin-Mileage	\$ 250.00	\$ 29.46	\$ 3,000.00	\$ 1,720.14	42.66%
00-01-77013 Admin-Secretarial	2,083.33	861.00	25,000.00	13,419.00	46.32%
00-01-77014 Admin-Project Coordinator	1,666.67	318.00	20,000.00	12,097.25	39.51%
00-01-77015 Admin-GM	5,000.00	4,264.00	60,000.00	46,748.00	22.09%
00-01-77016 Admin-Clerical	2,833.33	2,886.00	34,000.00	28,301.00	16.76%
00-01-77025 Accounting	2,083.33	2,588.25	25,000.00	24,518.25	1.93%
00-01-77027 Auditing	458.33	0.00	5,500.00	5,400.00	1.82%
00-01-77030 Advertising	166.67	0.00	2,000.00	1,098.20	45.09%
00-01-77050 Banking Fees	0.00	0.00	0.00	35.00	0.00%
00-01-77150 Consulting- Hydrogeo	5,000.00	0.00	60,000.00	21,846.00	63.59%
00-01-77325 Direct Cost	350.00	130.80	4,200.00	4,573.34	(8.89%)
00-01-77450 Dues & Subscription	250.00	0.00	3,000.00	358.00	88.07%
00-01-77480 Equipment	833.33	28,211.97	10,000.00	* 29,180.05	(191.80%)
00-01-77485 Equipment-Database	833.33	0.00	10,000.00	0.00	100.00%
00-01-77500 Fees-GMA8	1,833.33	0.00	22,000.00	14,718.13	33.10%
00-01-77550 Field Tech	10,416.67	8,210.00	125,000.00	89,960.85	28.03%
00-01-77560 Field Permitting/Geologist	5,833.33	2,852.00	70,000.00	44,275.00	36.75%
00-01-77650 Fuel/Maintenance	291.67	171.07	3,500.00	1,996.67	42.95%
00-01-77800 Injection Well Monitoring	58.33	0.00	700.00	430.60	38.49%
00-01-77810 Insurance	385.17	773.61	4,622.00	3,133.01	32.22%
00-01-77970 Legal	4,166.67	0.00	50,000.00	16,674.00	66.65%
00-01-77975 Legal-Injection	1,250.00	0.00	15,000.00	23,115.18	(54.10%)
00-01-77980 Legal-Legislation	1,250.00	0.00	15,000.00	12,000.00	20.00%
00-01-78010 Meetings & Conferences	541.67	1,151.26	6,500.00	4,455.68	31.45%
00-01-78310 Rent	200.00	200.00	2,400.00	1,800.00	25.00%
00-01-78600 Software Maint	416.67	331.08	5,000.00	6,954.49	(39.09%)
00-01-78610 Telephone	200.00	376.95	2,400.00	2,722.19	(13.42%)
00-01-78780 Well Monitoring/Testing	375.00	0.00	4,500.00	0.00	100.00%
Total General Fund Expenditures	\$ 49,026.83	\$ 53,355.45	\$ 588,322.00	\$ 411,530.03	30.05%
General Fund Excess of Revenues Over Expenditures	\$ 126,056.51	\$ (36,526.97)	\$ 140,678.00	\$ (113,016.72)	

* 2019 F150 Truck- \$8,000 in budget

ATTACHMENT 6 B-1

North Texas Groundwater Conservation District
Quarterly Investment Report
For the Quarter Ended
September 30, 2019

The investment portfolio of the North Texas Groundwater Conservation District is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

Presented by North Texas Groundwater Conservation District Investment Officers:

	
Drew Satterwhite General Manager	Debi Atkins Finance Officer

Investment Holdings
9/30/2019

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
Independent (DDA)		1.80%	10/1/2019	9/30/2019	\$ 100,989.46	\$ 100,989.46	1.00	\$ 100,989.46	1	1.80%
Independent (ISS)		1.50%	10/1/2019	9/30/2019	6,670.19	6,670.19	1.00	6,670.19	1	1.50%
TexStar		2.4112%	7/1/2019	9/30/2019	86,602.36	86,602.36	1.00	86,602.36	1	2.41%
Landmark Bank		2.5500%	11/14/2019	5/16/2019	700,000.00	700,000.00	1.00	700,000.00	45	2.55%
East West		1.9800%	6/24/2020	9/24/2019	850,000.00	850,000.00	1.00	850,000.00	268	1.98%
					<u>\$ 1,744,262.01</u>	<u>\$ 1,744,262.01</u>			<u>149</u>	
										(1)

(1) Weighted average life - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have an one day maturity.

Book/Market Value Comparison

Description	Coupon/ Discount	Maturity Date	June 30, 2019		Purchases/ Adjustments	Sales/Adjust/ Call Maturity	Sept 30, 2019	
			Face Amount/ Par Value	Book/Market Value			Face Amount/ Par Value	Book/Market Value
Independent (DDA)	1.80%	10/1/2019	\$ 134,528.82	\$ 134,528.82		33,539.36	\$ 100,989.46	\$ 100,989.46
Independent (ISS)	1.50%	10/1/2019	6,645.03	6,645.03	25.16		\$ 6,670.19	\$ 6,670.19
TexStar	1.995%	10/1/2019	1,271,704.65	1,271,704.65		1,185,102.29	\$ 86,602.36	\$ 86,602.36
Landmark	2.55%	11/14/2019	700,000.00	700,000.00			\$ 700,000.00	\$ 700,000.00
East West	1.98%	6/24/2020			850,000.00		\$ 850,000.00	\$ 850,000.00
East West	2.80%	9/10/2019	650,000.00	650,000.00		650,000.00	\$ -	\$ -
			\$ 2,762,878.50	\$ 2,762,878.50	\$ 850,025.16	\$ 1,868,641.65	\$ 1,744,262.01	\$ 1,744,262.01

ATTACHMENT 7



AGENDA COMMUNICATION

DATE: September 26, 2019

SUBJECT: AGENDA ITEM NO. 7

REVIEW AND ACT UPON APPROVAL OF INVESTMENT POLICY

ISSUE

Review 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 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 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

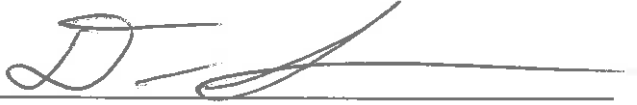
The adoption of this policy will be evidence that the Board is responsible in its use of public funds.

STAFF RECOMMENDATIONS

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

ATTACHMENTS
2019 Investment Policy
Resolution

PREPARED AND SUBMITTED BY:

A handwritten signature in black ink, appearing to read 'Drew Satterwhite', is written over a horizontal line. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Drew Satterwhite, P.E.
General Manager

EXHIBIT "A"

NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT

INVESTMENT POLICY

REVIEWED AND APPROVED: October 8, 2019

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 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.

- 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 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 annually or 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.
- 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:

1. 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;;
2. 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
3. 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:

1. Orally;
2. In writing;
3. Electronically; or
4. 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).

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:

1. Proof of certification by the Financial Industry Regulatory Authority (FINRA) and provision of FINRA CRD number,
2. Audited financial statements, and
3. 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.

1.08 SAFEKEEPING AND COLLATERALIZATION

A. Safekeeping of District Owned Securities.

1. 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.

2. 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

1. 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.
2. 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 deposit amount 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.
 - 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

1. The only types of collateral authorized by the District are:
 - a. Obligations of the U. S. Government, its agencies and instrumentalities including mortgage-backed securities which pass the bank test.
 - b. 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.
2. 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.
3. 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 training, as required by Water Code 36.1561, from an independent source approved by the Board involving at least six (6) hours of instruction. 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:
 - 1. Describe in detail the District's investment position on the date of the report;
 - 2. Be prepared by the Investment Officer;
 - 3. Be signed by the Investment Officer;
 - 4. State the maturity date of each separately invested asset that has a maturity date;
 - 5. 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
 - 6. State the compliance of the investment portfolio of the District with:
 - a. The investment strategy expressed in the District's Investment Policy; and
 - b. 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.**

RESOLUTION NO. 2019-10-08-2

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 Staff and 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 8th day of October, 2019 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 8



AGENDA COMMUNICATION

DATE: October 4, 2019

SUBJECT: AGENDA ITEM NO. 8

CONSIDER AND ACT UPON AUTHORIZING THE PURCHASE OF CONTINUOUS WELL MONITORING EQUIPMENT

ISSUE

The District staff has identified and executed monitoring agreements for two (2) wells that are prime candidates for continuous water level monitoring.

BACKGROUND

Last year, the staff came in contact with the Denton County Fresh Water Supply District ("DCFWS") #10 in regards to three (3) wells they were no longer using which were candidates for the District's monitoring program. The District Staff attended one of their Board Meetings to discuss with their Board what participating in the monitoring program would entail. The DCFWS#10 subsequently executed our well monitoring agreement and further agreed to pull the pumping equipment from their wells in addition to obtaining a downhole video of the casings to ensure they were in good condition. Recently, we received the videos and reports from the DCFWS#10 which indicated that two (2) of the three (3) casings were in good condition and are ideal candidates for continuous monitoring equipment.

The two (2) wells that we have identified as candidates are Twin Mountain formation wells that are near the boundary of the Trinity Aquifer's Regions 1 & 2. Both wells are 2200'+ deep with a static water levels ranging from 436'-522' at the time of the video contractor was onsite.

CONSIDERATIONS

There are two (2) types of continuous monitoring devices that the District staff has identified for these wells with one being the acoustic monitoring and the other being pressure transducers. Due to the depth to water, the staff believes the acoustic devices would be the best alternative. The District staff has talked to other Districts who have been pleased with both forms of measurement, but advised that the pressure transducers can be very difficult to install and maintain when depth to water is greater than 300'.

Due to the circumstances above, the District staff is recommending purchasing two (2) Well Watch 670s from Eno Scientific. The total cost for the equipment would be \$2,056.00. The staff will be prepared to discuss all alternatives available.

STAFF RECOMMENDATIONS

The staff recommends purchasing two(2) Well Watch 670s from Eno Scientific.

ATTACHMENTS

Quote from Eno Scientific

PREPARED AND SUBMITTED BY:

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

**Drew Satterwhite, P.E.
General Manager**

Eno Scientific
 1606 Faucette Mill Rd
 Hillsborough, NC 27278
 www.enoscientific.com



Estimate

Date	Estimate #
10/2/2019	1229

Name / Address
North Texas GCD Drew Satterwhite PO Box 508 Gainesville, TX 76241

Project

Description	Qty	U/M	Cost	Total
Well Watch 670	2	ea	679.00	1,358.00
10W Solar Power Kit	2	ea	349.00	698.00
Total				\$2,056.00

Customer Signature _____

ATTACHMENT 11

North Texas Groundwater Conservation District

Well Registration Summary
As of August-31-2019

Well Type	Total Registered Collin County	Total Registered Cooke County	Total Registered Denton County	Total NTGCD	New Registrations since Jul-31-2019
Agriculture	8	12	40	60	0
Commercial / Small Business	7	8	34	49	0
Domestic Use (household / lawn watering at residence)	80	413	721	1215	14
Filling a pond or other surface impoundment**	48	14	94	157	2
Golf course irrigation	15	2	21	38	0
Industrial / Manufacturing	8	11	8	28	0
Irrigation	88	4	177	269	0
Leachate	0	0	0	0	0
Livestock Watering	7	66	55	128	1
Monitoring	0	0	0	0	0
Municipal / Public Water System	34	75	229	339	1
Other	11	7	34	52	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	62	67	0
Not Specified	18	9	42	69	0
SUM	325	627	1524	2480	18

North Texas Groundwater Conservation District

**Well Registration Summary
As of September-30-2019**

Well Type	Total Registered		Total Registered		Total Registered Denton County	Total NTGCD	New Registrations since Aug-31-2019
	Collin County	Cooke County	Collin County	Cooke County			
Agriculture	8	12	40		60	0	
Commercial / Small Business	7	8	34		49	0	
Domestic Use (household / lawn watering at residence)	80	415	735		1231	16	
Filling a pond or other surface impoundment**	49	14	96		160	2	
Golf course irrigation	15	2	21		38	0	
Industrial / Manufacturing	8	11	8		28	0	
Irrigation	90	4	177		271	2	
Leachate	0	0	0		0	0	
Livestock Watering	7	67	55		129	1	
Monitoring	0	0	0		0	0	
Municipal / Public Water System	34	75	230		340	1	
Other	11	7	34		52	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	61		66	0	
Not Specified	18	9	43		70	1	
SUM	328	630	1541		2503	23	

ADJOURN