

**MINUTES OF THE BOARD OF DIRECTORS' MEETING
RED RIVER GROUNDWATER CONSERVATION DISTRICT**

MONDAY, JANUARY 31, 2011

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

Members Present: George "Butch" Henderson, Don Wortham, David Gattis, Don Morrison, John Young

Members Absent: George Olson, Harold Latham

Staff: Jerry Chapman, Carolyn Bennett and Carmen Catterson

Visitors: Brian Sledge, Lloyd Gosselink Firm (via conference call)
Joe Alaniz, Tri-Tex Grass
Mark Newhouse, Bois d'Arc MUD
Doug O'Connor, Trinity Turf
Bob Patterson, Upper Trinity GCD
Randy Price, Tri-Tex Grass
Michelle Reed, Bois d'Arc MUD
Joey Rickman, City of Honey Grove
Bill Schindler, Tri-County Sod

I. Call to Order

President Henderson called the meeting to order at 2:00 p.m.

II. Introduction of Visitors

All visitors and Board members introduced themselves and the entity they represented.

At this time, President Henderson moved out of agenda order to Item XI to allow the citizens a chance to comment before the Executive Session.

XI. Citizens to be heard

Mr. O'Connor questioned whether the Board had a proposal for Temporary Rules. The Board responded that the Temporary Rules are still in draft form. Once the proposal for Temporary Rules is available, it will be provided to the public for review.

Mr. Price thanked the Board for the opportunity to review the rules before they are finalized. He requested the Board consider agriculture for a complete exemption.

Mr. O'Connor again stressed his desire for all agriculture to be exempted from metering and fee payments.

III. Consider and act upon approval of Minutes of November 30, 2010 Meeting.

Secretary/Treasurer Wortham motioned to approve the Minutes of the November 30, 2010 Meeting. The motion was seconded by Board Member Gattis and passed unanimously.

IV. Consider and discuss legislation and activities concerning Groundwater Management Area 8

Pursuant to Government Code Section 551.071, the Board of Directors adjourned into closed Executive Session at 2:06 p.m. to discuss the following:

Legal Matters

The Board reconvened into Regular session at 2:56 p.m. President Henderson stated no action was taken on items discussed during the Executive Session.

V. Consider and discuss draft Management Plan

Mr. Chapman reported that the staff contacted Freese & Nichols for additional information needed for the Plan. Freese & Nichols is currently compiling the data. More information will be presented to the Board as it arrives.

VI. Consider and discuss draft Temporary Rules

The Rules Committee met twice in January. Secretary/Treasurer Wortham and Board Member Gattis reported the Committee made great progress on drafting the rules, but need to meet at least one more time before they will have any recommendations for the Board. The current draft rules are included the packet. Board Member Morrison expressed concern about the definition of agriculture contained in Section 2.1. It currently exempts domestic, livestock and poultry. He believes that all wells not used exclusively for domestic wells should be metered, but any agricultural wells should not be charged fees. The Board briefly discussed definitions of agriculture and uses of wells

VII. Consider and act upon approval of proposal and contract for the development of geodatabase and web-based application for the District

The Board cannot act on any issues that require funds at this meeting. The Board's legislation and bylaws are designed that a supermajority of 6 out of 7 board members must agree on all financial matters. This is provided for information only.

The Authority provides administrative support to the North Texas GCD (NTGCD). The NTGCD is slightly farther along than the Red River GCD, due to funding received from the three counties. The NTGCD requested proposals in 2010 for the creation of a geodatabase to help streamline the collection of well information and to help monitor groundwater usage. Three proposals were received by the

NTGCD in December 2010. The NTGCD decided that the presentation by CDM provided the best proposal with the most economical cost. CDM will search existing databases, including Texas Commission on Environmental Quality, the Texas Water Development Board, and the Texas Department of Licensing and Registration. They will compile the information into the database and provide it for both the Board and for public use. Mrs. Catterson explained that the system would be based on the ESRI software and would be hosted on CDM's servers. The District and the public would access the information by internet. Well owners could search the map by location and choose the correct forms to fill out and could submit them by internet or print and mail the forms. Future phases can include payment options and water usage reporting. Those would be determined by the Board at a later date.

President Henderson explained that the District is charged with developing a geodatabase to manage the information. CDM's proposal was the lowest and the most expansive. They also provided an option to tier the costs based on the number of participants in the program. The NTGCD engaged CDM's services at the last meeting. Prairie Lands GCD has also adopted the CDM program. This will provide the lowest tier for cost. Each entity would have its own contract with CDM, but the basic scope for the three districts would be the same. Any additional requests would be an additional cost.

Board Member Morrison motioned to issue a Notice of Intent to CDM alerting them to the desire of the Board to participate in the program. The motion was seconded by Board Member Young and passed unanimously.

This item was tabled until next month.

VIII. Consider and act upon entering into an agreement related to the development of geodatabase and web-based application with other groundwater conservation districts in Groundwater Management Area 8

Discussion for this item was held previously under Item VII.

This item was tabled until next month.

IX. Consider and act upon budget and temporary methods for financing the District.

The District has already incurred approximately \$28,000 in charges to the Authority in the past year and a half. If the Board enters into a contract with CDM, it will cost the Board approximately \$45,000. Groundwater Management Area 8 also needs funds to support their activities and the Authority will be providing administrative services for the next year. President Henderson provided a draft budget for the Board's approval. The budget includes the amount owed to the Authority for the past year and includes a portion of the cost for CDM. The District has to be funded by the water users based on the groundwater pumped. Also provided to the Board is a list of 51 known entities in the two counties and how much each entity would owe based on the proposed budget. Two payment options are shown – yearly and quarterly. Each entity would have an option to pay for the entire year at once or to pay quarterly. The budget of \$150,000 would equal out to approximately \$0.03 per 1,000 gallons of groundwater pumped. Mr. Patterson explained that in his experience \$0.03 per 1,000 gallons is a very low cost and is usually not practical. The Upper Trinity GCD is currently operating at \$0.22 per 1,000 gallons and has been unable to lower the cost.

This item was tabled until next month.

X. Consider and act upon Administrative Services Agreement with the Greater Texoma Utility Authority

President Henderson requested the Board review the agreement by the next meeting. He had no comments or changes.

This item was tabled until next month.

XII. Discuss future meeting date and agenda


The Board briefly discussed possible meeting dates, and agreed to schedule the next meeting for Monday, February 21, 2011 at 3:00 PM.

The Board briefly discussed a courtesy copy received from the Texas Department of Licensing and Registration of a request for confidentiality of well information. Mr. Patterson reported that the information is kept from the public, but water districts still have access to all information.

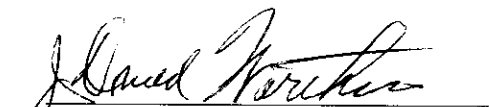
XIII. Adjourn

Upon motion by Board Member Morrison seconded by Board Member Gattis and passed unanimously, the Board adjourned at approximately 3:50 p.m.

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Recording Secretary



Secretary-Treasurer