

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

TUESDAY, OCTOBER 21, 2014

**CITY OF GAINESVILLE
CITY COUNCIL CHAMBERS
200 SOUTH RUSK
GAINESVILLE, TX 76240**

Members Present: Thomas Smith, Ronny Young, Chris Boyd, Dan Collins, Eddy Daniel, Evan Groeschel, Kenny Klement and Ron Sellman

Members Absent: Philip Sanders

Staff: Drew Satterwhite, Debi Atkins, Carolyn Bennett, Wayne Parkman and Carmen Catterson

Visitors: James Beach, LBG Guyton (by conference call)
Axel and May Haubold, Citizens
Keith King, The Weekly News of Cooke County
Pete Schulmeyer, Collier Consulting
Jenny Shiffer, Citizen
Brian Sledge, Sledge Fancher, PLLC
Neal Welch, City of Sanger

1. Pledge of Allegiance and Invocation

President Smith led the Pledge of Allegiance and Secretary/Treasurer Young provided the invocation.

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

President Smith called the public meeting to order at 9:46 AM. All Board members were present except Board Members Daniel and Sanders. Board Member Daniel arrived at 9:47 AM.

3. Public Comment

No public comment received.

4. Approval of Minutes from the September 9, 2014, board meeting

Board Member Groeschel commented that the minutes read the October meeting would be held on the 14th. Secretary/Treasurer Young clarified that the meeting was scheduled for October 14th, but was later rescheduled. The minutes read correctly.

Board Member Daniel motioned to approve the Minutes from the September 9, 2014, board meeting. The motion was seconded by Board Member Groeschel. The motion passed unanimously, with Board Member Sanders absent.

5. Consider and act upon approval of invoices and reimbursements.

Mr. Satterwhite reviewed the invoices.

Board Member Boyd motioned to approve the invoices as presented in Resolution No. 2014-10-21-1 for a total cost of \$40,181.93. The motion was seconded by Board Member Groeschel and passed unanimously with Board Member Sanders absent.

6. a. Budget and Finance Committee

1) Receive Monthly Financial Information

Mr. Satterwhite reviewed the District's current financial position, including revenues and expenditures. The line item for the INTERA contract is slightly over later in the year.

2) Consider and act upon audit engagement letter

Last year, the District solicited for proposals for audit services. The contract for 2013 was awarded to Hankins Eastup Deaton Tonn & Seay. The difference in cost for 2014 is an additional \$200. The staff recommends utilizing the same firm for 2014.

Secretary/Treasurer Young motioned to approve an engagement letter with the Hankins Eastup Deaton Tonn & Seay firm for the 2014 audit. The motion was seconded by Board Member Daniel and passed unanimously with Board Member Sanders absent.

b. Investment Committee

No report received

c. Rules and Bylaws Committee

No report received

d. Groundwater Monitoring and Database Committee

No report received

e. Policy and Personnel Committee

1) Adoption of District policies, including ethics, professional services, and management information policies

This was brought up as a result of the State Audit and was provided to the Board previously. The Board presented questions and legal counsel has responded. Board Member Sellman confirmed that these policies meet all statutory requirements.

Board Member Klement motioned to adopt District policies, including ethics, professional services, and management information policies. The motion was seconded by Board Member Sellman and passed unanimously with Board Member Sanders absent.

2) Investment Policy

Mr. Satterwhite reported that there is no change on this policy from the previous version, but it is required to be reviewed annually.

Board Member Boyd motioned to approve the Investment Policy. The motion was seconded by Board Member Daniel and passed unanimously with Board Member Sanders absent.

f. Conservation and Public Awareness Committee

No report received

g. Management Plan Committee

1) Quarterly Report

Mr. Satterwhite provided the Quarterly Report, which is required by the District's Management Plan. The report included a summary of wells inspected and wells registered.

7. Update and possible action on the Northern Trinity/Woodbine Aquifer GAM Overhaul Project and the development of proposed Desired Future Conditions (DFCs)

Board Member Daniel reported that the District only has one more payment to INTERA to finalize the contract. No issues are anticipated for the final approval of the GAM. That will be completed by the end of the year.

8. Update and possible action regarding the process for the development of Desired Future Conditions (DFCs) including the consideration and possible approval of consulting services

Board Member Daniel explained that the next Groundwater Management Area 8 (GMA 8) meeting is scheduled for November 3rd. That meeting will focus on the bookend runs that were completed and try to get all the groundwater districts on the same page. The runs did show that usage anywhere in the aquifer affects all the other districts more than was expected. Adopting DFCs will be a collaborative effort. The process will be very challenging and time consuming. Board Member Collins asked how significant a foot of drawdown would be to the District's production. Board Member Daniel explained that the measurements and the impact would affect the District would depend on how many feet of drawdown was established in the DFCs.

The Board discussed the impact of feet of drawdown on individual wells in both the outcrop and the downdip area of the aquifer. Drawdown may not be the most accurate method of establishing DFCs, but it is the standard method of measuring the levels of the aquifer. The Board discussed the responsibility of the District from a managerial standpoint to consider all possible scenarios.

Mr. Sledge discussed the responsibility of the Board to consider all aspects before adopting DFCs. He explained that the GAM runs that were completed included one to pump the aquifers down to just above the top confining layer. However, that run could not be completed because it was an impossible scenario to model. All simulations will result in some shallow wells going dry. The consultants are currently working to evaluate a method where we could look at each counties impact with regard to neighboring counties. This would require that all counties be held static, while one county's production is increased to see how their pumping affects the neighboring counties.

Board Member Daniel commented that the wells in this area are not prepared for the levels of the aquifer to drop down to the sands. If the wells had to be deepened, it might take a 300 hp motor instead of a 75-100 hp motor to get the same production.

James Beach with LBG Guyton joined the Board by conference call to review the MAGs as generated by the GAM runs. Mr. Beach reviewed the guidelines the Board will need to follow to develop the new DFCs by 2016. He then discussed the four runs that have been completed at this time. They include drawdown from current MAGs, remove artesian pressure, achieve 2010 water levels in 2070, and 2010 pumping held constant through 2070. The goal of these runs was to obtain insight into both conservation and highest practicable pumping. Run 2 could not be done with the updated GAM. The consultants used another method to calculate the removal of artesian pressure.

Mr. Beach explained that the District's current MAG, including all aquifers, has approximately 35,000 acre-feet per year. Run 2, remove artesian pressure, would result in approximately 42,000 acre-feet per year. Run 3, the conservation run, would result in approximately 21,000 acre-feet per year. Run 4, steady pumping at 2010 amounts, would result in 28,000 acre-feet per year. Mr. Beach also discussed additional runs being considered, including local runs with county-by-county drawdown contributions.

9. Consider and act upon Inform Environmental contract draft deliverables and consultant review of deliverables.

Pursuant to Government Code 551.071, the Board of Directors adjourned into closed Executive Session at 11:26 AM to discuss the following:

Consultation with Attorney

The Board reconvened into Regular Session at 11:45 AM. President Smith stated no action was taken on items discussed during the Executive Session.

Mr. Sledge reported that the District received an initial report from Inform Environmental. In conjunction with the Prairielands GCD, the District had LBG Guyton review the data. He recommended the Board authorize the General Manager to submit LBG Guyton responses to Inform Environmental and to request responses; to authorize the General Manager to coordinate efforts with Prairielands GCD and Upper Trinity GCD to recommend changes to Inform Environmental's well owner reports; and to make sure that Inform Environmental honors the agreement by not referencing the District in any reports.

Secretary/Treasurer Young motioned to authorize the General Manager to submit LBG Guyton responses to Inform Environmental and to request responses; to authorize the General Manager to coordinate efforts with Prairielands GCD and Upper Trinity GCD to recommend changes to Inform Environmental's well owner reports; and to make sure that Inform Environmental honors the agreement by not referencing the District in any reports. The motion was seconded by Board Member Sellman and passed unanimously with Vice President Sanders absent.

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

No report received.

11. General Manager's Report

The Board discussed the well monitoring program. The Board discussed whether to require the wells to be registered in order for them to continue being monitored. The wells are known, but not registered. The Board agreed that the staff should encourage registration, but not force it, except on the ones that are required to be registered. The Board did recommend sharing as much positive information on registering wells as possible to try to get as many monitoring wells registered as possible, but to continue monitoring all wells that the Texas Water Development Board (TWDB) was monitoring that can continue to be monitored.


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

The next meeting is scheduled for November 18th in Gainesville at the City Council Chambers.

13. Adjourn public meeting

The public meeting adjourned at 11:47 AM.

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Recording Secretary


Secretary-Treasurer