

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

**TUESDAY, DECEMBER 12, 2012**

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

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

Members Absent:

Staff: Jerry Chapman, Alan Moore, Carolyn Bennett, Wayne Parkman, and Carmen Catterson

Visitors: Dale McQueen, Fannin County Leader  
Alex Moser, Moser Drilling

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1. Call to order, declare meeting open to the public, and take roll.

President Henderson called the meeting to order at 2:00 PM. All members were present.

2. Public Comment.

No comments received.

3. Consider approval of Minutes of October 16, 2012, board meeting

Vice President Olson motioned to approve the Minutes of the October 16, 2012 board meeting. The motion was seconded by Board Member Gattis and passed unanimously.

4. Consider and act upon revisions to Temporary Rules

The Board recommended modifying the date in the proposed amendments to five days.

Board Member Gattis motioned to adopt the amended Temporary Rules. The motion was seconded by Vice President Olson and passed unanimously.

5. Review and approval of monthly invoices.

President Henderson reviewed the invoices provided for payment. These include the auditing firm Rutherford, Taylor & Company, PC, administrative fees for GTUA, meeting posting notices for Herald Democrat, geodatabase services for IT Nexus.

Board Member Gattis motioned to approve the monthly invoices. The motion was seconded by Board Member Latham and passed unanimously.

6. Receive Monthly Financial Information and consider 2012 budget amendment

Each year at the end of the fiscal year, the District reviews and amends the budget to more accurately reflect actual expenditures. The staff has prepared a draft budget amendment with line item reallocations, but no adjustment to the total budget cost. Mr. Chapman reviewed the line item reallocations with the Board.

Board Member Gattis motioned to approve the 2012 amended budget. The motion was seconded by Board Member Patterson and passed unanimously.

7. Consider and act upon audit engagement letter with Rutherford, Taylor & Company, PC

Last year the Board solicited proposals for auditing services. This is the same auditing firm that performed the 2012 audit. The engagement letter includes a proposed price of \$3,500.

Board Member Gattis motioned to approve the 2012 audit engagement letter with Rutherford Taylor & Company. The motion was seconded by Board Member Morrison. Board Member Patterson clarified that the District can solicit an auditing firms with a price included. Cities are not able to solicit proposals with prices, the same way that engineering proposals cannot include rates. Vice President Olson stated that since the firm was engaged last year, this year is just a renewal of an agreement already approved. The motion passed unanimously.

8. Review State Brush Control Plan

The District's Management Plan includes a provision that the Board review the State Brush Control Plan annually. A summary of the plan was provided to the Board and the entire plan will be included in the annual report in January. The State Brush Control Plan states that this area is not included in an approved study area. President Henderson recommended the Board members review the Brush Control Plan and become familiar with the information contained within.

9. Consider and act upon Resolution Regarding Records Management Policy

Mrs. Bennett serves as the District's Records Retention Officer. The District needs to adopt a policy establishing records retention practices. She recommends the Board approve the State's recommended schedule.

Vice President Olson motioned to approve a Resolution Regarding Records Management Policy. The motion was seconded by Board Member Latham and passed unanimously.

10. Consider and act upon a Resolution Relating to a Travel, Training and Expense Reimbursement Policy

Every time a Board member attends a meeting, the member should be entitled to submit a voucher for reimbursements for travel costs. The staff has provided a policy that provides instructions on how to handle requests for reimbursements. Past requests for reimbursements for mileage have been handled on a case by case basis.

Board Member Gattis motioned to approve a Resolution Relating to a Travel, Training, and Expense Reimbursement Policy. The motion was seconded by Vice President Olson and passed unanimously.

11. Consider and act upon 2013 Administrative Services Agreement with Greater Texoma Utility Authority

Two years ago, the District discussed the Greater Texoma Utility Authority (GTUA) providing administrative services. The GTUA Board has found the situation agreeable and has recommended the contract be continued. The accounting services have been increased to \$12,000 from approximately \$4,000 to account for

additional time needed to bill for production. The only other difference is that the GTUA staff was granted a 2.5% salary increase.

Board Member Patterson motioned to approve the 2013 Administrative Services Agreement with GTUA. The motion was seconded by Board Member Gattis and passed unanimously. President Henderson commended the work performed by the staff.

12. General Manager's Report

Mr. Chapman referred the Board to the well registration summary as of December 3, 2012. The District received 11 new well registrations. The staff followed up with the Texas Water Development Board on the amount of agricultural irrigation estimates and separated the golf course irrigation. Mr. Moore explained that the staff contacted the county extension agents for estimates on golf courses and their amount of irrigation. The staff then searched on the internet for a list of golf courses and then used Google Earth to estimate the amount of acres being irrigated. Each golf course was then contacted to confirm their method of irrigation. Board Member Gattis asked how much of the acres being irrigated are sod, but the staff did not have that information available.

The legislative session begins in January 2013 and water, education and transportation will be the three major topics of discussion. The Texas Alliance of Groundwater Districts has started reviewing the items they will pursue. They are trying to get some funding for water projects included in the list of items for consideration by the Legislature. One of these is to have it clarified in the Texas Water Code that water used for hydraulic fracturing is not exempt from permitting. Other items relate to injection wells and a definition of water under groundwater districts jurisdiction to be specified as brackish water, as well as fresh water.

President Henderson asked about an article included in the Herald Democrat regarding funding of water projects from the Rainy Day Fund. Mr. Chapman explained that several methods of funding water projects have been discussed by the Legislature. Some states have been encouraging people to leave Texas due to the lack of water. Other methods of funding include a bottled water tax, a fee added to each water user so that the municipalities would have to collect fees and send to the State, or a fee added to electrical bills. Other suggestions are to add 1/8 or a 1/4 percent to sales tax or to take \$1 billion from the rainy day fund. Most of the State is in a very serious long-term water situation.


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

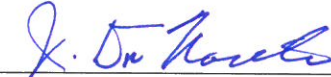
The next meeting has been tentatively scheduled for February 21, 2012 at 2:00 PM.

14. Adjourn

Board Member Gattis motioned to adjourn, seconded by Vice President Olson, and passed unanimously. The Board adjourned at approximately 2:41 PM.

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Recording Secretary

  
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Secretary-Treasurer