

**RED RIVER
GROUNDWATER
CONSERVATION
DISTRICT**

BOARD MEETING

**BOARD ROOM
GREATER TEXOMA UTILITY AUTHORITY
5100 AIRPORT DRIVE
DENISON, TEXAS 75020**

**THURSDAY
DECEMBER 5, 2019**

AGENDA
RED RIVER GROUNDWATER CONSERVATION DISTRICT
BOARD OF DIRECTORS BOARD MEETING
GREATER TEXOMA UTILITY AUTHORITY BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020
THURSDAY, DECEMBER 5, 2019

Board Meeting

The regular Board Meeting will begin at 10:00 a.m.

Notice is hereby given that the Board of Directors of the Red River 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. Call to order, establish quorum; declare meeting open to the public.
2. Public Comment.
3. Consider and act upon approval of Minutes of October 24, 2019, Board Meeting.
4. Review and approval of monthly invoices.
5. Receive monthly financial information.
6. Discussion and possible action on the review of Accounts Receivables as it relates to individual accounts owing the District.
7. Consider and act upon 2020 Administrative Services Contract with Greater Texoma Utility Authority.
8. Discussion and possible action on assisting the Texas Department of Licensing and Regulation with fulfilling their duties consistent with their Memorandum of Understanding with the Texas Commission on Environmental Quality
9. Update and possible action regarding the process for the development of Desired Future Conditions (DFC).
10. Consider and act upon compliance and enforcement activities for violations of District Rules.
 - a. JT Rivers, LLC or Porter Green
11. General Manager's report: The General Manager will update the Board on operational, educational and other activities of the District.
 - a. UIC Injection Well Monitoring Program Update
 - b. Well Plugging Update

- c. Historic Use Permitting Update
- d. Well Registration Summary

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

13. Adjourn.

¹*The Board may vote and/or act upon each of the items listed in this agenda.*

²*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 Red River 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); personnel matters (§551.074); and deliberation regarding security devices (§551.076). Any subject discussed in executive session may be subject to action during an open meeting.*

³*Persons with disabilities who plan to attend this meeting, and who may need assistance, are requested to contact Velma Starks at (800) 256-0935 two (2) working days prior to the meeting, so that appropriate arrangements can be made.*

⁴*For questions regarding this notice, please contact Velma Starks at (800) 256-0935, at rrqcd@redriverqcd.org or at 5100 Airport Drive, Denison, TX 75020.*

ATTACHMENT 3

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

THURSDAY, OCTOBER 24, 2019

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

Members Present: Chuck Dodd, David Gattis, Harold Latham, Mark Patterson, Mark Gibson, Mark Newhouse, and Billy Stephens

Members Absent:

Staff: Drew Satterwhite, Wayne Parkman, Allen Burks, Paul Sigle, Nicole Sims, Debi Atkins, Carolyn Bennett, and Velma Starks

Visitors: Kristen Fancher, Fancher Legal
Marshall Tolleson, Extension Agent
Shelby Sprinkle, Texas 4-H Water Ambassador
Sara Sprinkle, Grayson County 4-H
Robin McCoy, Senator Pat Fallon Office
Michael Timpson, land owner
Tyson Mathews, land owner

Permit Hearing

Agenda:

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

Board President Mark Patterson called the hearing to order at 10:00 a.m., established that a quorum was present; declared hearing open to the public; and introduction of Board.

2. Review the Production Permit Application of:

Applicant: Ameritex Pipe & Products, LLC

Location of Well: 27679 FM 121, Tioga, TX 76271; Latitude: 33.459576°N Longitude: 96.858189°W;

Located about 550 feet north of the Buck Creek Road and FM 121 intersection

Purpose of Use: Manufacturing/Dust Control

Requested Amount of Use: 7,500,000 gallons

Production Capacity of Well: 125 gallons per minute

Aquifer: Antlers (Trinity) Aquifer

Applicant: Ameritex Pipe & Products, LLC
Location of Well: 27679 FM 121, Tioga, TX 76271; Latitude: 33.459028°N Longitude: 96.857583°W;
Located about 550 feet north of the Buck Creek Road and FM 121 intersection
Purpose of Use: Manufacturing/Dust Control
Requested Amount of Use: 8,751,600 gallons
Production Capacity of Well: 125 gallons per minute
Aquifer: Antlers (Trinity) Aquifer

General Manager Drew Satterwhite reviewed the permits with the Board. These are two existing wells that Ameritex Pipe & Products would like to make producing wells, one to pump into pond to control dust and one to pump into storage tank for manufacturing. They have contacted the original well driller to put equipment and get wells producing. Discussion was held by Board.

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

There were no public comments on the Production Permit Application.

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

Board Member Mark Gibson made the motion to grant the Production Permit Applications. Board Member Check Dodd seconded the motion. Motion passed unanimously.

5. Adjourn or continue permit hearing.

Board President Mark Patterson adjourned the permit hearing at 10:12 a.m.

Board Meeting

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

Board President Mark Patterson called the meeting to order at 10:13 a.m., established a quorum was present, and declared the meeting open to the public.

2. Public comment

No public comments.

3. Consider and act upon State 4H Water Ambassador request for assistance to purchase a monitor kit from the Texas Stream Team.

General Manager Drew Satterwhite introduced Shelby Sprinkle, State 4H Water Ambassador. Shelby told the Board about herself and her interest in marine biology. She explained to the Board what the State 4H Water Ambassador program does, the training/information they receive. Shelby will use The Texas Stream Team monitor kit to monitor the Gunter East Ford River which flows into Lake Lavon. The Ambassador program is focused on educating in schools, conservation and monitoring water quality. Shelby does presentations for schools and any organization that invites her. The monitoring

results will be posted on the Texas Stream Team website. Shelby has received \$200 from other organizations for the purchase of the \$532.00 monitoring kit. The kit will remain with the ambassador program to be used by future ambassadors after Shelby is no longer an ambassador. A discussion was held. Board Member Chuck Dodd made a motion to provide the balance of \$332.00 for the purchase of the kit and that Shelby will report to the Board every six months. Board Member Mark Newhouse seconded the motion. Motion passed unanimously.

4. Consider and act upon approval of Minutes of September 19, 2019, Board Meeting.

Board Member David Gattis made a motion to approve the minutes of the September 19, 2019 meeting. The motion was seconded by Board Member Chuck Dodd. The motion passed unanimously.

5. Review and approval of monthly invoices.

General Manager Satterwhite reviewed the monthly invoices with the Board of Directors. Board Member Billy Stephens made a motion to approve Resolution 2019-10-24-01. Board Member Mark Gibson seconded the motion. Motion passed unanimously.

6. Receive monthly financial information.

General Manager Drew Satterwhite reviewed the monthly financial information with the Board. A discussion was held regarding the database.

7. Receive Quarterly Report on Management Plan.

General Manager Drew Satterwhite reported that there are 918 registered wells in the District and there were 84 inspections.

8. Receive Quarterly Investment Report.

General Manager Drew Satterwhite reviewed the Quarterly Investment Report with the Board.

9. Review and approval of Investment Policy.

General Manager Drew Satterwhite reviewed the Investment Policy with the Board. This policy is required to be reviewed annually in order to comply with Public Funds Investment Act. During this last legislative session, nothing changed in regards to the PFIA act that would necessitate any amendments to our current policy. Board Member Chuck Dodd made the motion to approve the Investment Policy as well as the broker/dealers and PFIA training sources. Board Member Billy Stephens seconded the motion. Motion passed unanimously.

10. Discussion and possible action regarding which existing well systems require a Hydrogeological Report when adding a new well, including possible approval of any related amendments to District Hydrogeological Report Guidelines.

General Manager Drew Satterwhite requested clarification from the Board of Directors as to which well systems were intended to be required to produce a Hydrogeological Report. After a detailed discussion the Board decided to remain with the current guidelines. Board Member David Gattis made the motion to remain with the current guidelines. Board Member Chuck Dodd seconded the motion. Motion passed unanimously.

11. Request for extension for Well #5 owned by the City of Tioga.

General Manager Drew Satterwhite informed the Board that the extension expired on the drilled well while they are waiting on the equipment. After a detailed discussion the board decided to grant a 365 day extension. Board Member Chuck Dodd made the motion to grant 365 day extension for City of Tioga Well #5. Mark Gibson seconded the motion. Motion passed unanimously.

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

a. Discussion of Environmental Impacts, Subsidence Impacts and Hydrological Conditions

James Beach, WSP provided a presentation on three factors concerning DFCs; Environmental Impacts, Subsidence Impacts and Hydrological Conditions. The Board discussed and was reminded that these factors will be discussed at the November 22nd GMA 8 meeting.

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

a. JT Rivers, LLC

General Manager Drew Satterwhite reminded the Board that this leaking pond situation had been previously brought to the Board attention. Staff members have been monitoring the production into the pond for a seven week period; it has been observed that the two wells have pumped 2.96 million gallons into the pond during the seven week period. Based on staff calculations it has been determined that substantially more water has been pumped into the pond than could have been evaporated during this period. The current owner was present and expressed his willingness to solve the problem once a solution is determined. Both current owner and neighbor explained pond situation to Board.

Board went in to Executive Session at this time, 12:08 p.m. Board reconvened into regular session at 12:20 p.m.

Board Member Mark Newhouse made the motion that the owner should turn off the pumps or fix the leak within 30 days. After the leak has been fixed, owner should provide proof of repair efforts and then apply for production permit. Board Member Billy Stephens seconded the motion. Motion passed unanimously. Kristen Fancher will prepare letter.

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

a. Well Registration Summary

General Manager Drew Satterwhite reported that there are 5 new well registrations and a total of 918 registered wells in the district.

General Manager Drew Satterwhite informed the Board that the TCEQ petition panel has asked him to serve as alternate on committee.

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

The Board decided not to meet in November instead to meet on Thursday, December 5 not the regular scheduled date in December.

16. Adjourn.

President Patterson declared the meeting adjourned at 12:28 p.m.

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Recording Secretary

Secretary-Treasurer

ATTACHMENT 4

RESOLUTION NO. 2019-12-05-01

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE RED RIVER GROUNDWATER CONSERVATION DISTRICT AUTHORIZING PAYMENT OF ACCRUED LIABILITIES FOR THE MONTHS OF OCTOBER & NOVEMBER

The following liabilities are hereby presented for payment:

<u>Administrative Services</u>	<u>Amount</u>
GTUA - October 2019	17,140.43
<u>Contract Services</u>	
WSP - Hydro Geo services through September	3,705.50
IT Nexus - December 2019 well database maintenance	600.00
<u>Direct Costs</u>	
USTI - E-billing fees up to October 2019	5.20
Youth Advisory Board - Stream Team Kit water conservation / education	332.00
<u>GMA8-Fees</u>	
NTGCD - GMA8 expenses from Oct 2018 - Aug 2019	468.55
<u>Insurance</u>	
Bayless-Hall - Blanket Board Dishonesty Bond renewal for 2020	286.00
<u>Legal</u>	
Fancher Legal - October - General Council	1,584.00
<u>Transportation</u>	
NexTraq - GPS Tracking October 2019	39.95
GRAND TOTAL:	\$ <u>24,161.63</u>

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RED RIVER GROUNDWATER CONSERVATION DISTRICT THAT the Secretary-Treasurer is hereby authorized to make payments in the amounts listed above.

On motion of _____ and seconded by:

_____, the foregoing Resolution was passed and approved on this, the 5th. day of December 2019

by the following vote:

AYE:
NAY:

At a meeting of the Board of Directors of the Red River Groundwater Conservation District.

ATTEST:

President

Secretary/Treasurer

ATTACHMENT 5

RED RIVER GROUNDWATER
Balance Sheet
As of October 31, 2019

ASSETS

Current Assets

Checking/Savings

10001 CASH-First United	151,737.59
10025 A/R CONSUMPTION	129,095.66
10026 A/R Texas Rain Holding Co	2,600.00
10101 ALLOWANCE FOR UNCOLLECT	-1,530.00
10200 AR DRILLERS DEP	-3,500.00
10010 INVESTMENTS	200,000.00
10230 PP EXPENSES	2,416.00
Undeposited Funds	-200.00

TOTAL ASSETS 480,619.25

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

23100 ACCOUNTS PAYABLE	3,901.50
23150 DRILLERS DEPOSIT LIAB	9,100.00

Total Other Current Liabilities 13,001.50

Total Current Liabilities 13,001.50

Total Liabilities 13,001.50

Equity

35100 RETAINED EARNINGS	217,860.40
Opening Balance Equity	202,157.93
Net Income	47,599.42

Total Equity 467,617.75

TOTAL LIABILITIES & EQUITY 480,619.25

RED RIVER GROUNDWATER
Profit & Loss Budget vs. Actual
 January through October 2019

	<u>Current Actual</u>	<u>Current Budget</u>	<u>YTD Actual</u>	<u>Total Budget</u>	<u>Remaining Budget</u>
Income					
46002 GW PRODUCTION	0.00		276,305.21	315,000.00	12.28%
46005 LATE FEES	0.00		1,101.72		
46006 VIOLATION FEES	0.00		3,600.00		
46015 REGISTRATION FEES	1,100.00	625.00	5,300.00	7,500.00	29.33%
46100 INTEREST INCOME	0.00	167.11	962.07	2,005.24	52.02%
Total Income	<u>1,100.00</u>	<u>792.11</u>	<u>287,269.00</u>	<u>324,505.24</u>	<u>11.47%</u>
Expense					
77010 ADMINISTRATIVE COST	8,235.50	9,166.67	86,241.00	110,000.00	21.6%
77020 ADVERTISING	4.00	0.00	251.45	1,500.00	83.24%
77027 AUDITING	0.00	0.00	4,750.00	4,750.00	0.0%
77032 CONTRACT SERVICES	1,200.00	3,416.67	24,771.76	41,000.00	39.58%
77035 FIELD TECH	4,363.00	6,666.67	49,144.10	80,000.00	38.57%
77040 DIRECT COST	1,052.26	500.00	3,964.84	6,000.00	33.92%
77045 FIELD PERMITTING SPECIAL	2,461.00	2,500.00	25,990.00	30,000.00	13.37%
77450 DUES & SUBSCRIPTIONS	1,375.00	141.67	1,733.00	1,700.00	-1.94%
77480 EQUIPMENT	0.00	166.67	968.08	2,000.00	51.6%
77500 FEES-GMA8	0.00	166.67	977.20	2,000.00	51.14%
77610 FUEL	261.93	291.67	2,315.52	3,500.00	33.84%
77810 INSURANCE AND BONDING	588.00	372.34	3,742.48	4,468.00	16.24%
77855 INTERNET FEES	0.00	83.34	2,143.93	1,000.00	-114.39%
77970 LEGAL		2,916.67	20,303.20	35,000.00	41.99%
78010 MEETINGS AND CONFEREN	420.01	433.34	4,149.63	5,200.00	20.2%
78310 RENT	200.00	200.00	2,000.00	2,400.00	16.67%
78600 SOFTWARE MAINTENANCE	284.98	1,166.67	3,940.83	14,000.00	71.85%
78750 TELEPHONE	229.70	208.34	2,129.69	2,500.00	14.81%
Total Expense	<u>20,675.38</u>	<u>28,397.39</u>	<u>239,516.71</u>	<u>347,018.00</u>	<u>30.98%</u>
Net Income	<u><u>-19,575.38</u></u>	<u><u>-27,605.28</u></u>	<u><u>47,752.29</u></u>	<u><u>-22,512.76</u></u>	

ATTACHMENT 7



**RED RIVER GROUNDWATER
CONSERVATION DISTRICT
AGENDA COMMUNICATION**



DATE: November 11, 2019

SUBJECT: AGENDA ITEM NO. 7

**CONSIDER AND ACT UPON 2020 ADMINISTRATIVE SERVICES CONTRACT WITH GREATER TEXOMA UTILITY
AUTHORITY**

ISSUE

Renewal of contract with Greater Texoma Utility Authority ("GTUA") for 2020 Administrative Services.

BACKGROUND

In November 2010, the District and GTUA entered into an agreement for administrative services to be provided by GTUA for the District. The Board of Directors of GTUA has continued to indicate their satisfaction with the outcome of the agreement. This agreement was approved at GTUA's November 12, 2018 Board meeting.

CONSIDERATIONS

This relationship, along with the Board's prudent management of funds, has helped the District operate with the lowest production fees in the region.

This scope of services remains the same as the contract executed for 2019. The budgeted amounts identified in the contract are consistent with the 2020 budget adopted by the District.

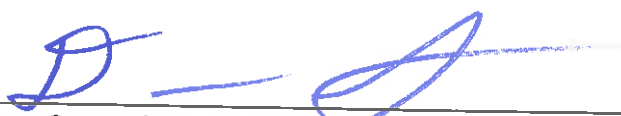
STAFF RECOMMENDATIONS

The staff recommends that the contract between the District and GTUA be approved.

ATTACHMENTS

2020 Administrative Services Contract with GTUA.
2020 Budget

PREPARED AND SUBMITTED BY:



Drew Satterwhite, P.E., General Manager

**ADMINISTRATIVE SERVICES AGREEMENT
BETWEEN THE GREATER TEXOMA UTILITY AUTHORITY AND
THE RED RIVER GROUNDWATER CONSERVATION DISTRICT**

STATE OF TEXAS	§	STATE OF TEXAS
	§	
GREATER TEXOMA UTILITY AUTHORITY	§	RED RIVER GROUNDWATER
	§	CONSERVATION DISTRICT

This Agreement, made and entered into by and between the Greater Texoma Utility Authority, hereinafter referred to as ("Authority") and the Red River Groundwater Conservation District in Fannin and Grayson Counties, Texas, hereinafter referred to as ("District").

WITNESSETH:

WHEREAS, the District is experiencing a need for administrative services in order to achieve the objectives provided in its enabling legislation and Chapter 36 of the Texas Water Code; and

WHEREAS, the Authority has staff experienced in water related activities; and

WHEREAS, the District has determined that it is in the best interest of the District to engage the Authority to assist in providing administrative assistance in establishing the District's programs and activities; and

WHEREAS, the District has determined that the proposal dated December 5, 2019 from the Authority, as said proposal is modified and supplemented herein, is in the best interest of the District and that the Authority is qualified and capable of providing such services;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and of the terms and conditions hereinafter set forth, the parties agree as follows:

1. The Scope of Services. The term "Scope of Services" as used herein refers to the Scope of Services made and submitted by the Authority to the District dated December 5, 2019, as amended, modified, or supplemented herein. (attached hereto as "Exhibit A")

The Scope of Services is a general guideline for the commencement of administrative activities and related services. Said Scope of Services is amended and superseded by specific terms of this Agreement, which may be amended in writing from time to time upon agreement of the Authority and the District.

2. Administrative Services. The Authority shall perform administrative services for the District at the direction of the District Board, and the District Board President to the extent that the Board President's direction does not conflict with any District, State or Federal Laws, or Authority rule, policy, or order of the District or Authority Board. Such directions from the District Board and Board President regarding the performance of administrative services shall supplement any specific services delineated in this Agreement or the attached Scope of Services. Administrative services shall include, but not be limited to recording and communication

services, database collection and well registration services, as well as assistance in developing personnel policies, operating procedures, refining of temporary rules and developing a management plan. Administrative services shall also include performance of the duties of the "General Manager" as set forth in the District's Temporary District Rules, Bylaws, rules and orders, subject to the directions and orders of the District Board and Board President. The Authority shall not retain outside professional services to be reimbursed by the District without prior authorization from the District. The District Board shall retain ultimate authority in decision-making under the District's Rules.

3. Charges and Payment. Monthly payments shall be made by the District to the Authority for actual costs incurred including hourly wages and benefits of the Authority employees, insurance costs, extra travel costs to and from the District, overhead, and other direct costs, including fees for professional services. The Authority shall invoice the District for any such services performed hereunder during the preceding thirty (30) day period, said invoice to be presented by the 25th day of the following month. Said invoice shall be itemized in such a manner that the District may determine the reasonableness of the charges submitted. The District shall pay the full amount of invoices received from the Authority by the tenth day of the month following receipt of any such invoice unless notice of protest or disagreement is given to the Authority within seven (7) business days after receipt of said invoice. Failure of the Authority and the District to agree upon payment of such invoice within thirty (30) days of protest shall be grounds for termination under Paragraph 4 unless the parties can otherwise agree in writing to a schedule of payment.

4. Terms of Agreement. The Term of this Agreement shall be for a 12-month period commencing as of the effective date of this Agreement, which shall be the later date that the District or the Authority executes this Agreement. This Agreement may be renewed upon expiration of the 12-month term of this Agreement by written agreement between the parties. Either the District or the Authority may terminate this agreement for any reason at any time upon ninety (90) days written notice of termination to the other party. Should the Authority or the District elect to terminate this Agreement, the District shall remain responsible for its share of any costs for which it is obligated that remain existing and unpaid as of the effective date of termination.

5. Indemnity. Neither the District nor the Authority shall be liable to the other for loss, either direct or consequential. All such claims for any and all loss, however caused, are hereby waived. Said absence of liability shall exist whether or not the damage, destruction, injury, or loss of life is caused by the negligence of either party or of any of their respective agents, servants, or employees. It is contemplated that each party shall look to its respective insurance carriers for reimbursement of any such loss. Neither party shall have any interest or claim in the other's insurance policy or policies, or the proceeds thereof, unless it is specifically covered therein as an additional insured. Nothing contained in this Agreement is intended by either party to create a partnership or joint venture, and any implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Agreement does not create a joint enterprise, nor does it appoint any party as an agent of any other party, for any purpose whatsoever. It is understood and agreed that by execution of this Agreement, no governmental powers or immunities are waived or surrendered by either the District or the Authority.

6. Independent Contractor. The Authority is, and shall perform this agreement as, an independent contractor, and as such, shall have and maintain complete control over all of its employees, subcontractors, agents, and operations. Neither the Authority nor anyone employed by it shall be, represent, act, purport to act or be deemed to be the agent, representative, subcontractor, employee, officer or servant of the District. No employee or agent of the District shall be, represent, act, or purport to act or be deemed to be the agent,

representative, subcontractor, employee, officer, or servant of the Authority.

7. Surety Bond. Any officer, employee, or agent of the Authority who collects, pays, or handles any funds of the District shall furnish good and sufficient bond payable to the District in an amount determined by the District Board to safeguard the District. The bond shall be conditioned on the faithful performance of that person's duties and on accounting for all funds and property of the District. The bond shall be signed or endorsed by a surety company authorized to do business in Texas. The District Board hereby determines that the initial amount of each bond shall be set at \$50,000.00, and may alter the amount pursuant to a minute order or resolution adopted at a properly noticed meeting. The District Board shall provide the Authority with notice of any such alternative amount. The District shall reimburse the Authority for costs incurred in connection with providing administrative services to the District. Any such out-of-pocket costs exceeding \$2,500.00 per year shall require prior approval of the District Board. The Authority shall limit the collection, payment, or handling of District funds only to the officers, employees, and agents of the Authority who have been bonded in accordance with this paragraph.

8. No Third Party Rights. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the parties hereto, and all duties and responsibilities undertaken pursuant to this Agreement shall be for the sole and exclusive benefit of the parties hereto, and not for the benefit of any other party. There are no third party beneficiaries to this Agreement.

9. Assignment. This Agreement shall not be assignable except at the written consent of the Authority and the District hereto, and if so assigned, shall extend to and be binding upon the successors and assigns of the Authority and the District thereto.

10. Notices. All notices given under this agreement shall be deemed properly served if delivered in writing personally, or sent by certified mail to Mark Patterson, President, Red River Groundwater Conservation District, PO Box 1214, Sherman, TX 75091-1214, and to the Authority addressed to the President, Greater Texoma Utility Authority, 5100 Airport Drive, Denison, TX 75020-8448. Date of service of notice served by mail shall be the date on which such notice is deposited in a post office of the United States Postal Service. Either party may change their respective addresses for notice by providing notice of such address change in the aforesaid manner with specific reference to this Agreement.

11. Authority Financial Obligations. Nothing in this agreement shall be construed to require the Authority to expend funds from any source other than the revenues received hereunder. All costs required by valid rules, regulations, laws, or orders passed or promulgated by the United States of America, the State of Texas, and regulatory or judicial branches thereof having lawful jurisdiction shall be the responsibility of the District.

12. Entire Agreement. This agreement embodies the entire understanding between the Authority and the District hereto relative to the subject matter hereof and shall not be modified, changed or altered in any respect except in writing signed by the Authority and the District.

13. Governing Law and Severability. This agreement shall be governed by the laws of the State of Texas and the venue in Grayson County, Texas. The provisions of this agreement shall be deemed to be severable and the invalidity of or inability to enforce other provisions hereof. In the event of a conflict between the terms of

this Agreement and any exhibit attached hereto, the terms and conditions of this Agreement shall take precedence. Venue shall be in Grayson County, Texas.

14. Interpretation. Although drawn by the Authority, this contract shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party. Captions and headings used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused the signatures of their legally authorized representatives to be affixed hereto, having been duly approved by the respective governing bodies and effective on the last date of execution as set forth below.

GREATER TEXOMA UTILITY AUTHORITY
5100 AIRPORT DRIVE
DENISON TX 75020-8448

RED RIVER GCD
PO BOX 1214
SHERMAN TX 75091-1214

BY: _____
President

BY: _____
President

DATE: _____

DATE: _____

ATTEST:

ATTEST:

Secretary-Treasurer

Secretary-Treasurer

Exhibit "A"

Scope of Services

- I. **Recording and Communication Services**
 - Act as point of contact for well owners by answering questions regarding rules
 - Provide all postings for meetings
 - Provide notice postings in timely manner
 - Mail notices and rules as needed
 - Prepare agenda after consultation with President
 - Prepare and e-mail draft minutes to Board of Directors
 - Complete minutes after review by Board of Directors
 - Maintain website as needed
 - Establish and maintain paper and electronic filing system
 - Provide written communications to well owners, TWDB and others as needed
 - Draft correspondence for signature by designated persons

- II. **Database Collection for Registered and Non-Registered Wells in the District**
 - Work with chosen database development firm to create the well registration system for the District
 - Operate and maintain well registration website and map, which will depict wells in each District county
 - Work with well owners to register wells and collect well registration fees
 - Employ field technician to locate and verify wells in each District county

- III. **Development of Personnel and Other Policies**
 - Prepare and present drafts of policies for review by appropriate committee and Board of Directors
 - Prepare and present drafts of operating procedures for future staff to follow
 - Assist Board of Directors in training personnel for District at appropriate time

- IV. **Assistance for Rule Development**
 - Assist Board of Directors in development of permanent rules
 - Assist Board of Directors in the development and implementation of a Management Plan

- V. **Accounting**
 - Provide accounting services including keeping financial records, issuing invoices, paying invoices, etc.
 - Prepare and present monthly financial statements
 - Assist Board of Directors with development of budget
 - Prepare and provide documentation for audit

Approach to Provision of Services

- Staff is able to work diplomatically with well owners and others
- Use 800 number on all letterhead and other communication for calls to make contact easier for well owners
- Well-acquainted with TWDB staff
- Utilize assistance from Texas Alliance of Groundwater District members
- Coordinate District activities with GMA 8 activities
- Develop records and procedures in a manner that will make for easy transition when desired

Estimated Cost of Services

The Authority is a public agency. The Board's approach to provision of services has always been to seek reimbursement for the costs of providing the services requested. These costs include:

- The salary and employer personnel costs (social security, worker's compensation insurance, retirement, and accounting, etc.)
- Mileage for travel required at the rate set annually by IRS
- Any direct expenses required to provide the services requested (telephone charges, copies, postage, and similar expenses directly associated with the project)
- The contract for services will not exceed \$110,000 for administration and accounting, \$80,000 for the field technician, and \$35,000 for field permitting specialist without prior authorization from the Board of Directors
- Field personnel costs will be an expense of the District, which will include salary, benefits, transportation and other costs directly associated with verification of well and pumping information
- Billing Rates:
 - General Manager – \$113 per hour
 - Project Coordinator - \$56 per hour
 - Administrative Assistant - \$30 per hour
 - Finance Officer - \$72 per hour
 - Accounting Assistant - \$34 per hour
 - Accounting Assistant (2) - \$29 per hour
 - Office Clerk - \$30 per hour
 - Field Technician - \$49 per hour
 - Field Technician (2) - \$40 per hour
 - Technician Lead - \$49 per hour
 - Operation Supervisor - \$62 per hour

**RED RIVER GROUNDWATER CONSERVATION
DISTRICT
BUDGET YEAR 2020**

Income	315,000.00
46002 GW Production Cost	8,000.00
46007 Registration Fees	-
46005 Late Fees	-
46006 Violation Fees	-
46010 Drillers Dep Forfeit	-
46100 Interest Inc	2,700.00
Total Income	325,700.00

Approved
2020

Gross Profit

Expense

77010 ADMINISTRATIVE COST	110,000.00
77033 ADS-LEGAL	700.00
77027 AUDITING	4,893.00
77031 BANKING FEES	100.00
77032 CONTRACT SERVICES	
Web Maintenance	1,800.00
Hydro-Geologist	30,000.00
77040 DIRECT COST	6,000.00
77450 DUES & SUBSCRIPTIONS	1,950.00
77550 EQUIPMENT	2,000.00
77555 FEES-GMA8	5,500.00
77035 FIELD SERVICES	80,000.00
77045 FIELD PERMITTING SPECIALIST	35,000.00
77810 INSURANCE & BONDING	3,624.00
77855 INTERNET SERVICES	4,500.00
77970 LEGAL	35,000.00
78010 MEETINGS AND CONFEREN	5,200.00
78310 RENT	2,400.00
78600 SOFTWARE MAINT	15,000.00
78770 TRANSPORTATION/FUEL/MAINT	3,500.00
78750 TELEPHONE	2,500.00
Total Expense	349,667.00

Contingencies

Total Expenditures

349,667.00

Net Income

(23,967.00)

ATTACHMENT 8



**RED RIVER GROUNDWATER
CONSERVATION DISTRICT
AGENDA COMMUNICATION**



DATE: November 27, 2019

SUBJECT: AGENDA ITEM NO. 8

**DISCUSSION AND POSSIBLE ACTION ON ASSISTING THE TEXAS DEPARTMENT OF LICENSING AND REGULATION
WITH FULFILLING THEIR DUTIES CONSISTENT WITH THEIR MEMORANDUM OF UNDERSTANDING WITH THE
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**

ISSUE

The Texas Department of Licensing and Regulation ("TDLR") has requested that the District memorialize their commitment to helping them fulfill their obligations of a Memorandum of Understanding with the Texas Commission on Environmental Quality ("TCEQ").

BACKGROUND

On November 22, 2019 the District received a letter from the TDLR requesting that the District adopt a resolution to memorializing the District's willingness to coordinate with the TDLR on abandoned well complaints. The Memorandum of Understanding was executed in 2005 and following it's execution, the TDLR sent a similar letter to all Groundwater Conservation Districts that existed at that time.

Due to funding limitations, the TDLR water well division only has 2 staff members who perform field work. As a statewide regulatory agency, they have a very large area to cover with only 2 field staff members. Since the District began operation, we have maintained a good working relationship with the TDLR and we already work together on many issues including abandoned wells.

CONSIDERATIONS

Based upon verbal conversations with Mr. David Gunn, Manager of the Water Well Division, they are simply requesting a resolution expressing our willingness to continue working with them to help inspect water well issues that may arise and report back to them.

STAFF RECOMMENDATIONS

The staff recommends that the Board adopt a resolution expressing our intent to cooperate with the TDLR and TCEQ Memorandum of understanding.

ATTACHMENTS

Letter From TDLR
Memorandum of Understanding
District Resolution

PREPARED AND SUBMITTED BY:

Drew Satterwhite, P.E., General Manager



TEXAS DEPARTMENT OF LICENSING & REGULATION
P.O. Box 12157 • Austin, Texas 78711-2871 • www.tdlr.texas.gov
(512) 334-5540 • FAX (512) 463-8616 • water.well@tdlr.texas.gov

November 22, 2019

Mr. Drew Satterwhite, General Manager
Red River Groundwater Conservation District
P.O. BOX 1214
Sherman, Texas 75091

Re: Texas Occupations Code § 1901.257 Memorandum of Understanding (MOU) between the Texas Department of Licensing and Regulation (Department), the Texas Commission on Environmental Quality (TCEQ) and Groundwater Conservation Districts (GCD).

Dear Mr. Satterwhite:

The Department invites you to join the MOU and to adopt a resolution joining with the Department and TCEQ to address abandoned wells in Texas and protect a precious resource, groundwater. The MOU was developed to coordinate efforts between the groundwater conservation districts, the Department, and TCEQ to coordinate investigative procedures for referrals of complaints regarding abandoned and/or deteriorated wells. These wells not only serve as conduits or channels for contamination to reach groundwater but can also be a hazard to human and animal life. A previous invitation was mailed out to all GCDs in 2005 after the statute was enacted, however since then more districts have been added. The department would now like your district to join with the department to abate abandoned wells.

Property owners who possess abandoned and/or deteriorated wells are the responsible party for either plugging or bringing the wells into compliance with 16 Texas Administrative Code (TAC) § 76.100 well construction specifications. The Department looks forward to working with the district in the process of abandoned/deteriorated well investigation, identification, and compliance assurance.

The Department is dedicated to working with the districts, industry, regulatory agencies, and the public to insure protection and conservation of the groundwater of the state and the effects to the welfare, property, economy, and security of the public relating to well drilling, water well pump installation, and well plugging activities. Any questions concerning this matter should be directed to the Water Well Driller/Pump Installer Section at 512/334-5539 or by email at David.Gunn@tdlr.texas.gov.

Sincerely,

David Gunn, Manager
Water Well Driller/Pump Installer Section
Regulatory Program Management Division
TDLR

Attachment: MOU

RESOLUTION NO. 2019-12-05-02

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE RED RIVER GROUNDWATER CONSERVATION DISTRICT RELATING TO AN AGREEMENT WITH THE TEXAS DEPARTMENT OF LICENSING AND REGULATION

WHEREAS, the Red River Groundwater Conservation District ("District") was created by an Act of the 81st Texas Legislature in 2009;

WHEREAS, the District has the responsibility of protecting groundwater quality within the aquifers of the District;

WHEREAS, the Texas Department of Licensing and Regulation ("TDLR") was created in 1909;

WHEREAS, the TDLR began regulating Water Well Drilling in 1997 through a transfer from the Texas Natural Resource Conservation Commission;

WHEREAS, the TDLR enforces compliance relating to abandoned wells consistent with the Texas Occupations Code, Section 1901.255 and 1901.256;

WHEREAS, the TDLR has requested the District's cooperation with a Memorandum of Understanding between the TDLR and Texas Commission on Environmental Quality related to inspections and investigations of abandoned wells, which is attached hereto as Exhibit "A"; and

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RED RIVER GROUNDWATER CONSERVATION DISTRICT AS FOLLOWS:

1. The above recitals are true and correct and are incorporated herein for all purposes.
2. The District is committed to assisting the TDLR with its mission related to investigations/inspections of abandoned wells as may be requested by the TDLR in the future, to the extent that District staff resources and time allows the District to assist in such a manner.
3. The District's staff is further authorized to take any and all actions necessary to implement this Resolution.

Upon motion by _____, seconded by _____, the foregoing Resolution was passed and approved on this 5th day of December, 2019 by the following vote:

AYE:

NAY:

ABSTAIN:

At a meeting of the Board of Directors of the Red River Groundwater Conservation District.

President

ATTEST:

Secretary-Treasurer

Exhibit "A"

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE TEXAS DEPARTMENT OF LICENSING AND REGULATION

AND

THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

ARTICLE I. RECITALS

Pursuant to Senate Bill 279 (78th Legislature, 2003), Section 19.015, which created Section 1901.257(b), Texas Occupations Code, the Texas Department of Licensing and Regulation (TDLR) and the Texas Commission on Environmental Quality (TCEQ) shall enter into a Memorandum of Understanding (MOU) to coordinate the efforts of the TDLR, the field offices of the TCEQ, and groundwater conservation districts (GCDs), relating to investigative procedures for referrals of complaints regarding abandoned and/or deteriorated wells.

Pursuant to Senate Bill 279 (78th Legislature, 2003), Section 19.015, which created Section 1901.257(c), Texas Occupations Code, GCDs in which an abandoned and/or deteriorated well is located shall join the Memorandum of Understanding adopted under Section 1901.257(b). In addition, GCDs may enforce compliance with Texas Occupations Code Section 1901.255 related to abandoned and/or deteriorated wells located in the boundaries of the district.

Therefore, pursuant to the above referenced sections of Texas Occupations Code Chapter 1901 and in compliance with authority granted by the Interagency Cooperation Act, TEX. GOVT. CODE ANN. § 771.003, the TDLR and TCEQ enter into this MOU to coordinate efforts related to investigative procedures for referrals of complaints regarding abandoned and/or deteriorated wells. Each GCD in which an abandoned and/or deteriorated well is located is required by Texas Occupations Code, Section 1901.257(c) to join this MOU. Such joinder is established by submission to the TDLR at P.O. Box 12157, Austin, TX 78711, of a copy of appropriate GCD Board action indicating that the GCD has joined this MOU and understands its responsibilities under the MOU and Chapter 1901 of the Texas Occupations Code.

ARTICLE II. TDLR RESPONSIBILITIES

- A. Investigate abandoned and/or deteriorated well complaints, including referrals received from the TCEQ regional field offices, unless the complaint is being investigated by a GCD in coordination with TDLR staff.
- B. Enforce compliance with Section 1901.255 related to persons possessing abandoned and/or deteriorated wells.
- C. Coordinate investigation and enforcement efforts with appropriate GCD for any complaints regarding wells located within the boundaries of a GCD.
- D. When abandoned and/or deteriorated wells are observed while conducting field investigations inside the boundaries of a GCD, a reasonable effort to obtain the landowners' name, mailing address, and latitude and longitude of the well shall be made, and such information shall be referred to the General Manager of the appropriate GCD for investigation and possible enforcement action to assure compliance with Section 1901.255 related to persons possessing abandoned and/or deteriorated wells.

E. When an abandoned and/or deteriorated well complaint is received, TDLR will determine if the well is located within a GCD boundaries and provide a referral to the General Manager of the appropriate GCD for investigation and possible enforcement action to assure compliance with Section 1901.255 related to persons possessing abandoned and/or deteriorated wells.

F. Provide training and technical assistance to GCD staff and TCEQ Field Operations staff on field recognition of an abandoned and/or deteriorated well.

G. Annually report to TCEQ the status of all complaints provided to the TDLR under this MOU and the number of wells closed as a result of TCEQ abandoned and/or deteriorated well complaint referrals.

ARTICLE III. TCEQ RESPONSIBILITIES

A. When suspected abandoned and/or deteriorated wells are observed by Field Operations staff while conducting field investigations, information to allow for identification of the well, which may include: the landowners' name, physical address, and latitude and longitude of the well; shall be referred to the TDLR Compliance Division, Water Well Driller/Pump Installer Section. TCEQ field operation staff shall make a reasonable effort to obtain information needed for the identification of any abandoned and/or deteriorated well.

B. Provide updated list of GCDs as they are confirmed, including boundaries and the name and address of district contacts such as the General Manager.

ARTICLE IV. GCD RESPONSIBILITIES

A. When a GCD receives a referral from the TDLR of an abandoned and/or deteriorated well, the GCD shall respond within 14 calendar days informing the TDLR as to whether the GCD will investigate the referral.

B. After the GCD has been notified by the TDLR or becomes aware of an abandoned and/or deteriorated well, the GCD may:

1. Investigate the complaint of an abandoned and/or deteriorated well within the boundaries of the GCD; and

2. Enforce compliance with Texas Occupations Code, Section 1901.255 related to landowners that have an abandoned and/or deteriorated well located on their property.

C. A GCD that performs an investigation related to an abandoned and/or deteriorated well referred to the GCD by TDLR shall notify the TDLR regarding the disposition of the investigation.

D. Any GCD enforcement under Texas Occupations Code, Sections 1901.255 and 1901.256, may be coordinated with the TDLR.

E. A GCD may communicate with the TDLR regarding any phase of the investigation or enforcement action.

ARTICLE V. REFERRAL AND INVESTIGATION REQUIREMENTS

A. For the purposes of this MOU, a "referral" shall constitute information gathered, compiled, and forwarded to the TDLR. Written referrals via email or letter shall utilize the appropriate form, provided by TDLR, and document information on the abandoned and/or deteriorated well, which may include:

- (1) the name of landowner possessing the abandoned and/or deteriorated well,
- (2) the physical address of said landowner,
- (3) the latitude and longitude of the abandoned and/or deteriorated well, and
- (4) if possible, a photograph of the well.

B. Following the receipt of a referral from TCEQ, the TDLR will begin landowner notification procedures or follow up investigation or, if the well is inside the boundaries of a GCD, provide a referral to the General Manager of the corresponding GCD for investigation and possible enforcement action to assure compliance with Section 1901.255 related to persons possessing abandoned and/or deteriorated wells.

C. Referrals to TDLR should be sent to:

Water Well Driller/Pump Installer Section
Compliance Division
TDLR
Phone: 512/463-7880
Fax: 512/463-8616
Email: water.well@license.state.tx.us

ARTICLE VI. TERM

The term of this MOU shall be from the date both the TDLR and TCEQ adopt the MOU by rule. The TCEQ or TDLR may for any reason terminate this MOU upon thirty days notice to the other agency.

ARTICLE VII. SEVERABILITY

Should any provision of this MOU be held to be null, void, or for any reason without force or effect, such provision shall be construed as severable from the remainder of this document and shall not affect the validity of all other provisions, which shall remain in full force and effect.

ARTICLE VIII. AMENDMENT

This MOU may be amended through rulemaking proposal and adoption at any time by mutual consent of the TCEQ and the TDLR.

TEXAS DEPARTMENT OF LICENSING AND REGULATION

Signature: William H. Kuntz Jr

Printed Name and Title: William H. Kuntz Jr Executive Director

Date: 3/2/05

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Signature: [Signature]

Printed Name and Title: Executive Director TCEQ

Date: March 10, 2005

ATTACHMENT 11 d.

Red River Groundwater Conservation District

Well Registration Summary As of October 31, 2019

Well Type	Total Registered		Total RRGCD	New Registrations
	Fannin County	Grayson County		
Domestic	166	295	461	7
Agriculture	19	26	45	0
Oil/Gas	0	21	21	1
Surface Impoundments	6	14	20	2
Commercial	10	16	26	0
Golf Course	0	15	15	0
Livestock	17	25	42	0
Irrigation	0	7	7	0
Public Water	59	216	275	1
Monitoring	12	3	15	0
Total	289	638	927	11

Red River Groundwater Conservation District

Well Registration Summary As of November 30, 2019

Well Type	Total Registered		Total RRGCD	New Registrations
	Fannin County	Grayson County		
Domestic	168	298	466	5
Agriculture	19	26	45	0
Oil/Gas	0	21	21	0
Surface Impoundments	6	14	20	0
Commercial	10	17	27	1
Golf Course	0	15	15	0
Livestock	17	25	42	0
Irrigation	0	7	7	0
Public Water	59	216	275	0
Monitoring	12	3	15	0
Total	291	642	933	6

ADJOURN