

**RED RIVER
GROUNDWATER
CONSERVATION
DISTRICT**

BOARD MEETING

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

**THURSDAY
SEPTEMBER 15, 2016**

AGENDA
RED RIVER GROUNDWATER CONSERVATION DISTRICT
BOARD OF DIRECTORS BOARD MEETING
GREATER TEXOMA UTILITY AUTHORITY BOARD ROOM
5100 AIRPORT DRIVE
DENISON, TEXAS 75020
THURSDAY, SEPTEMBER 15, 2016

Board Meeting

The Board Meeting will begin at 2:00 p.m.

The Board of Directors may discuss, consider, and take all necessary action, including expenditure of funds, regarding each of the agenda items below:

Agenda:

1. Call to order, declare meeting open to the public, and take roll
2. Public Comment
3. Consider and act upon approval of Minutes of July 21, 2016, Board Meeting
4. Review and approval of monthly invoices
5. Receive monthly financial information
6. Consider and act upon the District's Fund Balance Policy
7. Consider and act upon 2017 Budget and adopt Rate Schedule
8. Update and possible action regarding the process for the development of Desired Future Conditions (DFCs)
9. Consider and act upon compliance and enforcement activities for violations of District Rules
10. General Manager's report: The General Manager will update the Board on operational, educational and other activities of the District
11. Open forum / discussion of new business for future meeting agendas
12. Adjourn

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

²At 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.

⁴For 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
RED RIVER GROUNDWATER CONSERVATION DISTRICT

THURSDAY, JULY 21, 2016

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

Members Present: David Gattis, Mark Gibson, Harold Latham, Mark Newhouse,
Mark Patterson, William Purcell, Don Wortham

Members Absent: None

Staff: Drew Satterwhite, P.E., Debi Atkins, Velma Starks, Scott Perry, Wayne Parkman,
Tasha Hamilton, and Carolyn Bennett

Visitors: None

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

President Patterson called the meeting to order at 2:01 pm, established a quorum was present, and declared the meeting open to the public.

2. Public comment

There were no citizens present requesting to appear before the Board of Directors for public comment.

3. Consider and act upon approval of Minutes from the June 9, 2016 public hearing and board meeting

Motion was made by David Gattis and seconded by Harold Latham to approve the Minutes from the June 9, 2016 public hearing and board meeting. Motion passed unanimously.

4. Review and approval of monthly invoices.

After a brief discussion, David Gattis made a motion to approve Resolution 2016-07-21-01. Mark Gibson seconded the motion. Motion passed unanimously.

5. Receive monthly financial information

General Manager Satterwhite discussed and reviewed the monthly financial information with the Board.

6. Receive Quarterly Investment Report

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

7. Consider and act upon 2017 Budget and adopt Rate Schedule

General Manager Satterwhite reviewed the proposed budget and rate schedule with the Board of Directors. Discussion ensued regarding legal fees, the non-exempt water use fee, new position for Permitting Specialist, and fund balances.

Board Member Purcell made a motion for a proposed resolution that the RRCD limit its fund balance reserve to 150% of the proposed budget expenses for the next year. Motion failed due to lack of a second. The fund balance policy will be placed on the agenda for the next Board meeting for discussion.

It was the consensus of the Board to table discussion of rates and provide the water users a letter informing them the rates will not increase. Motion was made by Bill Purcell and seconded by David Gattis to table adoption of the budget until the next board meeting. Motion passed unanimously.

8. Consider and Act upon authorizing LBG Guyton Associates to begin developing the District's Management Plan

General Manager Satterwhite discussed the Management Plan and the need to update the Plan, as it is set to expire on June 19, 2017. Mr. Satterwhite stated LBG Guyton Associates is qualified to perform this work, and the staff feels it would be beneficial to have the District's Hydrogeologist perform this work due to their familiarity with the District's hydrogeology and operation.

The Board of Directors discussed the need to update the Management Plan and the what the staff's role could be in the process. David Gattis made a motion to authorize LBG Guyton Associates to begin developing the District's Management Plant update at an amount not to exceed \$26,850. Harold Latham seconded the motion and the motion passed unanimously.

9. Consider and act upon appointing the District's Groundwater Management Area 8 Alternate Representative

General Manager Satterwhite informed the Board he had discussed the District's Groundwater Management Area 8 Alternate Representative with Mark Newhouse and Harold Latham, the current Alternates. Mr. Newhouse and Mr. Latham agreed that due to their schedules, it would be best for Harold Latham to be appointed as the District's Groundwater Management Area 8 Alternate Representative. David Gattis made a motion to appoint Harold Latham as the District's GMA8 Alternate Representative. Bill Purcell seconded the motion and the motion passed unanimously.

10. Consider and act upon authorizing the migration of the District's website to a new website development platform

General Manager Satterwhite informed the Board of the need to migrate the District's website to a new website development platform. David Gattis made a motion to authorize GoDaddy to perform the migration of the District website to a new website development platform. Mark Newhouse seconded the motion and motion passed unanimously.

11. Consider and act upon approving and submitting the District's Desired Future Conditions Summary Report for GMA8

General Manager Satterwhite informed the Board as of July 12, 2016 5:00pm, the close of the 90-day public comment period, the District received no verbal or written comments in regard to the proposed DFCs. Staff recommends Board authorize resolution approving the Summary Report for submission to GMA8.

David Gattis made a motion to approve the Resolution adopting the Summary Report for submission to the GMA8. Mark Newhouse seconded the motion, and the motion passed unanimously.

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

General Manager Satterwhite informed the Board a meeting is currently being scheduled for September for the GMA8.

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

There were no compliance or enforcement activities necessary to be considered by the Board at this time.

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

General Manager Satterwhite reviewed the Quarterly Report on the drought with the Board of Directors, and discussed database problems currently being experienced with the District's website provider.

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

President Patterson asked if there were any items of discussion requested by the Board for future agendas. There were no items requested to be on future agendas for the District. There will be no meeting in August.

16. Adjourn public meeting

David Gattis made a motion to adjourn. The motion was seconded by Mark Newhouse and passed unanimously, and the Board adjourned at 3:38pm.

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Recording Secretary

Secretary-Treasurer

ATTACHMENT 6



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: SEPTEMBER 12, 2016

SUBJECT: AGENDA ITEM NO. 6

CONSIDER AND ACT UPON THE DISTRICT'S FUND BALANCE POLICY

ISSUE

At the July 2016 meeting, the Board requested the fund balance policy be placed on the next agenda for the Board to review.

BACKGROUND

The District Board initially adopted the fund balance policy on July 25, 2012. At the July 2016 meeting, the Board requested to review the current fund balance policy at the next meeting.

OPTIONS/ALTERNATIVES

The Board has the option to review this information and not take action. However, having an updated policy in place will help the District moving forward with setting rates.

CONSIDERATIONS

If the Board provides direction to the staff in regards to how the fund balance policy should be modified, the staff can prepare a draft policy for adoption at a future meeting.

The staff will provide a list of items that the Board may want to consider for future uses of fund balance.


STAFF RECOMMENDATIONS

The staff requests direction from the Board on the fund balance policy.

ATTACHMENTS

District's Current Fund Balance Policy
Fund Balance History

PREPARED AND SUBMITTED BY:



Drew Satterwhite, P.E., General Manager

SUBMITTED BY:



Debi Atkins, Finance Officer

RED RIVER GROUNDWATER CONSERVATION DISTRICT

GOVERNING POLICY—FUND BALANCE

The Board of Directors of the Red River Groundwater Conservation District (RRGCD) sets guidelines for fund balances. The fund balance addressed in this policy only applies to unrestricted fund balance. The policy establishes the appropriate size of fund balance, replenishing or setting aside resources for fund balance, and the methods for utilizing fund balance. This fund balance policy, as presented to the Board of Directors, was proposed by the staff of the RRGCD to maintain a sound financial position, mitigate current and future risks against revenue shortfalls or unanticipated expenditures and to ensure stable water production fee rates.

Classifications of Fund Balance

A fund's equity - commonly referred to as 'fund balance' - is generally the difference between its assets and its liabilities. Fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Restricted fund balance** – amounts constrained to specific purposes by their providers (such as grantors, bond covenants) through constitutional provisions or by enabling legislation.
- **Committed fund balance** – amounts constrained to specific purposes by the RRGCD itself. This requires a formal action by the Board of Directors. Commitments may be changed or lifted only by the Board of Directors taking the same formal action that imposed the constraint originally.
- **Assigned fund balance** – amounts *intended* to be used by the Board of Directors for specific purposes. Intent can be expressed by the Board of Directors. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned fund balance** – amounts available for any purpose. These amounts are only shown in the general fund except in cases of negative fund balances in other governmental funds.

Classifying Residual Fund Balance

When both restricted and unrestricted funds are available for expenditure, restricted funds are used first. Within unrestricted funds, assume committed resources are used first, then assigned, then unassigned.

Appropriate Size of Fund Balance

The Board of Directors has set a minimum fund balance equal to twenty-five percent (25%) of the total general fund expenditures. It also permits other reservations of the fund balances as seem prudent in the judgment of the General Manager and the Board of Directors. This policy sets ninety (90) days of expenditures as a minimum amount of fund balance for the General Fund.

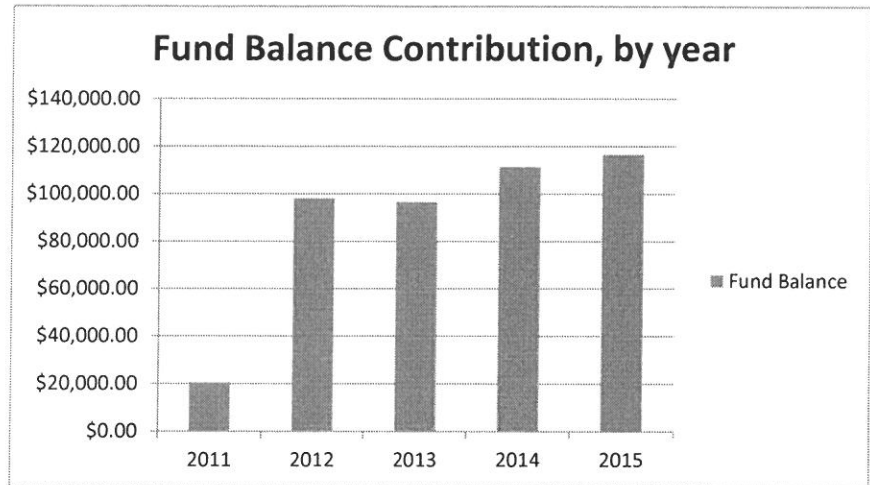
Replenishing Fund Balance

When fund balance falls below the minimum level, the Board of Directors will implement a plan to replenish the fund within one year or as soon as economic and budgetary conditions allow. Fund balance may be replenished by using all or a portion of an operating surplus from itself or another fund. Revenues from a dedicated stream (e.g. 2% of water production fees received over amount budgeted) may also be used to build fund balance. Alternatively, an amount determined in the budget process either using a percent of operating expenditures or a fixed amount may be used.

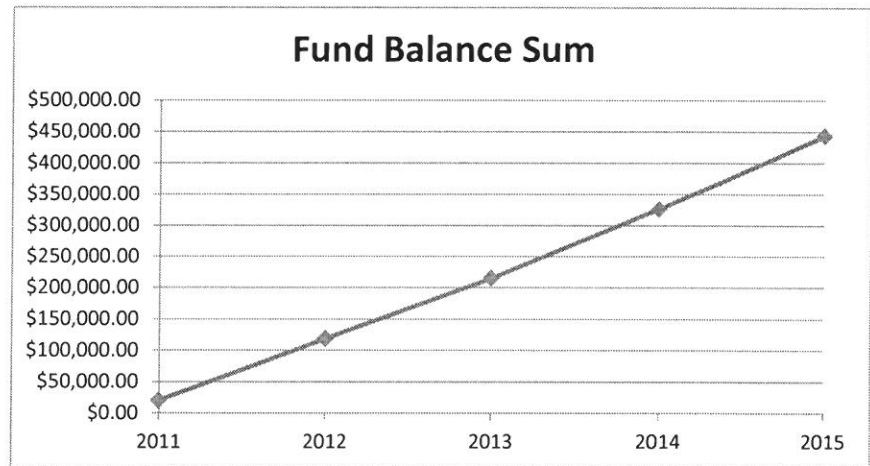
Utilizing Unassigned Fund Balance

Fund balances may be used to meet capital needs, offset difficult economic times, stabilize fluctuations in cash flow requirements, and provide funding for emergency situations. Fund balance may be used for contingencies until the balance is nearing its minimum level. The RRGCD will also adjust its expenditure level to match any new economic reality that is behind the use of fund balance as a financing bridge. Authorization for utilizing fund balances is made by the Board of Directors during the annual budget process

year	Fund Balance
2011	\$ 20,679.00
2012	\$ 98,251.00
2013	\$ 96,693.00
2014	\$ 111,503.00
2015	\$ 116,686.00



Year	Fund Balance Contribution	Fund Balance
2011	\$ 20,679.00	\$ 20,679.00
2012	\$ 98,251.00	\$ 118,930.00
2013	\$ 96,693.00	\$ 215,623.00
2014	\$ 111,503.00	\$ 327,126.00
2015	\$ 116,686.00	\$ 443,812.00



ATTACHMENT 7



RED RIVER GROUNDWATER CONSERVATION DISTRICT AGENDA COMMUNICATION



DATE: **SEPTEMBER 12, 2016**

SUBJECT: **AGENDA ITEM NO. 7**

CONSIDER AND ACT UPON 2017 OPERATING BUDGET AND ADOPT RATE SCHEDULE

ISSUE

2017 operating budget and rate schedule

BACKGROUND

In the past, the Board of Directors of the Red River Groundwater Conservation District ("District") has established the practice of trying to adopt a budget and rate schedule as early as possible. The District's fiscal year is based on a calendar year from January 1st through December 31st, while many of the groundwater producers who pay production fees operate on fiscal years that begin October 1st and go through September 30th. For this reason, the Board has attempted to establish production fees as early as possible in the budget planning process.

A draft 2017 budget was presented to the Budget Committee, and subsequently to the Board at the July Meeting. After discussion at the July meeting, the Board decided to table the budget and requested that the staff revise the 2016 year budget projections and look into the fund balance policy before adopting the rates and budget for 2017.

An item of note in the draft budget is for the addition of a Permitting Specialist/Geologist. The staff believes it will be important to have a position created to fill this role in time for the permitting process to begin and preferably while the District is developing permanent rules. This would be a shared position, just like all of the staff, and would focus their efforts on the technical aspects of well permitting, administering the database, administering the water level monitoring plan as well as public presentations.

OPTIONS/ALTERNATIVES

The Board has the option to review this information and not take action at the August meeting. However, the district is required to adopt and send notice of the rates 60 days prior to the January 1, 2017. The staff is available to meet with the Budget Committee again or the staff is prepared to move forward with the current proposed budget and rate schedule.

CONSIDERATIONS

The Board should feel an additional level of confidence in the District's budget and rate schedule being that the District's rates are among the lowest in the region.

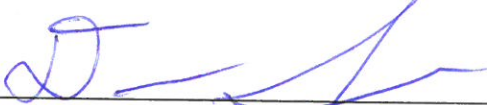
STAFF RECOMMENDATIONS

The staff requests direction from the Board on the budget and rate schedule.

ATTACHMENTS

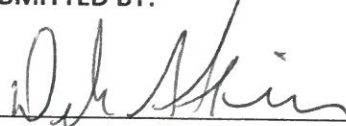
Draft 2017 Operating Budget
Income Comparison
Draft Fee Schedule
Resolutions

PREPARED AND SUBMITTED BY:



Drew Satterwhite, P.E., General Manager

SUBMITTED BY:



Debi Atkins, Finance Officer

RED RIVER GROUNDWATER CONSERVATION DISTRICT
BUDGET YEAR 2017

	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Approved 2016	Actual thru July 2016	EST @ 12/31/2016	Proposed 2017
Income									
46002 GW Production Cost	\$148,116.67	\$298,044.87	297,037.92	284,250.06	\$322,861.01	325,000.00	132,274.80	309,330.00	325,000.00
46007 Registration Fees			8,900.00	5,200.00	\$6,300.00		2,700.00	4,628.57	5,000.00
46005 Late Fees				1,306.23	\$65.88				
46006 Violation Fees				1,600.00	\$500.00		500.00	500.00	
46010 Drillers Dep Forfeit					\$600.00				
46100 Interest Inc					\$888.36				
Total Income	<u>\$148,116.67</u>	<u>\$298,044.87</u>	<u>\$305,937.92</u>	<u>\$292,356.29</u>	<u>\$331,215.25</u>	<u>\$325,000.00</u>	<u>134,974.80</u>	<u>313,958.57</u>	<u>330,500.00</u>
Gross Profit	\$148,116.67	\$298,044.87	\$305,937.92	\$292,356.29	\$331,215.25				
Expense									
77010 ADMINISTRATIVE COST	\$68,057.56	\$79,748.58	94,767.47	89,183.92	90,177.60	115,000.00	55,059.50	94,387.71	105,000.00 ¹
77033 ADS-LEGAL	0.00	300.87		383.65	78.00	1,000.00	521.08	521.08	1,000.00
77027 AUDITING	0.00	3,250.00	3,500.00	3,750.00	3,750.00	4,000.00	4,250.00	4,250.00	4,500.00
77031 BANKING FEES					134.39		18.00		
77855 CONTRACT SERVICES		83,980.54	18,300.00	7,200.00	7,200.00	7,200.00	4,800.00	7,200.00	7,200.00
Web Maintenance					25,099.53 *	43,900.00	12,432.29	37,432.29	65,000.00 ²
Hydro-Geologist					15,570.73	5,000.00		2,100.00	
GAM Runs					2,087.97	3,000.00	2,213.18	3,794.02	4,000.00
77040 DIRECT COST	4,737.80	3,367.37	3,116.52	2,533.68	2,087.97	3,000.00	413.50	1,413.50	1,400.00
77450 DUES & SUBSCRIPTIONS	500.00	136.88	1,064.00	1,302.50	1,332.75	1,400.00	1,400.00	1,400.00	1,400.00
77550 EQUIPMENT	445.00	15,166.95	2,188.77	2,188.77	1,460.25	21,500.00	1,678.71	25,218.71	2,000.00
77555 FEES-GMA8		624.78		5,744.44	3,836.86	4,000.00	2,194.33	2,394.33	1,000.00
77035 FIELD SERVICES		4,338.00	53,130.45	21,222.00	22,852.00	70,000.00	31,308.00	58,188.00	80,000.00 ⁵
77040 FIELD PERMITTING SPECIALIST									30,000.00 ⁴
77810 INSURANCE & BONDING	300.00	2,158.12	2,573.50	2,942.00	2,903.50	3,000.00	1,453.00	3,580.75	5,000.00
77840 INTERNET SERVICES	8,478.00		2,591.90	4,557.75	6,330.27	6,500.00	6,453.77	6,453.77	6,500.00
77970 LEGAL	17,964.68	11,701.50	13,443.50	13,479.22	21,780.51	25,000.00	15,820.99	21,820.99	35,000.00 ³
78010 MEETINGS AND CONFEREN	1,379.86	441.06	1,047.91	2,216.53	1,454.94	2,000.00	1,173.67	1,873.67	2,500.00
78310 RENT			2,400.00	2,400.00	2,400.00	2,400.00	1,400.00	2,400.00	2,400.00
78600 SOFTWARE MAINT	268.46	2,000.00	1,285.00	1,750.00	1,415.00	2,000.00	1,170.00	1,170.00	2,000.00
78770 TRANSPORTATION/FUEL/MAINT		73.26	2,323.84	2,435.56	2,295.61	5,000.00	3,395.41	5,820.70	5,000.00
78750 TELEPHONE	821.23	943.18	1,385.15	1,336.99	1,321.06	2,000.00	1,154.16	1,978.56	2,000.00
Total Expense	<u>\$102,952.59</u>	<u>\$208,231.09</u>	<u>\$200,929.24</u>	<u>\$181,890.65</u>	<u>\$213,480.97</u>	<u>\$323,900.00</u>	<u>146,909.59</u>	<u>281,998.09</u>	<u>361,500.00</u>
Contingencies									
Total Expenditures	102,952.59	208,231.09	200,929.24	\$181,890.65	\$213,480.97	\$323,900.00			
Net Income	<u>\$45,164.08</u>	<u>\$89,813.78</u>	<u>\$105,008.68</u>	<u>\$110,465.64</u>	<u>117,734.28</u>	<u>1,100.00</u>			

1 Estimated break down of Admin Costs

General Manager 52%
 Proj Coord 18%
 Admin Assist 10%
 Clerical 8%
 Finance Officer 7%
 Act Assist 5%

2 LBG Guyton Proposed Budget Items	
Task	Cost
Management plan work after January 1	\$20,000-30,000
Assistance with permanent rule development (permitting, outcrop-subcrop, management zones, spacing, etc.)	\$30,000
GMA-8, including possible spill over issues, coordination meetings with neighboring districts, etc.	\$10,000
Verify and make recommendations for pumping distribution in the NTWGAM	\$15,000

This item was not included in the budget, but something that the Board may want to do before year is up

- 3 Legal bills will increase this year with the development of permanent rules.
- 4 We are proposing to add a Geologist/permitting coordinator next fiscal year to assist with the permitting work load that will be present in 2018. The \$30,000 represents approximately 30% of the proposed employees cost of employment.
- 5 Field Technician time: 90% Wayne and Scott, 10% Alan

Red River Groundwater Conservation District

		Well Production Fees Summary			
		2013	2014	2015	2016
1st Q		83,224.23	71,379.52	75,304.84	61,602.72
2nd Q		63,683.04	62,975.62	67,204.88	70,672.08
Q1&Q2		146,907.27	134,355.14	142,509.72	132,274.80
3rd Q		86,153.58	78,032.65	107,258.53	99,603.04
4th Q		63,977.07	71,862.27	73,878.72	77,452.65
Q3&Q4		150,130.65	149,894.92	181,137.25	177,055.69
Yearly Total		297,037.92	284,250.06	323,646.97	309,330.49

		Production Summary, gallons			
		2013	2014	2015	2016
1st Q		1,387,070,500	1,189,658,667	1,075,783,429	880,038,857
2nd Q		1,061,384,000	1,049,593,667	960,069,714	1,009,601,143
Q1&Q2		2,448,454,500	2,239,252,333	2,035,853,143	1,889,640,000
3rd Q		1,435,893,000	1,300,544,167	1,532,264,714	1,422,900,627
4th Q		1,066,284,500	1,197,704,500	1,055,410,286	1,106,466,429
Q3&Q4		2,502,177,500	2,498,248,667	2,587,675,000	2,529,367,056
Yearly Total		4,950,632,000	4,737,501,000	4,623,528,143	4,419,007,056

Average income per \$0.01
46,827

Highlighted Cells are estimates

Red River Groundwater Conservation District

Draft 2017 Fee Schedule

Well Registration Fee	\$100
Well Driller Report Deposit Fee	\$100 refundable
Agricultural Water Use Fee	\$0
Non-Exempt Water Use Fee	\$0.07 per 1,000 gallons
Meter seal replacement fee	\$100*
Failure to Report Meter Readings within 30-days	Major violation – See Appendix A of the Temporary Rules for Schedule of Violations
Failure to Pay Water Use Fee within 30-days	15%
Failure to Pay Use Fee within 60-days	Major Violation – See Appendix A of the Temporary Rules for Schedule of Violations

* For replacing seals for reasons other than well or meter failure

RESOLUTION NO. _____

**RESOLUTION TO ESTABLISH 2017 WATER USE FEE RATES
FOR THE RED RIVER GROUNDWATER CONSERVATION DISTRICT**

THE STATE OF TEXAS

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§
§

RED RIVER GROUNDWATER CONSERVATION DISTRICT

WHEREAS, the Red River Groundwater Conservation District (the “District”) is a political subdivision of the State of Texas organized and existing under and by virtue of Article XVI, Section 59, of the Texas Constitution as a groundwater conservation district, acting pursuant to and in conformity with Chapter 36, Texas Water Code and Act of May 25, 2009, 81st Leg., R.S., ch. 884, 2009 Tex. Gen. Laws 2313 codified at Chapter 8859 of the Texas Special District Local Laws Code (the “District Act”);

WHEREAS, the District is a governmental agency and a body politic and corporate that is statutorily charged under Chapter 36 of the Texas Water Code and the District Act with protecting the quantity and the quality of groundwater within Grayson County and Fannin County;

WHEREAS, the District by rule, resolution, or order may establish, amend, pledge, encumber, and spend the proceeds from, and assess to any person production fees, based on the amount of groundwater authorized by permit to be withdrawn from a well or on the amount of water actually withdrawn, to enable the District to fulfill its purposes and regulatory functions as provided by the District Act;

WHEREAS, the District may assess a production fee for groundwater produced from a well or class of wells exempt from permitting under Section 36.117 of the Texas Water Code, except for a well exempt from permitting under Section 36.117(b)(1), which must be based on the amount of groundwater actually withdrawn from the well and may not exceed the amount established by the District for uses recognized as non-exempt pursuant to Chapter 36 of the Texas Water Code, the District Act, and rules promulgated by the District pursuant to the authority delegated therefrom;

WHEREAS, despite having authority to assess a production fee not to exceed 30 cents per each one thousand gallons of groundwater used annually for nonagricultural purposes, the Board determines that a production fee of seven (7) cents per each one thousand gallons of groundwater used annually for nonagricultural purposes represents an appropriate, fiscally conservative fee that adequately addresses anticipated budgeting and revenue considerations for the District;

WHEREAS, the District may adopt a different fee for groundwater used for agricultural purposes not to exceed \$1.00 per acre-foot used annually, and the Board determines it necessary and appropriate to keep the production fee of zero (0) dollars per acre-foot of groundwater used annually for agricultural purposes the same as that set by the Board in previous years;

WHEREAS, the Board recognizes that the assessment of such fees serves a legitimate regulatory purpose;

WHEREAS, the Board finds that the notice and hearing requirements for the meeting of the Board, held this day, to take up and consider adoption of this resolution have been, and are, satisfied; and

WHEREAS, the Board finds that the proposed resolution is merited and necessary to support the District's efforts in managing the groundwater resources within the boundaries of the District in a manner consistent with the requirements of Chapter 36, Water Code, and the District Act, and that it is supportable under the laws of the State of Texas.

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

- (1) Each of the above recitals are true and correct.
- (2) The Board of Directors of the Red River Groundwater Conservation District hereby sets a water use fee rate for groundwater production for calendar year 2017 of seven cents per each one thousand gallons (\$.07 / 1,000 gallons) of groundwater produced annually for nonagricultural purposes, which includes all commercial, municipal, industrial, manufacturing, public water supply, oil and gas, and other nonagricultural users within the District that are not exempt from the water use fee payment requirements set forth in the temporary rules adopted by the District. Such rate will be effective and assessed to groundwater production that occurs during 2017 (January 1, 2017 through December 31, 2017).
- (3) The Board of Directors of the Red River Groundwater Conservation District hereby sets a water use fee rate for groundwater production for calendar year 2017 of zero dollars per acre-foot (\$0.00 / acre-foot) of groundwater used annually for agricultural purposes. Such rate will be effective during 2017 (January 1, 2017 through December 31, 2017).
- (4) The Board of Directors, its officers, and the District staff are further authorized to take any and all actions necessary to implement this resolution.

AND IT IS SO ORDERED.

PASSED AND ADOPTED on this 15th day of September, 2016.

RED RIVER GROUNDWATER CONSERVATION DISTRICT

By: _____
Board President

ATTEST:

Board Secretary-Treasurer

RESOLUTION NO. _____

**A RESOLUTION BY THE BOARD OF DIRECTORS OF THE RED RIVER
GROUNDWATER CONSERVATION DISTRICT RELATING TO THE ADOPTION
OF A 2017 BUDGET FOR THE DISTRICT**

WHEREAS, the Red River Groundwater Conservation District (the “District”) is a political subdivision of the State of Texas organized and existing under and by virtue of Article XVI, Section 59, of the Texas Constitution as a groundwater conservation district, acting pursuant to and in conformity with Chapter 36, Texas Water Code and Act of May 25, 2009, 81st Leg., R.S., ch. 884, 2009 Tex. Gen. Laws 2313 codified at Chapter 8859 of the Texas Special District Local Laws Code (the “District Act”);

WHEREAS, the District Board of Directors (the “Board”) Budget & Finance Committee has worked diligently to identify all reasonably anticipated District revenues, expenses, and activities for the January 1, 2017 – December 31, 2017 budget cycle and, after giving much consideration to these important factors, has developed a proposed 2017 budget for the Board’s consideration and deliberation (the “2017 Budget”); and

WHEREAS, the Board has reviewed and considered the 2017 Budget; and

WHEREAS, pursuant to Section 36.154 of the Texas Water Code, the District has prepared a budget that contains a complete financial statement, including a statement of the outstanding obligations of the District, the amount of cash on hand to the credit of each fund of the District, the amount of money received by the District from all sources during the previous year, the amount of money available to the District from all sources during the ensuing year, the amount of the balances expected at the end of the year in which the budget is being prepared, the estimated amount of revenues and balances available to cover the proposed budget, and the estimated fee revenues that will be required; and

WHEREAS, the Board finds that the adoption of the 2017 Budget, attached hereto as Attachment A and incorporated herein by this reference for all purposes, is merited to support the District’s activities and related expenses from January 1, 2017, through December 31, 2017, and that the attached budget will allow the District to carry out the District’s objectives and responsibilities as prescribed by the District Act and Chapter 36 of the Texas Water Code.

**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.
- (2) The Board of Directors of the Red River Groundwater Conservation District hereby adopts an operating budget for January 1, 2017, to December 31, 2017, as provided in

the budget appended hereto as "Attachment A," which is incorporated herein by this reference and is hereby approved and adopted.

- (3) The Board of Directors, its officers, and the District employees are further authorized to take any and all actions necessary to implement this resolution.

AND IT IS SO ORDERED.

Upon motion by _____ seconded by _____, the foregoing Resolution was passed and approved on this 15th day of September, 2016, 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

ATTACHMENT 10

Red River Groundwater Conservation District

Well Registration Summary As of August 31, 2016

Well Type	Total Registered Fannin County	Total Registered Grayson County	Total RRGCD
Domestic	99	173	272
Agriculture	15	25	40
Oil/Gas	0	20	20
Surface Impoundments	4	12	16
Commercial	5	4	9
Golf Course	0	15	15
Livestock	12	18	30
Irrigation	0	5	5
Public Water	55	209	264
Monitoring	0	1	1
Total	190	482	672

ADJOURN