

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

MONDAY, MARCH 29, 2010

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

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

Members Absent: Harold Latham

Staff: Jerry Chapman and Carmen Catterson

Visitors: Brian Sledge, Lloyd Gosselink Firm
Denny Brackeen, Marilee Special Utility District
Mayor Sherry Howard, City of Tom Bean
Mayor Ruth Ann Collins, City of Van Alstyne
Bill Herrington, City of Van Alstyne

I. Call to Order

President Henderson called the meeting to order at 2:07 p.m. All members except Harold Latham present.

II. Consider and act upon approval of Minutes of February 8, 2010 Meeting.

Board Member Gattis requested an amendment to the Minutes. Board Member Gattis reported that he motioned for Vice President Olson to serve as the primary representative for the District at the Groundwater Management Area (GMA) 8 meetings and for President Henderson to serve as the alternate representative. President Henderson clarified that the Minutes should read that Board Member Gattis motioned as previously described, but that the Board discussed the motion and reversed the order of the representatives. Mr. Chapman recommended the Minutes be adjusted to read that Board Member Gattis motioned as previously described, but after further discussion the Board reversed the order of the representatives in the motion by unanimous consent. This caused President Henderson to be the primary representative and Vice President Olson to serve as the alternate representative.

Board Member Morrison motioned to approve the Minutes of the February 8, 2010 Meeting as corrected by Mr. Chapman. The motion was seconded by Board Member Young and passed unanimously.

At this time, Mr. Chapman introduced visitors Denny Brackeen with Marilee Special Utility District (SUD), Mayor Sherry Howard with the City of Tom Bean, and Mayor Ruth Ann Collins and Bill

Herrington with the City of Van Alstyne. Mr. Chapman also introduced the guest speaker, Mr. Brian Sledge, an attorney with the Lloyd Gosselink Firm.

President Henderson requested in the future the agenda be reordered to reflect introduction of guests before the Minutes.

III. An Overview of Texas groundwater law and management, and the District's role in it – Presentation by Brian L. Sledge, Attorney at Law

Mr. Sledge thanked the Board for the invitation to speak at the meeting. He explained that as a water attorney, he represents political subdivisions in the State of Texas. He does a great deal of work with the Texas Legislature. He represents many groundwater conservation districts (Districts), but cannot resolve conflicts between groundwater clients. He serves as General Counsel for many Districts. Mr. Sledge represented the groundwater coalition and the steering committee that was formed to contest the Texas Commission on Environmental Quality's (TCEQ) recommendation that one or more District be created in the North Central Texas area.

Mr. Sledge proceeded to explain the right of capture and its history in Texas groundwater. He also discussed the history of Districts and their abilities and limitations. Mr. Sledge explained that most Districts are fee-based and that there are 96 Districts currently in place with two pending confirmation. The Districts have the right to issue penalties if the well permit holders do not follow the District's policies. Most penalties are between \$50 and \$10,000. Most residential and agricultural wells are exempt from fees. The largest amount of problems regarding enforcement occurs with small businesses. The District could require that all wells be permitted, including residential. The permit-holders may not be required to pay for the water pumped, but they may be required to submit pumpage information and purchase a permit to operate a well.

Mr. Sledge recommended the Board not move too quickly, but make regular process. The process of beginning environmental studies and collecting information will take a long time to complete. The District needs to establish rules, but also needs to have the technical information available to support the rules developed. The District needs to work on bringing in some revenue with temporary rules while beginning the technical investigations.

President Henderson thanked Mr. Sledge for his time and information.

IV. Receive presentation by Groundwater Conservation District manager

Mr. Chapman was not able to have a District manager attend the meeting. Two are expected to attend the next meeting.

This item will be tabled until the next meeting.

V. Consider and act upon request by LBG-Guyton Associates regarding Water Use in Texas Mining Industry

The Board currently has no policies in place and will need to send a generic response. Answer no? Sledge – regional water planning process in 1997, through 2 five-year rounds at this point. 1,000 acre-feet in Grayson and 12 acre-feet of water in Fannin. Aggregate mining. Trying to improve numbers. Reply and say we have no data collection at this time.

Board Member Gattis motioned to provide a generic response stating the District has no rules in place to LBG-Guyton Associates. The motion was seconded by Vice President Olson and passed unanimously.

VI. Receive information from March 10, 2010 Groundwater Management Area 8 meeting

Mr. Chapman and President Henderson attended the Groundwater Management Area (GMA) 8 meeting on March 10, 2010. President Henderson said he felt really out of place and was not sure what had taken place and what would take place during the meeting. Eddy Daniels is the President and GMA 8 representative for the North Texas GCD. The North Texas GCD is further along in the process of forming rules and regulations than the Red River GCD mostly due to his knowledge and input. President Henderson expressed how important it is to begin collecting data to make sure the Desired Future Condition numbers are correct. The District will need to account for how much water is being removed from the aquifer. The District will also need to set up some form of funding because at the meeting each GCD has to pay \$50 in dues and President Henderson did not have a revenue source to draw from. The other GCDs paid the Red River District's share, but that cannot continue. The GMA 8 is currently being run by the Clearwater GCD, but the secretary spends more time working on GMA 8 than she does Clearwater business. The GMA 8 will need to find a revenue source to pay her salary. GMA 8 were very understanding. Consultant working on a study.

The Upper Trinity GCD representative reported they had detected a noticeable decline in groundwater levels. They are looking to counties in the eastern part of GMA 8, including Johnson and Tarrant for answers. Funding will be needed to pay for technical studies to verify this information. GCDs are not eligible for Texas Water Development Board loans because GCDs are fee-based, not tax based and their funding will not allow the loan to be repaid in full within three years.

VII. Receive update on unpaid legal billing

Most entities have paid their legal bills to the Lloyd Gosselink firm at this time. Only a handful are remaining.

VIII. Discuss the development of policies and procedures for the Board of Directors

Board Member Wortham with the committee for the development of policies and procedures reported that information was collected on policies and procedures. He recommended the Board focus on completing the bylaws as the North Texas District has already completed their bylaws. More information will be provided at the next meeting.

IX. Discuss future meeting date and agenda

Secretary-Treasurer Wortham motioned for the next Board meeting to be held on May 24, 2010 at 2:00 PM. The motion was seconded by Board Member Gattis and passed unanimously.

X. Citizens to be Heard

President Denny Brackeen of Marilee SUD offered congratulations to the Board for taking on this momentous task. The Marilee SUD is in both the Red River GCD and the North Texas GCD. He expressed hope that the Board will consider creating rules and regulations similar to the surrounding areas to make following the regulations easier on multi-district entities. Mr. Sledge commented that Chapter 36 of the Water Code allows GCDs to require permit for export of water over district lines.

Unfortunately, this can cause entities with wells on both sides of the district lines to have major problems with transporting water to different locations within their service area. Mr. Chapman said that he is acquainted with the North Texas GCD Board and thinks there is a great deal of common interest.

XI. Adjourn

Upon motion by Board Member Gattis seconded by Board Member Young and passed unanimously, the Board adjourned at approximately 4:16 p.m.

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Recording Secretary


Secretary-Treasurer