

**NORTH TEXAS
GROUNDWATER
CONSERVATION
DISTRICT**

BOARD MEETING

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

**TUESDAY
MARCH 10, 2015
9:30 AM**

NOTICE OF PUBLIC MEETING

OF THE
BOARD OF DIRECTORS of the
NORTH TEXAS GROUNDWATER CONSERVATION DISTRICT
at the

City of Krum
City Council Chambers
146 W. McCart St
Krum TX 76249
Tuesday, March 10, 2015 at 9:30 a.m.

Board Meeting

The regular Board Meeting will begin at 9:30 a.m.

Notice is hereby given that the Board of Directors of the North Texas 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. Pledge of Allegiance and Invocation.
2. Call to order, establish quorum; declare meeting open to the public.
3. Public comment.
4. Approval of minutes from the November 18, 2014, board meeting.
5. Consider and act upon approval of invoices and reimbursements.
6. Receive reports from the following Committees*:
 - a. Budget and Finance Committee
 - 1) Receive Monthly Financial Information
 - 2) Consider and act upon authorizing repayment to Collin, Cooke and Denton Counties
 - b. Investment Committee
 - c. Rules and Bylaws Committee
 - d. Groundwater Monitoring and Database Committee
 - e. Policy and Personnel Committee
 - f. Conservation and Public Awareness Committee
 - g. Management Plan Committee
 - 1) Receive Annual report
 - 2) Receive Quarterly report
7. Update and possible action regarding the process for the development of Desired Future Conditions (DFCs) including the consideration and possible approval of consulting services.

8. Consider and act upon injection well monitoring services
9. Consider and act upon authorizing the review and possible comment regarding an injection well application with the Corporate Commission of Oklahoma
10. Consider and Act upon consultant review of Inform Environmental deliverables
11. Consider and act upon compliance and enforcement activities for violations of District
12. General Manager's Report: The General Manager will update the board on operational, educational and other activities of the District.
13. Open forum / discussion of new business for future meeting agendas.
14. Adjourn public meeting.

* Reports from District standing committees will include a briefing by each committee for the Board on the activities of the committee, if any, since the last regular Board meeting.

The above agenda schedules represent an estimate of the order for the indicated items and is subject to change at any time.

These public meetings are available to all persons regardless of disability. If you require special assistance to attend the meeting, please call (855) 426-4433 at least 24 hours in advance of the meeting to coordinate any special physical access arrangements.

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 North Texas 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.

ATTACHMENT 4

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

TUESDAY, NOVEMBER 18, 2014

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

Members Present: Thomas Smith, Philip Sanders, Ronny Young, Chris Boyd, Eddy Daniel, and Kenny Klement

Members Absent: Dan Collins, Evan Groeschel, and Ron Sellman

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

Visitors: Axel and May Haubold, Mack's Bed Rock Ranch
Keith King, The Weekly News of Cooke County
Pete Schulmeyer, Collier Consulting
Neal Welch, City of Sanger

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

President Smith convened the show cause hearing at 9:32 AM. All Board members were present except Board Members Collins, Groeschel and Sellman. President Smith determined that a representative from Strittmatter Irrigation was not present at the show cause hearing.

2. Conduct Show Cause Hearing under Rule 9.6 on the following for alleged violations of District Rules; discuss, consider, receive testimony, and take appropriate action, including without limitation authorizing the District to initiate a civil lawsuit to enforce compliance with the District rules, including recovery of civil penalties, costs, and attorneys fees, and all other appropriate legal and equitable relief:

A. Strittmatter Irrigation & Supply, Inc., 800 North Highway 377, Pilot Point, Texas 76258

Mr. Satterwhite provided the Board with the evidence necessitating the show cause hearing, including violations of District Rules 3.3 and 3.5 (registration of new wells), Rule 3.7 (submission of well reports), Rule 7.6 (well report deposit), and Rule 7.8 (well registration fee). Mr. Satterwhite discussed that Strittmatter Irrigation received multiple notices of these violations and multiple opportunities to cure them. He also discussed that Strittmatter Irrigation received two notices by certified mail and email related to the show cause hearing in accordance with District Rule 9.6.

Pursuant to Government Code 551.071, the Board of Directors adjourned into closed Executive Session at 9:36 AM.

The Board reconvened the show cause hearing at 10:09 AM.

Ms. Fancher recommended a motion to the Board to assess a penalty against Strittmatter Irrigation for violation of District Rules, Chapter 36 of the Texas Water Code, and the District's enabling legislation, in the amount of \$4,000.00, which is consistent with the enforcement provisions in the District's Enforcement Policy and Civil Penalty Schedule, District Rule 9.2, Section 36.102 of the Texas Water Code, and Section 8856.106 of the Special District Local Laws Code (the District's enabling legislation), based on the evidence offered by the General Manager showing falsification of records, failure to register new wells, failure to file well reports, failure to pay the well report deposit, and failure to pay the well registration fee. The recommended motion also included a deadline of 5:00 PM. on Friday, November 21, 2014, for Strittmatter Irrigation to provide the District with all required documentation, including registration documents, fees, and well reports and payment of the \$4,000.000 penalty. Failure to provide all required materials by the deadline would result in a lawsuit by the District under District Rule 9.2 and Section 36.102 of the Texas Water Code, and notice to the well owners. The motion was made by Secretary/Treasurer Young

The motion was amended to also include notice that the District would begin assessing additional penalties after the 5:00 PM, November 21, 2014 deadline of \$10,000.00 per day for each day of the continued violations by Strittmatter Irrigation. Ms. Fancher discussed that this was acceptable and authorized under Section 36.102(b) of the Texas Water Code, District Rule 9.2(b), and Section 8856.106 of the District's enabling legislation given the severity and continuance of the violations, and will be set forth in the notice sent to Strittmatter Irrigation. The amended motion was seconded by Vice President Sanders and passed unanimously with Board Members Collins, Groeschel and Sellman absent. Ms. Fancher explained that notice would be provided to Strittmatter with all of the terms of the motion passed by the Board as soon as possible after the Board meeting is adjourned so that they would have ample notice of the Board's decision and related deadline.

3. Adjourn or continue show cause hearing.

The public hearing adjourned at 10:12 AM.

#####

Recording Secretary

Secretary-Treasurer

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

TUESDAY, NOVEMBER 18, 2014

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

Members Present: Thomas Smith, Philip Sanders, Ronny Young, Chris Boyd, Eddy Daniel, and Kenny Klement

Members Absent: Dan Collins, Evan Groeschel, and Ron Sellman

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

Legal Counsel: Kristen Fancher, Sledge Fancher, PLLC

Visitors: Axel and May Haubold, Mack's Bed Rock Ranch
Keith King, The Weekly News of Cooke County
Pete Schulmeyer, Collier Consulting
Neal Welch, City of Sanger

1. Pledge of Allegiance and Invocation

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

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

President Smith called the public meeting to order at 10:12 AM. All Board members were present except Board Members Collins, Groeschel and Sellman.

3. Public Comment

No public comment received.

4. Approval of Minutes from the October 21, 2014, board meeting

Board Member Daniel motioned to approve the Minutes from the October 21, 2014, board meeting. The motion was seconded by Board Member Boyd. The motion passed unanimously, with Board Members Collins, Groeschel and Sellman absent.

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

Mr. Satterwhite reviewed the invoices.

Secretary/Treasurer Young motioned to approve the invoices as presented in Resolution No. 2014-11-18-1 for a total cost of \$30,824.44. The motion was seconded by Board Member Klement and passed unanimously with Board Members Collins, Groeschel and Sellman absent.

6. a. Budget and Finance Committee

1) Receive Monthly Financial Information

Mr. Satterwhite reviewed the District's current financial position, including revenues and expenditures.

2) Consider and act upon amendment to 2014 budget

Mr. Satterwhite provided a summary of recommended amendments to the 2014 budget. These included adding funds to the hydrogeologists and the legal line items and increasing the revenue.

Board Member Daniel motioned to approve the amended 2014 budget. The motion was seconded by Vice President Sanders and passed unanimously with Board Members Collins, Groeschel and Sellman absent.

b. Investment Committee

No report received

c. Rules and Bylaws Committee

No report received

d. Groundwater Monitoring and Database Committee

No report received

e. Policy and Personnel Committee

No report received

f. Conservation and Public Awareness Committee

Board Member Klement suggested that the District should recommend that sprinklers be turned off during the winter, which could cause dangerously slick roads. The Board agreed to post something on the website recommending sprinklers be turned off during the winter months.

g. Management Plan Committee

No report received

h. Desired Future Condition Committee

No report received

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

Board Member Daniel reported that the GAM update is complete and only waiting for the Texas Water Development Board (TWDB) approval. The TWDB has committed to meet the deadline to approve the GAM by the end of the year. The TWDB is in the process of updating their servers to be able to run the model. President Smith thanked Board Member Daniel for all his work and dedication to the project.

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

Board Member Daniel reported that the DFC Committee met by conference call with James Beach of LBG Guyton on November 17th. They discussed possible GAM runs that LBG Guyton is recommending to be completed. The DFC Committee agreed to authorize LBG Guyton to negotiate with other consultants for districts in GMA 8 on the GAM runs needed. The Board agreed with Mr. Beach representing the District and negotiating with other districts for joint GAM runs.

The Groundwater Management Area 8 (GMA 8) group met on November 3rd. Bill Mullican is working for GMA 8 to help work through the DFC process and all the requirements. The DFC process will be lengthy and complicated. Mrs. Fancher commented that legislators are watching GMA 8 to see how the process works. The process being used may become the standard for establishing DFCs.

The Board agreed unanimously that the DFC Committee should move forward with authorizing GAM runs and to approve Mr. Beach to negotiate with other consultants to establish joint runs, as long as the cost remains under the budgeted \$20,000.

9. Consider and act upon 2015 Administrative Services contract with the Greater Texoma Utility Authority

The Greater Texoma Utility Authority (GTUA) has provided administrative services to the District since 2010. The GTUA Board of Directors is satisfied with the agreement and approved the 2015 agreement on November 10th.

Secretary/Treasurer Young motioned to approve the 2015 Administrative Services contract with GTUA. The motion was seconded by Board Member Boyd. Secretary/Treasurer Young expressed his appreciation for the work performed by GTUA. President Smith agreed that the staff was incredibly responsive, which makes it easier for the Board. The motion passed unanimously with Board Members Collins, Groeschel and Sellman absent.

10. Consider and act upon draft Irrigation Use Estimates

The TWDB provides an annual estimate of draft irrigation use. Mr. Parkman has contacted the AgriLife agents, but has received no comments. Board Member Klement commented that the hay estimates for Cooke County seemed high. Mr. Parkman explained that the estimates were provided by the previous AgriLife agent for Cooke County in 2013. Board Member Daniel expressed that unless the District had better information, which is not available, the Board should accept the information provided.

Board Member Daniel motioned to approve the irrigation water use estimates as provided by the TWDB. The motion was seconded by Board Member Boyd and passed unanimously with Board Members Collins, Groeschel, and Sellman absent.

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

No report received.

12. General Manager's Report

Mr. Satterwhite reported the total number of registered wells in the District. Mr. Satterwhite explained that in the process of taking over the water monitoring program, several wells were discovered that are non-exempt and must be registered. Mr. Satterwhite recommended that the well registration fee be waived in exchange for them allowing the District to continue monitoring the water levels of their wells. The Board agreed unanimously.

Mrs. Fancher reported that the District provided comment on new rules being established by the Texas Railroad Commission. The comments were received and duplicated by several other districts.

Board Member Klement commented that he has two wells that have been impacted by injection wells. The injection wells have caused salt water to enter the freshwater formation. Mrs. Fancher responded that the amended rules will allow the Railroad Commission to revise permits for existing wells. Mrs. Fancher stated that she would bring more updates as they occur in the future. The Board agreed that if there was a particular well that needed attention, the District could send a letter to the Railroad Commission requesting the well be addressed.

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

The Board agreed to cancel the meeting, provided nothing occurs that needs attention. The regularly scheduled meeting for January will be on January 13, 2014 in Denton County.

13. Adjourn public meeting

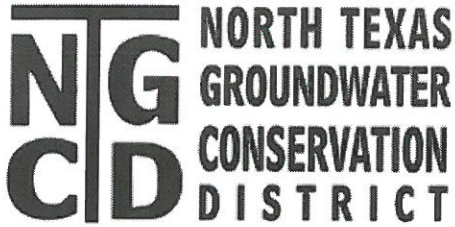
The public meeting adjourned at 11:03 AM.

#####

Recording Secretary

Secretary-Treasurer

ATTACHMENT 6 A-2



AGENDA COMMUNICATION

DATE: March 2, 2015

SUBJECT: AGENDA ITEM NO. 6 A(2)

CONSIDER AND ACT UPON AUTHORIZING REPAYMENT TO COLLIN, COOKE AND DENTON COUNTIES

ISSUE

Consider and act upon payment to Collin, Cooke and Denton Counties for startup loans.

BACKGROUND

When the District was created, the three counties within North Texas GCD loaned the District \$900,000 split evenly amongst the counties. This loan enabled the District to begin operating until revenues were sufficient to sustain the operation. This loan has a zero (0) % interest rate and is required to be paid back by September 30, 2017. To date, the District has balance remaining of \$525,000.

The budget for this calendar year is \$225,000.

CONSIDERATIONS

Since the District has a comfortable fund balance in reserve, it would seem to be the best order of business to proceed with reimbursing the three counties the amount in the current budget.

STAFF RECOMMENDATIONS

The staff recommends the Board approve the \$75,000 payments to each of Collin, Cooke and Denton counties for loan reimbursement.

PREPARED AND SUBMITTED BY:

Drew Satterwhite, P.E. General Manager

ATTACHMENT 6 G-2



COLLIN COUNTY - COOKE COUNTY - DENTON COUNTY

**General Manager's Quarterly Report
December 2014
North Texas GCD Management Plan**

This quarterly briefing is being provided pursuant to the adopted Management Plan for the quarter ending December 31, 2014.

Well Registration Program:

Current number of wells registered in the District: 1,325 as of December 31, 2014

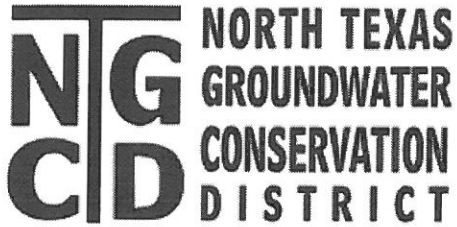
Aquifers in which the wells have been completed: Trinity and Woodbine

Well Inspection/Audit Program:

**2014
Well Inspections**

Month	Collin	Denton	Cooke	Total
January	9	10	8	27
February	0	10	2	12
March	3	0	0	3
April	0	0	0	0
May	0	0	0	0
June	0	1	10	11
July	2	0	20	22
August	3	0	0	3
September	0	3	1	4
October	0	0	5	5
November	2	6	4	12
December	3	1	2	6
Total	22	40	43	105

ATTACHMENT 8



AGENDA COMMUNICATION

DATE: March 2, 2015

SUBJECT: AGENDA ITEM NO. 8

CONSIDER AND ACT UPON INJECTION WELL MONITORING SERVICES

ISSUE

Consider and act upon authorizing the District to utilize Statewide Plat Services and Sledge Fancher for the purpose of monitoring injection well applications

BACKGROUND

In early 2014, the District switched legal counsel and employed the services of Sledge Fancher, LLC. The District's previous injection well monitoring program was through Lloyd Gosselink. Because the District terminated the contract with Lloyd Gosselink, the injection well monitoring program is no longer in place.

The new program would require the District to notify Statewide Plat Services that we would like to begin utilizing their services. Their services include monitoring the applications sent to the Railroad Commission and to forward any relevant application to the District. They charge a monthly flat fee of \$50.00 plus \$0.70 per copy per page for each application pulled and \$5.00 per email sent to the District. In the event additional information must be retrieved from the Railroad Commission regarding an application filed that is unavailable online, Statewide Plat requires an additional research fee of \$50.00 per hour plus \$0.70 per copy per page.

The next step would be to authorize Sledge Fancher to work with their technical consultant to review the applications. Sledge Fancher has contracted the technical consulting services of Terra Dynamics Inc. at the rate of \$195 per hour; however, Terra's experts are very efficient and generally able to review an application in much less than an hour to determine whether an application poses a threat to the groundwater resources in the area and must subsequently be protested.

If upon technical review, it is determined that an application for an injection well poses a threat to the groundwater resources, Sledge Fancher will notify the District and file a protest letter, with the President's approval, on behalf of the District with the Railroad Commission. It is also worth noting that at the December 2011 meeting, the Board authorized the President to oppose any relevant injection well applications and to update the Board on any action taken.

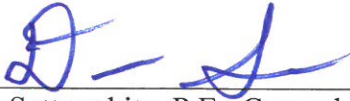
CONSIDERATIONS

The District is required by Section 5.1B of the management plan to implement an injection well monitoring program by entering into an agreement with a firm that will monitor all injection well applications and notify the District of any potential impacts.

STAFF RECOMMENDATIONS

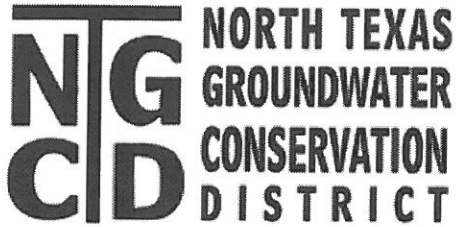
The staff recommends authorizing the District to utilize Statewide Plat Services and Sledge Fancher for the purpose of monitoring injection well applications.

PREPARED AND SUBMITTED BY:



Drew Satterwhite, P.E., General Manager

ATTACHMENT 9



AGENDA COMMUNICATION

DATE: March 3, 2015

SUBJECT: AGENDA ITEM NO. 9

**CONSIDER AND ACT UPON AUTHORIZING THE REVIEW AND POSSIBLE COMMENT
REGARDING AN INJECTION WELL APPLICATION WITH THE CORPORATE
COMMISSION OF OKLAHOMA**

ISSUE

Consider and act upon authorizing the District to work with our legal counsel and a technical consultant, Terra, to review and possibly comment to the Corporate Commission of Oklahoma regarding an injection well application.

BACKGROUND

In early February 2015, the District staff was contacted by an attorney representing the Chickasaw Utility Authority which provides water supply to the Winstar Casino and surrounding area. The attorney informed us that a commercial injection well permit had been granted by the Corporate Commission of Oklahoma that the Chickasaw Utility Authority believes will pose a threat to their water supply and also created a seismic activity concern. This injection well permit would authorize the injection of up to 16,000 barrels per day at a location less than 2 miles away from the State of Texas and District boundaries.

The Chickasaw Utility Authority is now in the process of appealing the permit with the request that the permit be vacated for the reasons mentioned above. Their attorney has requested a letter of support from the North Texas Groundwater Conservation District.

CONSIDERATIONS

The Chickasaw Utility Authority has already received a letter of support from the Love County Commissioners Court and the City of Thackerville, OK.

OPTIONS/ALTERNATIVES

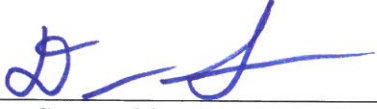
The Board can choose to do nothing, especially given the fact that the well is located outside of the District's boundaries.

The Board can authorize staff to work with the Sledge Fancher and our Technical Consultant to treat this well the same as the District has done in the past for injection wells located within the District boundaries. The application would then be forwarded by staff to determine whether the injection well poses any concerns to the District. If the Technical Consultant raises any concerns regarding the integrity or construction of the well, the District's legal counsel can draft a letter for the President's signature expressing potential concerns.

STAFF RECOMMENDATIONS

The staff requests direction from the Board on this matter.

PREPARED AND SUBMITTED BY:

A handwritten signature in blue ink, appearing to be 'Drew Satterwhite', written over a horizontal line.

Drew Satterwhite, P.E., General Manager

ATTACHMENT 12

North Texas Groundwater Conservation District

Well Registration Summary As of February 28, 2015

County	Exempt Wells	Non-Exempt Wells	Total Registered Wells
Collin County	89	91	180
Cooke County	248	117	365
Denton County	446	362	808
Total	783	570	1353

Monthly Summary February 2015

County	New Exempt Well Registrations	New Non-Exempt Well Registrations	Existing Exempt Well Registrations	Existing Non-Exempt Well Registrations	Exempt Wells Completed	Non-Exempt Wells Completed	Wells Plugged
Collin County	0	0	0	1	5	0	0
Cooke County	4	0	0	0	2	0	0
Denton County	7	1	1	0	11	1	0
Total	11	1	1	1	18	1	0

North Texas Groundwater Conservation District

Well Registration Summary As of January 31, 2015

County	Exempt Wells	Non-Exempt Wells	Total Registered Wells
Collin County	89	90	179
Cooke County	244	117	361
Denton County	439	360	799
Total	772	567	1339

Monthly Summary January 2015

County	New Exempt Well Registrations	New Non-Exempt Well Registrations	Existing Exempt Well Registrations	Existing Non-Exempt Well Registrations	Exempt Wells Completed	Non-Exempt Wells Completed	Wells Plugged
Collin County	1	1	0	0	0	0	0
Cooke County	3	0	0	0	5	0	0
Denton County	9	0	0	0	11	0	0
Total	13	1	0	0	16	0	0

North Texas Groundwater Conservation District

Well Registration Summary As of December 31, 2014

County	Exempt Wells	Non-Exempt Wells	Total Registered Wells
Collin County	88	89	177
Cooke County	241	117	358
Denton County	430	360	790
Total	759	566	1325

Monthly Summary December 2014

County	New Exempt Well Registrations	New Non-Exempt Well Registrations	Existing Exempt Well Registrations	Existing Non-Exempt Well Registrations	Exempt Wells Completed	Non-Exempt Wells Completed	Wells Plugged
Collin County	2	1	0	0	3	1	0
Cooke County	8	0	0	0	5	0	0
Denton County	10	0	0	0	4	0	1
Total	20	1	0	0	12	1	1

North Texas Groundwater Conservation District

Well Registration Summary As of November 30, 2014

County	Exempt Wells	Non-Exempt Wells	Total Registered Wells
Collin County	85	89	174
Cooke County	240	107	347
Denton County	433	355	788
Total	758	551	1309

Monthly Summary November 2014

County	New Exempt Well Registrations	New Non-Exempt Well Registrations	Existing Exempt Well Registrations	Existing Non-Exempt Well Registrations	Exempt Wells Completed	Non-Exempt Wells Completed	Wells Plugged
Collin County	2	0	0	0	0	0	0
Cooke County	5	0	0	0	2	0	0
Denton County	6	0	0	1	16	3	2
Total	13	0	0	1	18	3	2

ADJOURN