

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

**THURSDAY, JULY 23, 2015**

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

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

Members Absent: None

Staff: Drew Satterwhite, P.E., Carolyn Bennett, Debi Atkins, Velma Starks

Visitors: Teffanny Kavanaugh, McClanahan and Holmes, LLP  
Joey Rickman, Honey Grove  
Rebecca Lex, KTEN News

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

President Patterson called the meeting to order at 2:04pm

2. Public Comment.

There were no public comments.

3. Consider and act upon approval of Minutes of May 21, 2015 Show Cause Hearing and Board Meeting

The following corrections were requested to be made by various Board Members to the minutes of the Board meeting for May 21, 2015:

Item #3 was requested to be changed to reflect: "Board Member Purcell asked that the March 19<sup>th</sup> ~~meeting~~ minutes be amended..."

Item #3 was also requested to be changed to reflect: "Board Member Purcell ~~motioned~~ moved to approve..."

Item #5 was requested to be changed to reflect: "Mr. Purcell ~~commended~~ commented on the fund balance..."

Item #9 was requested to be changed to reflect "President Patterson, Board Member Purcell, and ~~Vice President~~ Board Member Gibson..."

Don Wortham arrived to the meeting at 2:07pm

Mark Gibson made a motion to approve the minutes of the May 21, 2015 Show Cause Hearing and May 21, 2015 Board Meeting with the corrections requested by Board Members as outlined above. Harold Latham seconded the motion and Don Wortham abstained. Motion passed.

4. Consider and act upon approval of Minutes of December 11, 2014 - Correction of item 3 from August 21, 2014 to October 9, 2014

General Manager Satterwhite explained that the minutes of the December 11, 2014 meeting were found to contain an error. The minutes stated "Board Member Purcell motioned to approve the Minutes of the August 21, 2014 board meeting..." This should have read "Board Member Purcell motioned to approve the Minutes of the October 9, 2014 board meeting..."

David Gattis made a motion to approve the Minutes of the December 11, 2014 meeting, as revised. Mark Newhouse seconded the motion and the motion passed.

5. Review and approval of monthly invoices.

David Gattis made a motion to approve the monthly invoices as presented. Mark Newhouse seconded the motion. Motion passed.

6. Receive Monthly Financial Information

Drew Satterwhite discussed the monthly financial information with the Board.

7. Consider and act upon 2014 Audit

Teffanny Kavanaugh with McClanahan and Holmes, LLP reviewed the audit for the 2014 financial statements of the Red River Groundwater Conservation District with the Board. Mark Newhouse made a motion to approve the 2014 Audit. David Gattis seconded the motion. Motion passed.

8. Consider and act upon budget and establish production rates for FY 2016

Drew Satterwhite gave a brief background regarding the budget. The Budget Committee, along with Staff, drafted a budget for the 2016 Fiscal Year. The Board requested Mr. Satterwhite to review the proposed budget line by line. The Board discussed the proposed budget. Mr. Purcell commented that four budget items comprised more than 80% of the budget and these four items might have the most potential for reducing the District's expenses. The Board also discussed the proposed fee schedule for 2016, which is the same as the 2015 fee schedule.

Mark Gibson made a motion to approve the budget and fee schedule for fiscal year 2016. Don Wortham seconded the motion. William Purcell abstained. Motion passed.

9. Receive update and possible action on GMA-8 activities and development of Desired Future Conditions

Mr. Satterwhite discussed the model runs previously requested and the upcoming GMA-8 meeting set for September 2<sup>nd</sup>, 2015.. DFC development activities are going to pick up substantially in the coming months.

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

Pursuant to Government Code Section 551.071, the Board of Directors adjourned into closed Executive Session at 2:46pm. The Board reconvened into Regular Session at 3:03pm. William Purcell left the meeting at this time. There was no action taken on items discussed during Executive Session.

David Gattis made a motion for Mr. Satterwhite to mail a certified letter to Lass Water Supply concerning bringing the account into compliance with past due billings. Mark Newhouse seconded the motion. Mark Patterson abstained. Motion passed.

Mark Gibson made a motion to provide Pintail Farms a 60-day extension (due to inclement weather conditions) to purchase and install the required meters. Harold Latham seconded the motion. Motion passed.

11. Consider and act upon authorizing a letter to the Railroad Commission regarding unplugged wells located within the district

Mr. Satterwhite informed the Board about an article regarding abandoned unplugged oil and gas wells that were brought to staff's attention in the June 29, 2015 issue of the Herald Democrat. Two wells located within the District are in the Texas Railroad Commission's Wells Remaining to be Plugged with State Management Funds list. Both wells are listed a level "2-H", which means that fluid level in the well is at or above the base of usable ground water. Mr. Satterwhite stated the District staff feels that a draft letter should be prepared for the President's signature, requesting the wells located in the District receive attention as necessary. General Counsel has informed the District staff that Groundwater Conservation Districts have had success in the past with contacting the Railroad Commission regarding wells on this list. David Gattis made a motion that a letter be drafted for the President's signature to the Railroad Commission. Don Wortham seconded the motion. Motion passed.

12. Consideration and possible action regarding the District's Legal Counsel

During the last Board meeting, the Board of Directors directed the District staff to pursue a proposal from Kristen Fancher with Smith/Robertson for legal services for the District. Ms. Fancher provided two proposals. One proposal provides for legal services at an hourly rate of \$260.00 per hour. The second proposal offers a flat-fee of \$3,250 per month, not including litigation or hearings associated with DFC petitions filed to challenge the District's DFC. David Gattis made a motion to approve the proposed hourly rate of \$260.00 per hour, with the stipulation that Ms. Fancher provide a listing of the other attorneys, along with their rates, within the firm that may provide services to the District. Mark Newhouse seconded the motion. Motion passed.

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

Mr. Satterwhite reported to the Board as of May 29, 2015 there were 539 wells registered in the District, and as of July 2, 2015 there were a total of 556.

He also reported that Texas A&M AgriLife held a meeting at the Grayson County Courthouse, June 8, 2015, briefing the agricultural community on Groundwater Districts in Texas. Mr. Satterwhite stated an Officer Committee will be needed, to appoint Officers as required by the District By-Laws. Each odd-numbered year the Board is required to appoint/reappoint Officers during the August meeting, or at its next regular scheduled meeting.

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

After discussion, it was the consensus of the Board that the next Board meeting be scheduled for September 17<sup>th</sup> at 2pm. Mark Patterson discussed with the Board timing of adopting the DFC for the District. Mr. Satterwhite updated the Board regarding the timing required for the Texas Water Development Board ("TWDB") review of the Groundwater Availability Model ("GAM"). The TWDB is now requiring that submittal of the GAM no later than April 2016 for inclusion in the State Water Plan.

15. Adjourn

The Board adjourned at 3:30pm.

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Carolyn Bennett  
Recording Secretary

John Nant  
Secretary-Treasurer