

2015 Annual Report

RED RIVER GROUNDWATER CONSERVATION DISTRICT

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Board of Directors

Fannin County

Harold Latham, Vice President

Mark Newhouse, Member

William Purcell, Member

Grayson County

Mark Patterson, President

Don Wortham, Secretary/Treasurer

David Gattis, Member

Mark Gibson, Member

Staff

Drew Satterwhite, P.E., General Manager

Debi Atkins, Finance Officer

Laurie Killian, Accounting Assistant

Alan Moore, Operations Supervisor

Wayne Parkman, Field Technician

Velma Starks, Administrative Assistant

Carolyn Bennett, Administrative Manager/Project Coordinator

Theda Anderson, Clerk

I. Introduction

In 1997 Senate Bill 1, enacted by the Texas Legislature, confirmed a state policy that “groundwater conservation districts... are the state’s preferred method of groundwater management through rules developed, adopted and promulgated by a district...” Subsequently, the Texas Commission on Environmental Quality issued a report in 2007 advising that one or more groundwater conservation districts would need to be created in the 13-county area of North Central Texas, including the Counties of Fannin and Grayson. Red River Groundwater Conservation District (“District”) was created by Senate Bill 2529 May 25, 2009 for Fannin and Grayson Counties. Three directors are appointed to Fannin County and four directors are appointed to Grayson County. The District’s boundaries are coterminous with the boundaries of Fannin and Grayson Counties.

As required by Chapter 36 of the Texas Water Code, the District provides for conserving, preserving, protecting, recharging and preventing the waste of groundwater. The Board of Directors of the District adopted its Temporary Rules August 29, 2011. The adopted Rules provide protection to existing wells, prevent waste, promote conservation, provide a framework that will allow availability and accessibility of groundwater for future generations, protect the quality of the groundwater in the recharge zone of the aquifer, insure that the residents of Fannin and Grayson Counties maintain local control over their groundwater, and operate the District in a fair and equitable manner for all residents of the District.

The District is committed to manage and protect the groundwater resources within its jurisdiction and to work with others to ensure a sustainable, adequate, high quality and cost effective supply of water, now and in the future. The District wills strive to develop, promote, and implement water conservation, augmentation, and management strategies to protect water resources for the benefit of the citizens, economy and environment of the District. The preservation of this most valuable resource can be managed in a prudent and cost effective manner through conservation, education, and management. Any action taken by the District shall only be after full considerations and respect has been afforded to the individual property rights of all citizens of the District.

II. General Manager's Report

In May of 2012 the District adopted their Management Plan. As required by the Management Plan, this Annual Report is presented to the Board of Directors in an effort to apprise them of the status of the goals included in the Management Plan approved by the Texas Water Development Board.

Mandatory well registration began April 1, 2013. This applies to all existing non-exempt wells, and all new wells drilled after April 1, 2013. All new wells must be approved and registered before construction begins.

During 2015, the Red River GCD Board of Directors and staff accomplished the following tasks:

- The Board continued development of the Desired Future Conditions ("DFC") required to be adopted by groundwater districts in Texas
 - Workshops held to better understand Groundwater Availability Model Runs and determine DFC for the District
- The well inspection program for the Red River Groundwater Conservation District continued. A report is attached as Attachment A, reflecting wells inspected during 2015
- The Board reviewed District Temporary Rules to determine if revision necessary to discourage waste of groundwater
- Monthly drought reporting continued on website
- Monthly rainfall reporting continued on website
- The Board reviewed Texas State Water Supply Enhancement Plan to determine if projects within the District would increase groundwater resources of the District
- Water loss for District tracked by use of Water Loss Thresholds provided by Region C Water Planning Group

III. Management Goals

The District Management Plan, adopted May 17, 2012, provides that an Annual Report be prepared by the General Manager and staff of the District, covering the activities of the District, including information concerning the District's performance in regards to achieving the District's management goals and objectives.

A. Providing for the Most Efficient Use of Groundwater

- A.1 Objective: District to require all new water wells constructed within the boundaries of the District are to be registered with the District.
- A.1 Performance Standard: Number of wells registered for each year to be included in Annual Report.

The number of wells registered or permitted by the District during 2015: 109

A.2 Objective: At least once per year District will evaluate District Rules to identify any amendments necessary to reduce the amount of waste of groundwater within the boundaries of the District.

A.2 Performance Standard: Discussion of annual evaluation of District Rules to determine if any amendments are necessary to reduce the amount of waste of groundwater will be included in Annual Report.

An item was placed on the agenda for the November 2015 meeting to discuss rules regarding waste of groundwater. No amendments were found to be necessary to the District Rules at this time to reduce waste of groundwater.

In addition, the Board of Directors requested the staff collect information on waste and provide it in the Annual Report. Attached is a table of Region C Water Planning Group's Water Loss Thresholds for Fannin and Grayson Counties (Attachment B). The apparent losses are meter malfunctions, etc., while real losses are line breaks, leaks, flushing, etc.

B. Controlling and Preventing Waste of Groundwater

B.1 Objective: District will annually provide information to the public on eliminating and reducing wasteful practices in the use of groundwater by publishing information on groundwater waste reduction on the District's website at least once a year.

B.1 Performance Standard: Copy of information on groundwater waste reduction will be provided on the District's website and the information published on the website will be included in the District's Annual Report to be provided to the Board of Directors.

Performance standard was met - the following was published on the District's website during 2015:

Water Conservation Links

[Home Water Works home water usage water calculator](#)

[25 things you can do to save water](#)

[Water Conservation Advisory Council](#)

[Texas Water Foundation](#)

[Texas Water Conservation Association](#)

[Water IQ](#)

[How to Conserve Water in the Bathroom](#)

[Home Intelligence At-Home Water Conservation Guide](#)

Best Management Practices

[TWDB Best Management Practices for Conservation](#)

[Agricultural Best Management Practices](#)

[Municipal Best Management Practices](#)

[Wholesale Supplier Best Management Practices](#)

[2011 Region C Water Plan - Chapter 4 - Identification, Evaluation, and Selection of Water Management Strategies \(4A, 4B, 4C, 4D, 4E, 4F, 4G, 4H\)](#)

Brochures

[A Watering guide for Texas Landscape](#)

[Water Conservation for Industries, Businesses, and Institutions](#)

[Water Conserving Tips](#)

[Conserving Water Indoors](#)

[Conserving Water Outdoors](#)

[Agricultural Water conservation Irrigation Water Use Management Best Management Practices](#)

[Agricultural Water Conservation Best Management Practices Overview](#)

Brochures in Spanish

[Cuarenta Y Nueve Consejos Practicos Para Conservar Agua \(Forty-Nine Water Saving Tips\)](#)

[Xeriscape \(Xeriscape - Principles and Benefits\)](#)

[The Dillos Demonstrate Wordless Water Conservation](#)

Articles

[Why Most Texas Haven't Turned to Graywater Recycling](#)

StateImpact Texas

[One Less Gallon We Have To Pump](#)

Texas Coop Power

[Water For All](#)

Texas Coop Power

[Private-public partnership aims to save water](#)

San Antonio Express

[Taking the Ick Factor Out of Recycled Water](#)

New York Times

[Agriculture commissioner urges water conservation](#)

Times Record News

[In wake of Texas drought, water and politics mix](#)

Austin American-Statesman

In addition, the following seminars/presentations occurred during 2015 in Red River Groundwater Conservation District:

- Presentation by General Manager to Grayson County Rotary Club on October 14, 2015
- Presentation by Texas A&M AgriLife Extension June 8, 2015
- Article in Herald Democrat November 13, 2015 regarding water conservation tips

B.2 Objective: District will encourage the elimination and reduction of groundwater waste through the collection of water-use fee for non-exempt production wells within the District.

Performance Standard: Annual reporting of the total fees paid and total groundwater used by non-exempt wells will be included in Annual Report. The District set a water-use fee of \$0.07/1,000 gallons.

**Annual Report
Fees Paid and Groundwater
Usage
Table B.2**

Year	Total Fees Paid	Total Groundwater Used
2013	\$297,037.92	4,950,632,000
2014	\$284,250.06	4,060,715,143
2015*	\$251,868.18	3,598,116,860

*Does not include last quarter for 2015.

C. Controlling and Preventing Subsidence: This goal is not applicable to the Red River Groundwater Conservation District.

D. Conjunctive Surface Water Management Issues

D.1 Objective: District will participate in regional water planning process by attendance of General Manager or Board Member at one of the Region C Regional Water Planning Group meetings to encourage development of surface water supplies to meet the needs of user groups within the District.

D.1 Performance Standard: Attendance of District representative at Region C Water Planning Group meetings will be noted in Annual Report.

This performance standard was met. Board Member Latham attended three of the four Region C Water Planning Group meetings held during 2015. General Manager Satterwhite attended three of the four Region C Water Planning Group meetings held during 2015. Either Board Member Latham and/or General Manager Satterwhite were present at all four meetings.

E. Natural Resource Issues: This goal is not applicable to the Red River Groundwater Conservation District.

F. Drought Conditions

F.1 Objective: Palmer Drought Severity Index (“PDSI”) will be downloaded monthly to District website redrivergcd.org and the District’s rainfall map will be updated monthly as well.

F.1 Performance Standard: District will assess status of drought in the District quarterly and prepare a briefing to the Board of Directors. Downloaded PDSI maps and rainfall maps will be included with copies of the quarterly briefings in the Annual Report.

This performance standard was met. PDSI maps and rainfall maps downloaded monthly are included in the Quarterly Reports on the drought conditions, which are a part of this Report. (See Attachment B)

G. Conservation, Recharge Enhancement, Rainwater Harvesting, and Brush Control

G.1 Objective (Conservation): The District will submit at least one article regarding water conservation for publication each year to at least one newspaper of general circulation in Fannin and Grayson Counties.

G.1 Performance Standard (Conservation): Copy of article included in Annual Report to Board of Directors.

This performance standard was met. Copy of article published by the Herald Democrat, newspaper of general circulation in Fannin and Grayson Counties, is included as an attachment to this report. (See Attachment D)

In addition, water conservation curriculum offered by the Texas Water Development Board (Major Rivers) was delivered to the Howe, Pottsboro and Van Alstyne 4th grade classes. Leonard ISD has expressed an interest in participating in this program, and will be included in the 2016 order for Major Rivers Curriculum.

G.2 Objective (Rainwater Harvesting): District to provide information on rainwater harvesting each year by offering new information regarding rainwater harvesting on the District website at least once a year.

G.2 Performance Standard (Rainwater Harvesting): District’s Annual Report will provide copies of information regarding rainwater harvesting that was posted on website for the past year.

This performance standard was met. The following information regarding rainwater harvesting has been posted on the District's website during 2015:

Rainwater Harvesting

[TWDB Rainwater Harvesting Information](#)

[Texas Water by Texas A&M](#)

[TWDB Rainwater Harvesting Manual](#)

Articles

[Save It for a Sunny Day](#)

[Texas Coop Power](#)

[Rainwater Harvesting FAQ](#)

[Texas Coop Power](#)

- G.3 Objective (Brush Control): District will evaluate the State Water Supply Enhancement Program (formerly State Brush Control Plan) as it is revised from time to time (at least once per year) and determine whether projects within the District will increase groundwater resources of the District.
- G.3 Performance Standard (Brush Control): District's Annual Report will include a copy of the most recent brush control information pertaining to the District.

This performance standard was met. The State Water Supply Enhancement Program was reviewed by District staff to determine projects within the District are contained in the Program that would increase groundwater resources of the District. (See Attachment E)

Goals related to Recharge Enhancement and Precipitation Enhancement are not applicable to the Red River Groundwater Conservation District.

H. Addressing in Quantitative Manner the Desired Future Conditions

- H.1 Objective: Within three (3) years of Groundwater Management Plan adoption, the District will develop a Groundwater Monitoring Program within the District.
- H.1 Performance Standard: Upon development, the District Groundwater Monitoring Program will be attached to the Annual Report.

The Texas Water Development Board staff conducted the groundwater monitoring for the District in 2015.

- H.2 Objective: Once the District's Monitoring Program has been approved, water level measurements will be conducted at least annually on wells within the District.

H.2 Performance Standard: Annual evaluation of water-level trends and the adequacy of the monitoring network to monitor aquifer conditions within the District and comply with the aquifer resources desired future conditions.

An evaluation shall be included in the Annual Report once the program has been initiated. This objective will be addressed in the future, when the Groundwater Monitoring Program is established.

H.3 Objective: Monitor non-exempt pumping within the District for use in evaluating the District's compliance with aquifer desired future conditions.

H.3 Performance Standard: Annual reporting of groundwater used by non-exempt wells will be included in Annual Report. See Table B.2.

ATTACHMENT A

2015 Well Inspection Log

Red River Groundwater
Conservation District
2015 Well Inspection Log

Month	Grayson		Fannin		Total
	New	Old	New	Old	
January	0	0	0	0	0
Febuary	0	0	4	0	4
March	2	0	4	0	6
April	0	0	0	0	0
May	1	0	0	0	1
June	0	0	0	0	0
July	0	0	0	4	4
August	0	0	0	0	0
September	1	0	0	0	1
October	0	0	0	0	0
November	0	0	0	0	0
December	0	0	0	0	0
Total	4	0	8	4	16

ATTACHMENT B

Water Loss Information

Source: Water Loss Thresholds Region C

Most Current Water Loss Audit Data - August 28, 2015

Region C Water Loss Thresholds - Fannin and Grayson Counties

Entity	Region	Year of Audit	Population Size	Retail Connections Served	Service Connection Density (#/mi ²)	Average Yearly Operating Pressure (pounds per square inch)	Infrastructure Leakage Index (-)	Customer Meter Accuracy %	Data Handling Discrepancy Loss (gallons per connection per day)	Unauthorized Consumption (gallons per connection per day)	Apparent Loss per Connection (gallons per connection per day)	Real Loss per Connection (gallons per connection per day)	Real Loss per Mile (gallons per mile per day)	Percent total water loss (for comparison purposes only)
Bois D Arc MUD	C	2013	3,163	1,213	6	75	n/a	99.0	1.1	0.7	3	n/a	210	24.7
Bois D Arc MUD	C	2014	3,165	1,217	6	68	n/a	98.0	0.6	0.4	4	n/a	107	14.6
Carriage House Estates	C	2013	486	162	41	54	n/a	97.0	0.0	0.7	9	6	n/a	5.5
City of Bells	C	2013	1,779	593	37	40	n/a	96.0	7.2	0.6	16	37	n/a	20.6
City of Bells	C	2014	1,980	596	37	42	n/a	97.0	5.7	0.6	12	47	n/a	23.9
City of Bonham	C	2013	10,068	3,457	46	56	5.2	98.0	0.0	1.0	7	77	n/a	20.3
City of Bonham	C	2014	10,005	3,366	45	56	1.9	98.0	0.0	1.0	7	28	n/a	9.4
City of Denison	C	2013	37,002	9,964	38	52	3.6	94.0	0.0	1.2	26	54	n/a	17.0
City of Denison	C	2014	22,816	9,982	38	47	0.9	97.0	0.0	1.0	13	13	n/a	6.2
City of Dorchester	C	2011	1,268	576	8	60	n/a	98.0	0.0	0.9	5	n/a	912	33.4
City of Ector	C	2010	600	327	23	70	n/a	99.0	0.0	0.5	2	n/a	621	14.4
City of Gunter	C	2010	1,500	485	12	84	n/a	95.0	0.0	1.0	15	n/a	1,125	28.0
City of Gunter	C	2014	504	504	20	54	n/a	92.0	0.0	0.8	23	n/a	1,114	23.3
City of Honey Grove	C	2013	1,668	734	32	56	n/a	96.0	0.0	1.0	10	n/a	4,380	38.3
City of Honey Grove	C	2014	1,668	759	33	56	n/a	96.0	0.0	0.7	8	106	n/a	38.7
City of Howe	C	2010	2,600	1,092	99	65	n/a	98.0	0.3	0.0	4	89	n/a	34.1
City of Ladonia	C	2010	760	340	11	40	n/a	99.0	0.0	0.4	2	n/a	332	18.3
City of Leonard	C	2010	1,990	799	27	48	n/a	99.0	0.0	0.7	3	n/a	2,060	26.8
City of Pottsboro	C	2012	2,163	972	51	80	n/a	95.0	0.0	0.8	14	35	n/a	15.4
City of Pottsboro	C	2014	2,130	959	50	80	n/a	99.0	0.0	0.8	3	53	n/a	18.0
City of Sherman	C	2013	39,513	17,937	64	65	1.3	98.0	3.4	1.0	12	20	n/a	7.9
City of Sherman	C	2014	39,000	18,243	63	65	3.4	98.0	0.4	1.5	10	52	n/a	13.1
City of Southmayd	C	2010	420	140	7	60	n/a	90.0	0.0	0.4	16	n/a	67	15.0
City of Tioga	C	2013	1,305	435	36	65	n/a	97.0	0.0	0.6	7	5	n/a	4.8
City of Tioga	C	2014	1,341	447	37	65	n/a	97.0	0.0	0.6	7	22	n/a	12.6
City of Tom Bean	C	2011	1,045	464	33	58	n/a	98.0	20.8	1.1	25	224	n/a	58.0
City of Tom Bean	C	2014	1,045	452	31	58	n/a	98.0	0.0	0.9	4	n/a	5,334	45.9

Entity	Region	Year of Audit	Population Size	Retail Connections Served	Service Connection Density (\$/mile)	Average Yearly Operating Pressure (pounds per square inch)	Infrastructure Leakage Index (-)	Cost/letter Meter Accuracy %	Dear Handling Discrepancy Loss (gallons per connection per day)	Unauthorized Consumption (gallons per connection per day)	Apparent Loss per Connection (gallons per connection per day)	Real Loss per Connection (gallons per connection per day)	Real Loss per Mile (gallons per mile per day)	Percent total water loss (for comparison purposes only)
City of Trenton	C	2010	662	330	10	58	n/a	98.0	0.0	0.9	8	n/a	104	5.1
City of Van Alstyne	C	2013	3,046	1,333	22	60	n/a	96.0	0.1	0.6	9	n/a	349	10.5
City of Whitesboro	C	2013	3,914	1,960	70	65	n/a	94.0	0.0	0.6	13	34	n/a	19.6
City of Whitesboro	C	2014	3,948	1,973	70	65	n/a	94.0	0.0	0.6	12	24	n/a	16.3
City of Whitewright	C	2010	2,000	796	32	45	n/a	96.0	3.4	0.7	12	39	n/a	17.5
City of Windom	C	2010	245	130	22	60	n/a	100.0	0.0	0.4	0	n/a	63	2.0
Dial WSC	C	2010	315	105	4	60	n/a	90.0	0.0	0.7	18	n/a	340	38.5
Gober MUD	C	2014	250	142	9	60	n/a	98.0	0.0	0.5	4	n/a	307	17.3
High Country Estates	C	2013	342	114	18	52	n/a	96.0	0.0	0.9	14	n/a	245	7.9
Luella SUD	C	2011	3,300	1,145	13	70	n/a	98.0	0.0	0.8	6	n/a	358	10.7
Oak Ridge South Gale WSC	C	2010	2,640	880	20	90	n/a	98.0	0.0	0.5	4	n/a	464	14.2
Pink Hill WSC	C	2010	2,109	753	8	67	n/a	98.0	0.0	0.5	4	n/a	207	14.9
Preston Club Utility Corporation	C	2013	405	231	66	50	n/a	98.0	0.0	0.1	1	1	n/a	3.3
Randolph WSC	C	2010	390	151	10	60	n/a	100.0	0.0	0.4	0	n/a	1,576	98.8
RRA Preston Shores Water System	C	2012	1,785	711	36	65	n/a	99.0	0.0	0.6	2	74	n/a	32.3
RRA Preston Shores Water System	C	2014	1,733	691	35	65	n/a	98.0	0.0	0.5	3	51	n/a	29.2
South Grayson WSC	C	2010	3,900	1,391	15	80	n/a	100.0	0.0	0.8	1	n/a	446	8.8
Southwest Fannin County SUD	C	2010	6,264	2,088	3	70	n/a	99.0	0.0	0.6	2	n/a	152	20.1
Starr WSC	C	2010	2,470	846	11	72	n/a	99.0	0.0	0.5	2	n/a	242	10.9
Two Way SUD	C	2012	4,890	1,630	8	75	n/a	98.0	0.0	0.7	6	n/a	98	6.5
White Shed WSC	C	2010	2,800	927	8	60	n/a	98.0	0.0	0.5	4	n/a	208	14.6

ATTACHMENT C

**General Manager's Quarterly Reports
Assessment of Status of Drought in the District**



**RED RIVER
GROUNDWATER CONSERVATION DISTRICT
FANNIN COUNTY AND GRAYSON COUNTY**



**General Manager's Quarterly Report
March 2015**

**Management Plan
Assessment of the Status of Drought in the District**

The following is a quarterly report on the existing drought conditions:

As of March 2015 the Texas Water Development Board website reflected the North Central Texas Area to be abnormally dry/moderate drought, with stream flow abnormally low.

Attached are the drought maps for January 2015, February 2015 and March 2015. Rainfall maps are also attached to this report for this time period for your information and use.

The NOAA website reflects the following rainfall data in Fannin and Grayson Counties during this quarter:

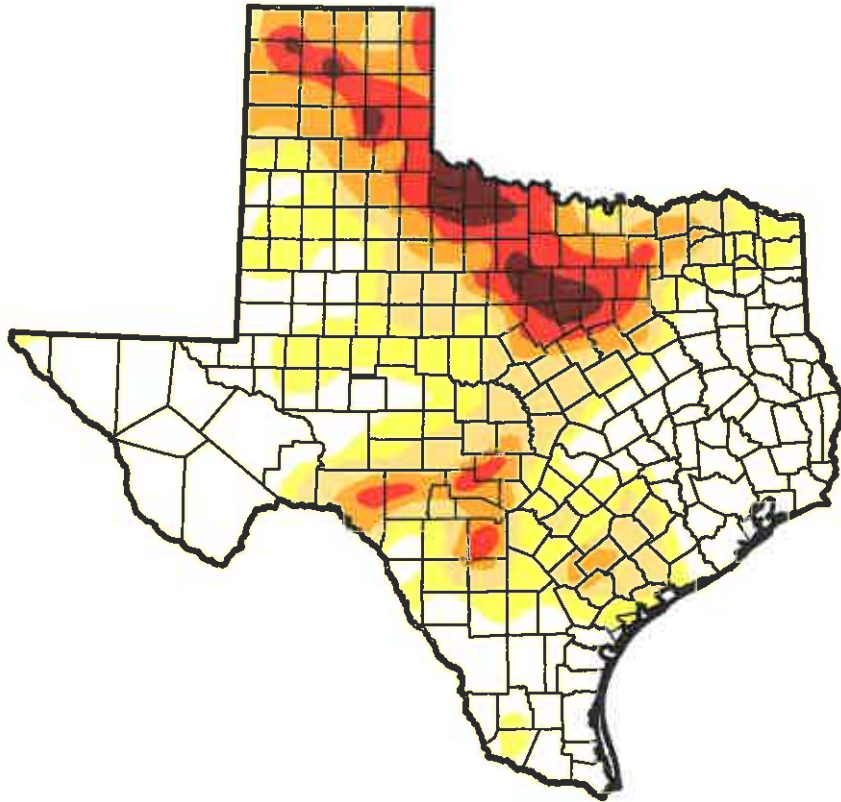
Location	January 2015	February 2015	March 2015
Bonham, Fannin County	2.12"	3.39"	4.22"
Sherman, Grayson County	1.19"	2.07"	3.27"

The Texas Water Development Board website reflects Lake Bonham was at 99% of its conservation storage capacity in March 2015, and Lake Texoma at 90%.

The Climate Prediction Center (NOAA) reflects there is an approximately 70% chance that El Nino will continue through the summer, with a greater than 60% chance it will last through autumn.

U.S. Drought Monitor Texas

January 27, 2015
(Released Thursday, Jan. 29, 2015)
Valid 7 a.m. EST



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	41.42	58.58	39.22	23.93	11.24	3.05
Last Week <i>1/20/2015</i>	39.80	60.20	40.64	24.74	11.34	3.05
3 Months Ago <i>10/28/2014</i>	24.84	75.16	49.20	27.86	11.90	3.62
Start of Calendar Year <i>12/30/2014</i>	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year <i>9/30/2014</i>	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago <i>1/28/2014</i>	19.30	80.70	49.37	22.63	7.14	0.79

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

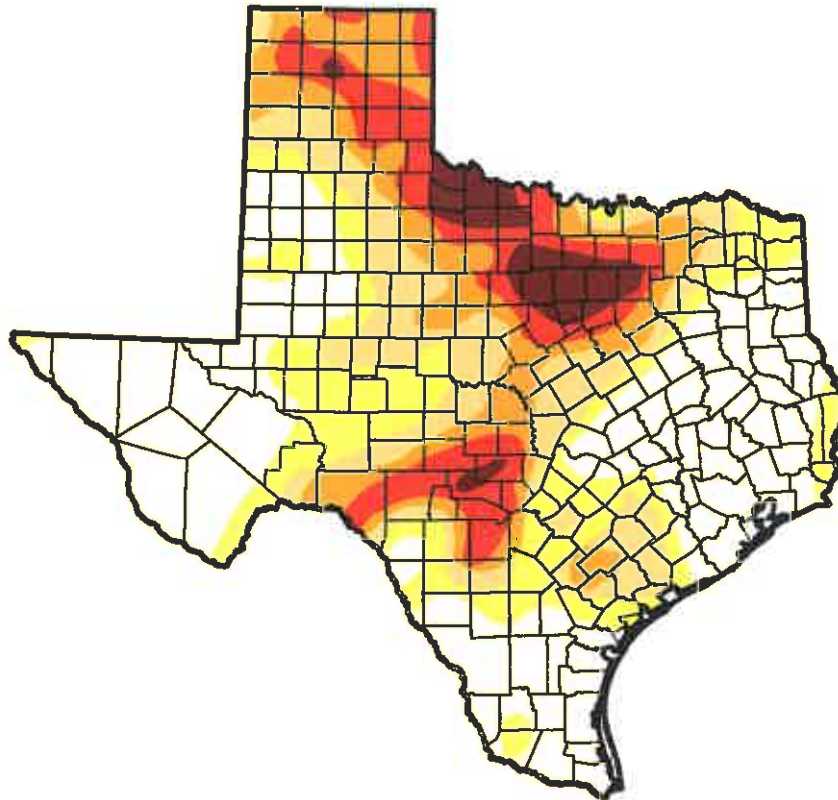
Author:
Brian Fuchs
National Drought Mitigation Center



<http://droughtmonitor.unl.edu/>

U.S. Drought Monitor Texas

February 24, 2015
(Released Thursday, Feb. 26, 2015)
Valid 7 a.m. EST



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	38.35	61.65	43.39	27.86	14.34	4.46
Last Week 2/17/2015	39.21	60.79	43.39	27.81	13.92	4.46
3 Months Ago 11/25/2014	34.11	65.89	42.56	22.05	9.50	2.57
Start of Calendar Year 12/30/2014	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year 9/30/2014	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago 2/25/2014	7.38	92.62	67.88	33.55	9.45	0.93

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

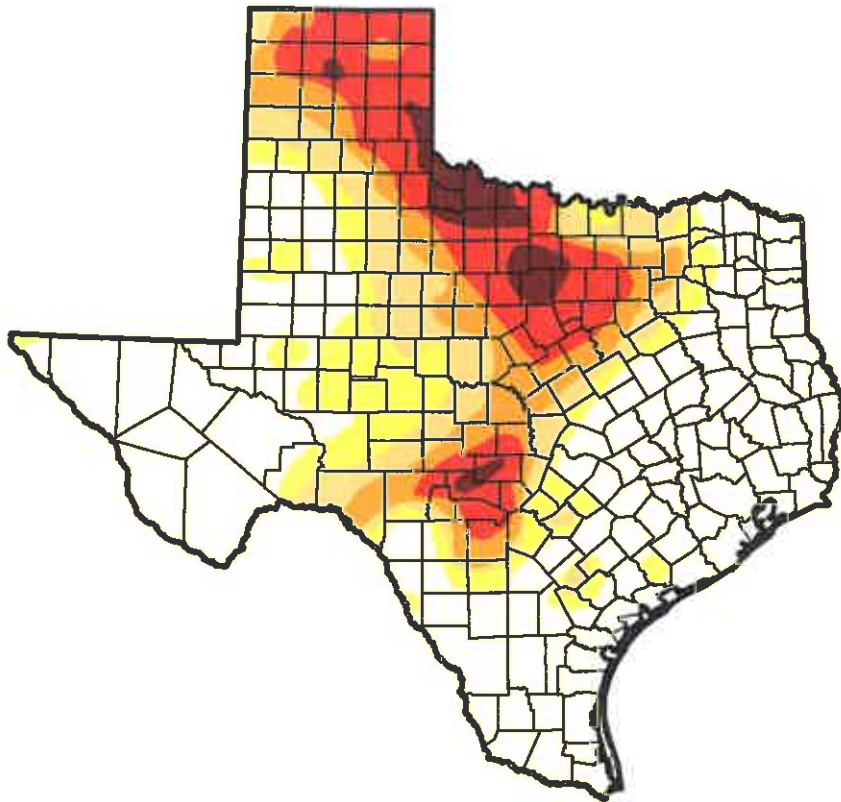
Author:
Richard Heim
NCDC/NOAA



<http://droughtmonitor.unl.edu/>

U.S. Drought Monitor Texas

March 31, 2015
(Released Thursday, Apr. 2, 2015)
Valid 7 a.m. EST



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	50.74	49.26	36.62	25.44	15.10	3.31
Last Week 3/24/2015	49.50	50.50	36.35	24.92	13.67	3.31
3 Months Ago 12/30/2014	34.37	65.63	44.68	25.73	11.70	3.17
Start of Calendar Year 12/30/2014	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year 9/30/2014	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago 4/1/2014	15.40	84.60	66.80	42.06	27.36	4.42

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

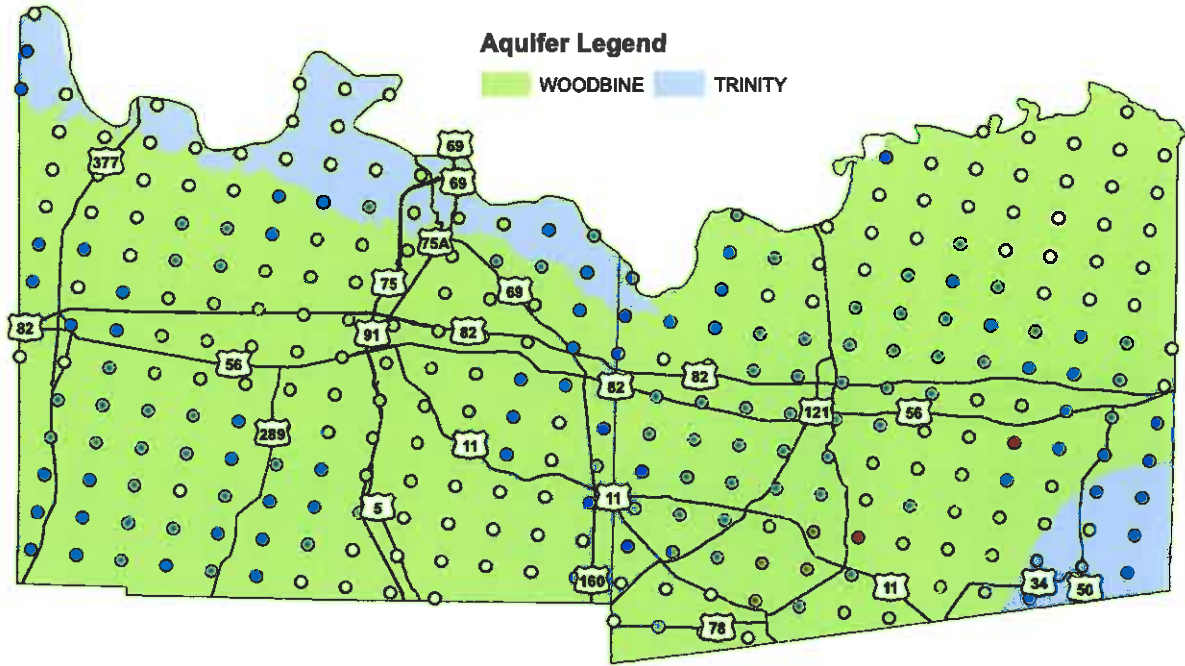
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Eric Luebehusen
U.S. Department of Agriculture



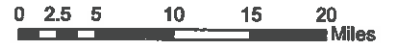
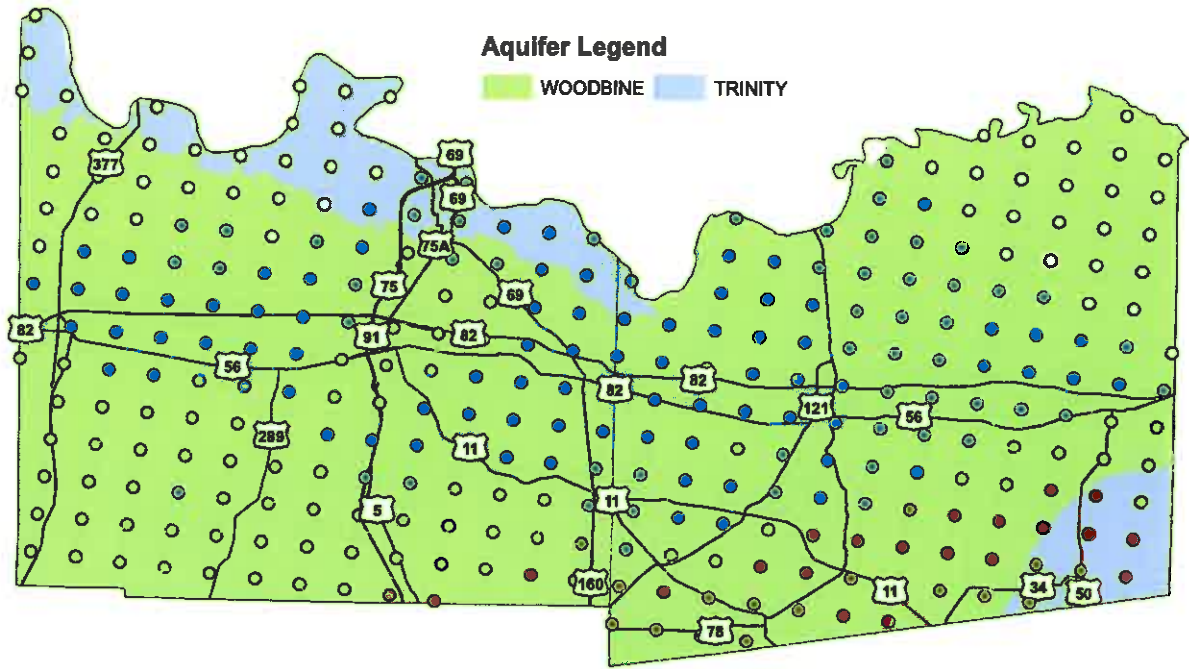
<http://droughtmonitor.unl.edu/>

Rainfall Totals for January 2015



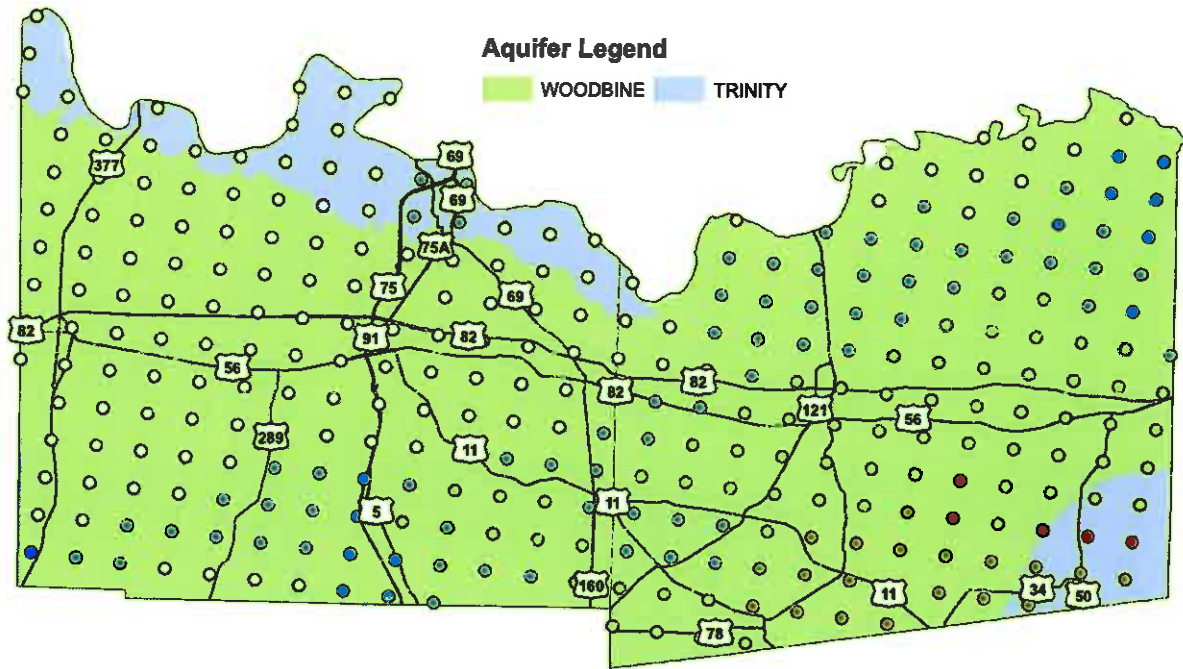
<p>Red River Groundwater Conservation District PO Box 1214 Sherman, TX 75091-1214 (800) 256-0935</p>		<p>Data Source: National Weather Service Precipitation Analysis</p>	<p>Rainfall in Inches</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; padding: 2px;">○ 3.49 - 3.82</td> <td style="width: 50%; padding: 2px;">○ 4.13 - 4.54</td> </tr> <tr> <td style="padding: 2px;">● 3.83 - 4.12</td> <td style="padding: 2px;">● 4.55 - 5.19</td> </tr> </table>	○ 3.49 - 3.82	○ 4.13 - 4.54	● 3.83 - 4.12	● 4.55 - 5.19
○ 3.49 - 3.82	○ 4.13 - 4.54						
● 3.83 - 4.12	● 4.55 - 5.19						

Rainfall Totals for February 2015



<p>Red River Groundwater Conservation District PO Box 1214 Sherman, TX 75091-1214 (800) 256-0935</p>		<p>Data Source: National Weather Service Precipitation Analysis</p>	<p>Rainfall in Inches</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">○ 1.43 - 2.19</td> <td style="width: 50%; border: none;">⊙ 2.63 - 3.00</td> </tr> <tr> <td style="border: none;">⊙ 2.20 - 2.62</td> <td style="border: none;">⊙ 3.01 - 3.65</td> </tr> </table>	○ 1.43 - 2.19	⊙ 2.63 - 3.00	⊙ 2.20 - 2.62	⊙ 3.01 - 3.65
○ 1.43 - 2.19	⊙ 2.63 - 3.00						
⊙ 2.20 - 2.62	⊙ 3.01 - 3.65						

Rainfall Totals for March 2015



0 2.5 5 10 15 20
Miles

Red River Groundwater Conservation District
PO Box 1214
Sherman, TX 75091-1214
(800) 256-0935



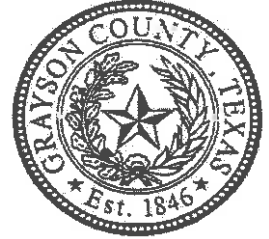
Data Source:
 National Weather Service
 Precipitation Analysis

Rainfall in Inches

- | | |
|---------------|---------------|
| ○ 2.70 - 3.92 | ○ 5.03 - 6.29 |
| ⊙ 3.93 - 5.02 | ⊙ 6.30 - 8.41 |



**RED RIVER
GROUNDWATER CONSERVATION DISTRICT
FANNIN COUNTY AND GRAYSON COUNTY**



**General Manager's Quarterly Report
June 2015**

**Management Plan
Assessment of the Status of Drought in the District**

The following is a quarterly report on the existing drought conditions:

As of June 2015 the Texas Water Development Board website reflected no drought in the North Central Texas Area, with stream flow near or above normal.

Attached are the drought maps for April, May and June 2015. Rainfall maps are also attached to this report for this time period for your information and use.

The NOAA website reflects the following rainfall data in Fannin and Grayson Counties during this quarter:

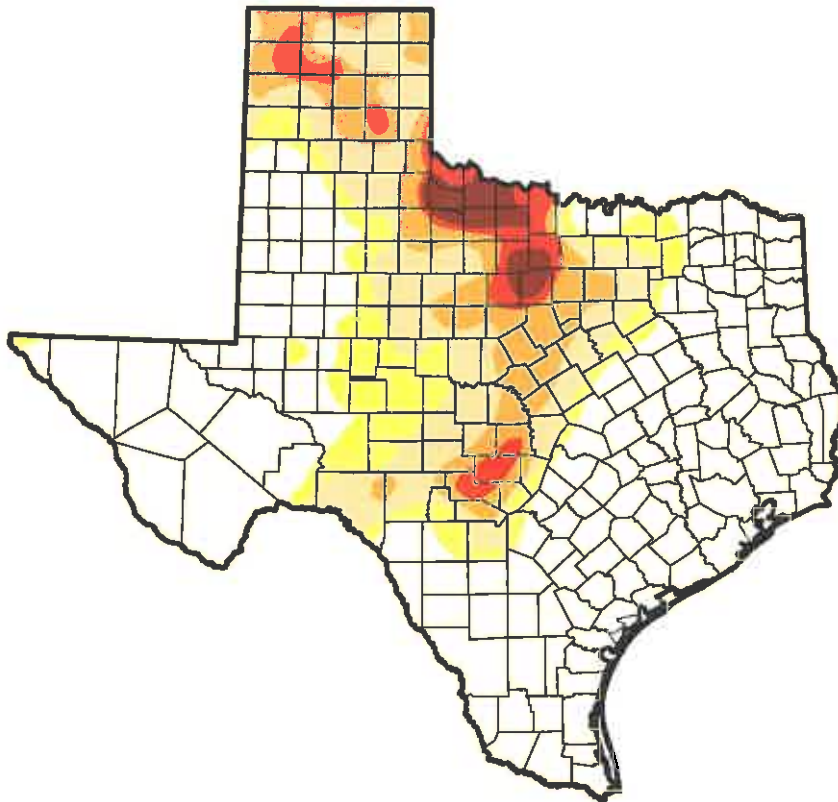
Location	April 2015	May 2015	June 2015
Bonham, Fannin County	5.94	18.04	8.05
Sherman, Grayson County	7.89	18.52	12.53

The Texas Water Development Board website reflects Lake Bonham was at 100% of its conservation storage capacity in March 2015, and Lake Texoma at 100%.

The Climate Prediction Center (NOAA) reflects there is greater than a 90% chance that El Nino will continue through the winter, with a around an 80% chance it will last through early Spring 2016, and a below normal Atlantic hurricane season.

U.S. Drought Monitor Texas

April 28, 2015
(Released Thursday, Apr. 30, 2015)
Valid 7 a.m. EST



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	58.89	41.11	30.71	15.83	5.57	2.02
Last Week <i>4/21/2015</i>	55.48	44.52	34.56	21.93	9.35	2.55
3 Months Ago <i>1/27/2015</i>	41.42	58.58	39.22	23.93	11.24	3.05
Start of Calendar Year <i>12/30/2014</i>	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year <i>9/30/2014</i>	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago <i>4/29/2014</i>	9.88	90.12	74.47	52.91	37.86	17.75

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

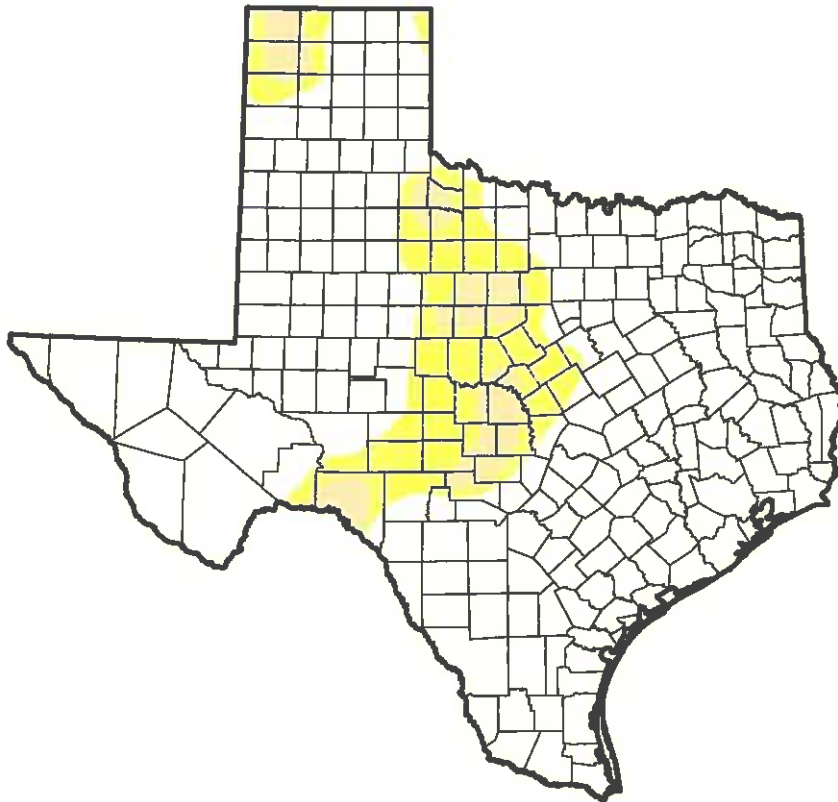
Author:
Anthony Artusa
NOAA/NWS/NCEP/CPC



<http://droughtmonitor.unl.edu/>

U.S. Drought Monitor Texas

May 26, 2015
(Released Thursday, May. 28, 2015)
Valid 7 a.m. EST



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	82.11	17.89	5.40	0.00	0.00	0.00
Last Week 5/19/2015	70.11	29.89	15.37	3.29	0.00	0.00
3 Months Ago 2/24/2015	38.35	61.65	43.39	27.86	14.34	4.46
Start of Calendar Year 12/30/2014	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year 9/30/2014	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago 5/27/2014	10.72	89.28	71.16	49.16	32.81	10.76

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

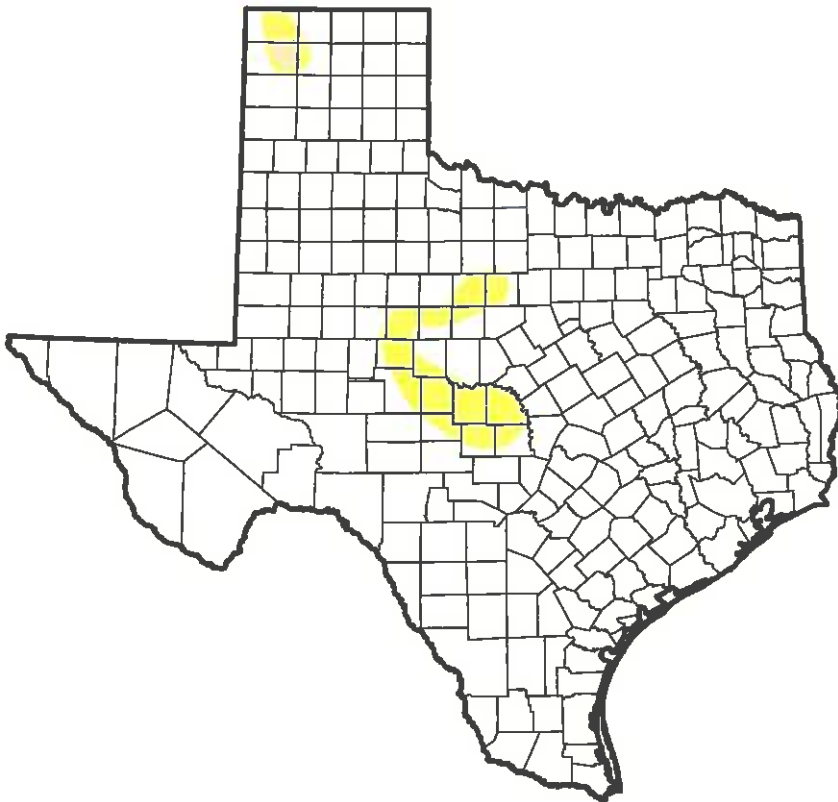
Author:
Brad Rippey
U.S. Department of Agriculture



<http://droughtmonitor.unl.edu/>

U.S. Drought Monitor Texas

June 30, 2015
(Released Thursday, Jul. 2, 2015)
Valid 8 a.m. EDT



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	95.37	4.63	0.25	0.00	0.00	0.00
Last Week 6/23/2015	95.37	4.63	0.25	0.00	0.00	0.00
3 Months Ago 3/31/2015	50.74	49.26	36.62	25.44	15.10	3.31
Start of Calendar Year 12/30/2014	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year 9/30/2014	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago 7/1/2014	12.86	87.14	60.44	36.99	18.51	4.76

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

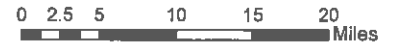
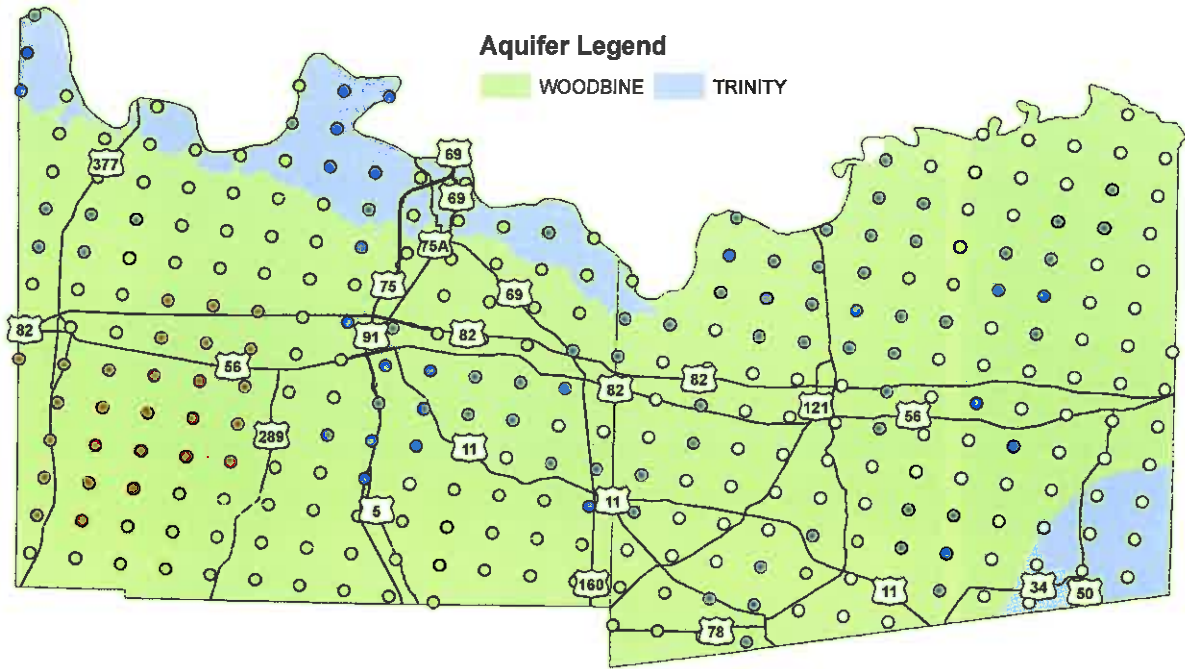
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Brian Fuchs
National Drought Mitigation Center

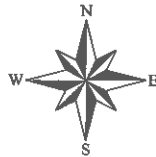


<http://droughtmonitor.unl.edu/>

Rainfall Totals for April 2015



Red River Groundwater Conservation District
 PO Box 1214
 Sherman, TX 75091-1214
 (800) 256-0935

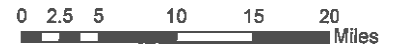
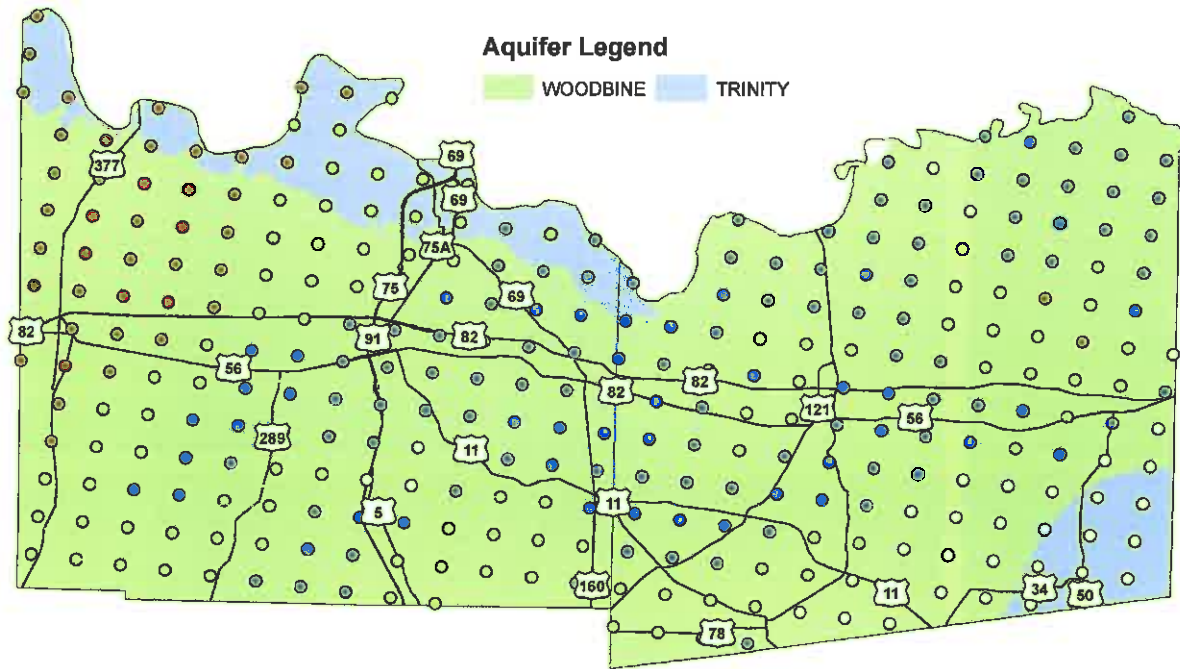


Data Source:
 National Weather Service
 Precipitation Analysis

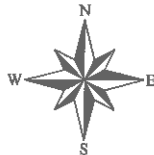
Rainfall in Inches

- | | |
|---------------|----------------|
| ○ 4.17 - 6.55 | ○ 7.83 - 9.40 |
| ● 6.56 - 7.82 | ● 9.41 - 11.78 |

Rainfall Totals for May 2015



Red River Groundwater Conservation District
 PO Box 1214
 Sherman, TX 75091-1214
 (800) 256-0935

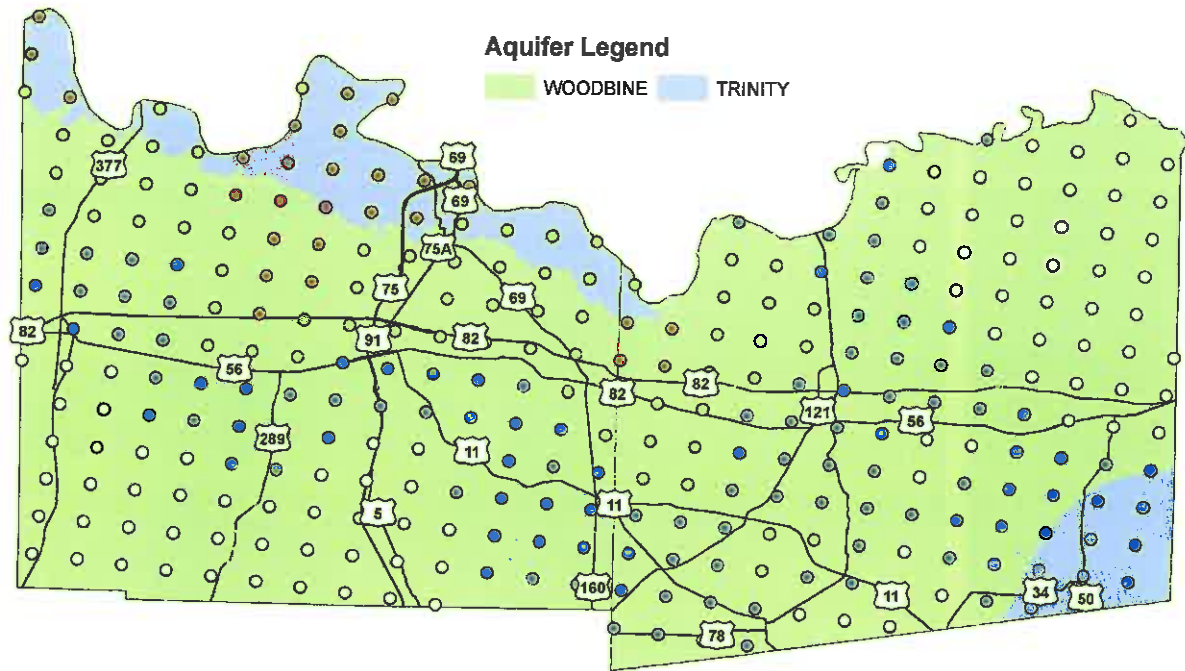


Data Source:
 National Weather Service
 Precipitation Analysis

Rainfall in Inches

- | | | | |
|---|---------------|---|---------------|
| ○ | 11.96 - 15.54 | ○ | 18.99 - 22.75 |
| ⊙ | 15.55 - 18.98 | ⊙ | 22.76 - 28.02 |

Rainfall Totals for June 2015



0 2.5 5 10 15 20 Miles

Red River Groundwater Conservation District
 PO Box 1214
 Sherman, TX 75091-1214
 (800) 256-0935



Data Source:
 National Weather Service
 Precipitation Analysis

Rainfall in Inches

- | | |
|---------------|-----------------|
| ○ 3.51 - 5.65 | ○ 7.75 - 10.21 |
| ● 5.66 - 7.74 | ● 10.22 - 14.08 |



RED RIVER
GROUNDWATER CONSERVATION DISTRICT
FANNIN COUNTY AND GRAYSON COUNTY



General Manager's Quarterly Report
September 30, 2015

Management Plan
Assessment of the Status of Drought in the District

The following is a quarterly report on the existing drought conditions:

As September 2015 the Texas Water Development Board website reflected moderate to severe drought in the North Central Texas Area, with stream flow near or above normal.

Attached are the drought maps for July, August and September 2015. Rainfall maps are also attached to this report for this time period for your information and use.

The NOAA website reflects the following rainfall data in Fannin and Grayson Counties during this quarter:

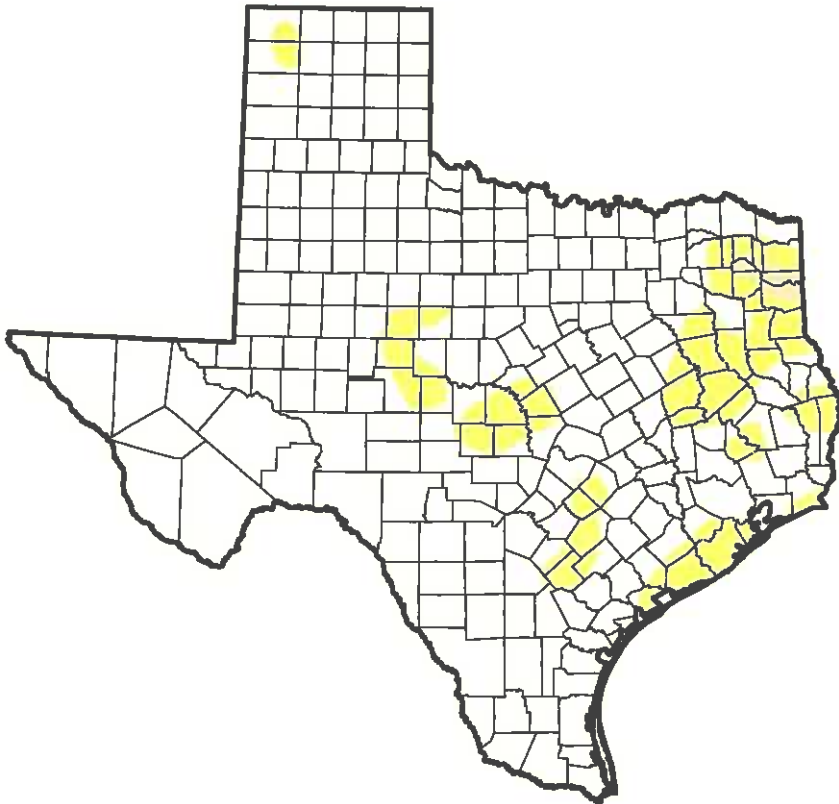
Location	July 2015	August 2015	September 2015
Bonham, Fannin County	1.55	0.57	1.36
Sherman, Grayson County	2.08	0.00	1.72

The Texas Water Development Board website reflects Lake Bonham at 77.5% of its conservation storage capacity and Lake Texoma at 93.2% as of October 5, 2015.

The Climate Prediction Center (NOAA) reflects there is greater than a 95% chance that El Nino will continue through the winter, gradually weakening through Spring 2016.

U.S. Drought Monitor Texas

July 28, 2015
(Released Thursday, Jul. 30, 2015)
Valid 8 a.m. EDT



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	86.45	13.55	0.65	0.00	0.00	0.00
Last Week 7/21/2015	95.82	4.18	0.00	0.00	0.00	0.00
3 Months Ago 4/28/2015	58.89	41.11	30.71	15.83	5.57	2.02
Start of Calendar Year 12/30/2014	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year 9/30/2014	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago 7/29/2014	15.95	84.05	58.10	32.96	14.29	2.94

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

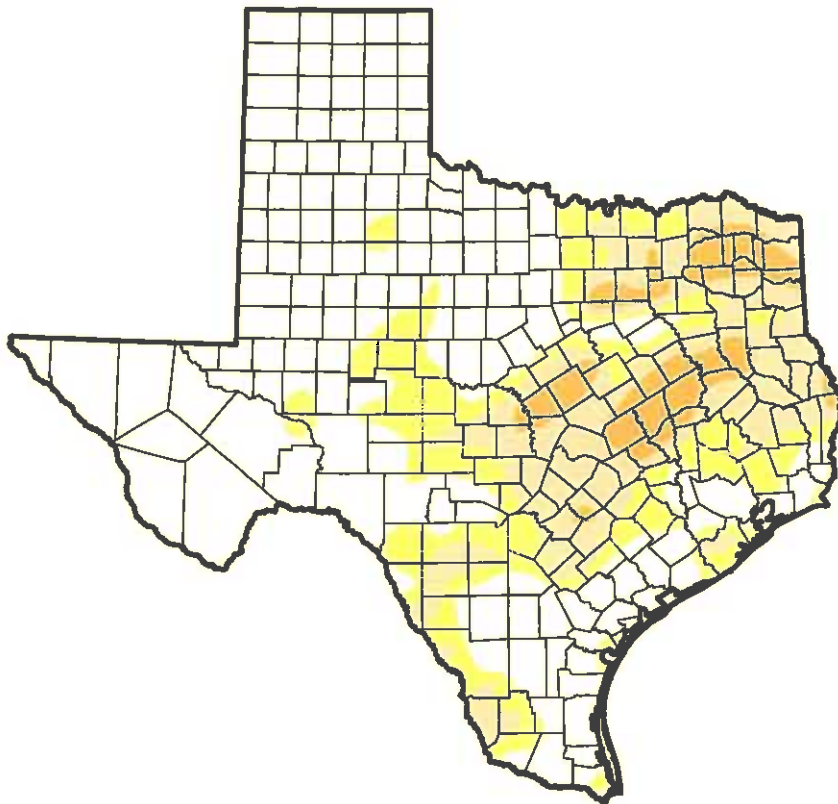
Author:
Richard Heim
NCEI/NOAA



<http://droughtmonitor.unl.edu/>

U.S. Drought Monitor Texas

August 25, 2015
(Released Thursday, Aug. 27, 2015)
Valid 8 a.m. EDT



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	59.34	40.66	23.52	8.37	0.00	0.00
Last Week 8/18/2015	57.66	42.34	25.28	8.37	0.00	0.00
3 Months Ago 5/26/2015	82.11	17.89	5.40	0.00	0.00	0.00
Start of Calendar Year 12/30/2014	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year 8/30/2014	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago 8/26/2014	16.83	83.17	61.25	38.21	16.23	2.76

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

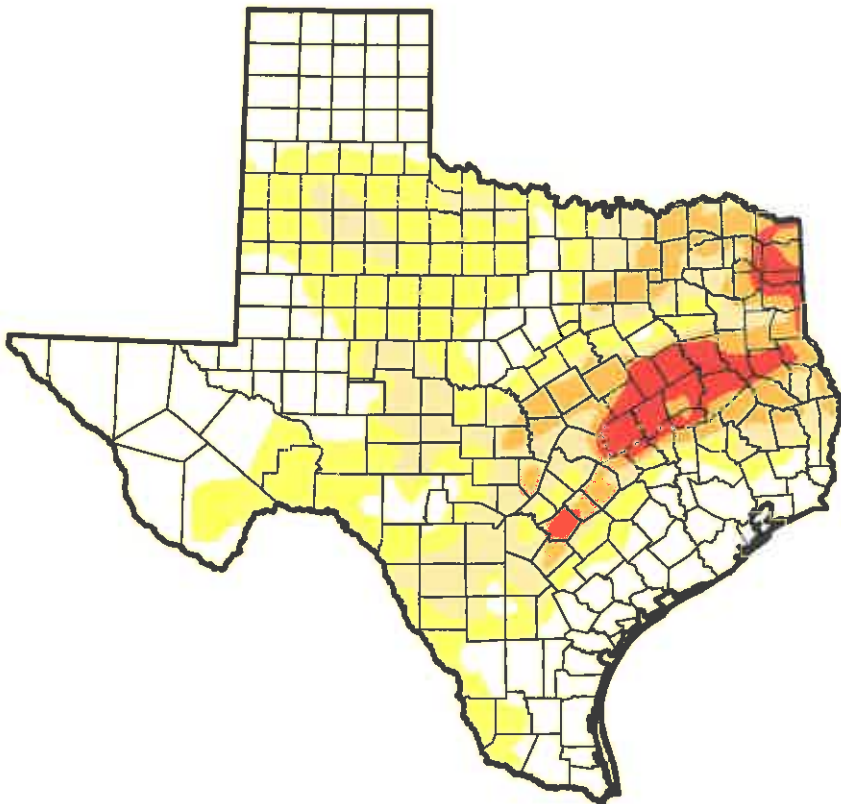
Author:
Anthony Artusa
NOAA/NWS/NCEP/CPC



<http://droughtmonitor.unl.edu/>

U.S. Drought Monitor Texas

September 22, 2015
(Released Thursday, Sep. 24, 2015)
Valid 8 a.m. EDT



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	40.27	59.73	30.40	14.04	4.72	0.00
Last Week 9/15/2015	48.77	51.23	26.71	10.46	3.92	0.00
3 Months Ago 6/23/2015	95.37	4.63	0.25	0.00	0.00	0.00
Start of Calendar Year 12/30/2014	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year 9/30/2014	28.92	71.08	48.95	29.54	11.26	2.69
One Year Ago 9/23/2014	24.37	75.63	52.18	28.54	11.39	1.79

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

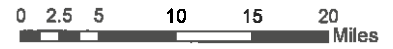
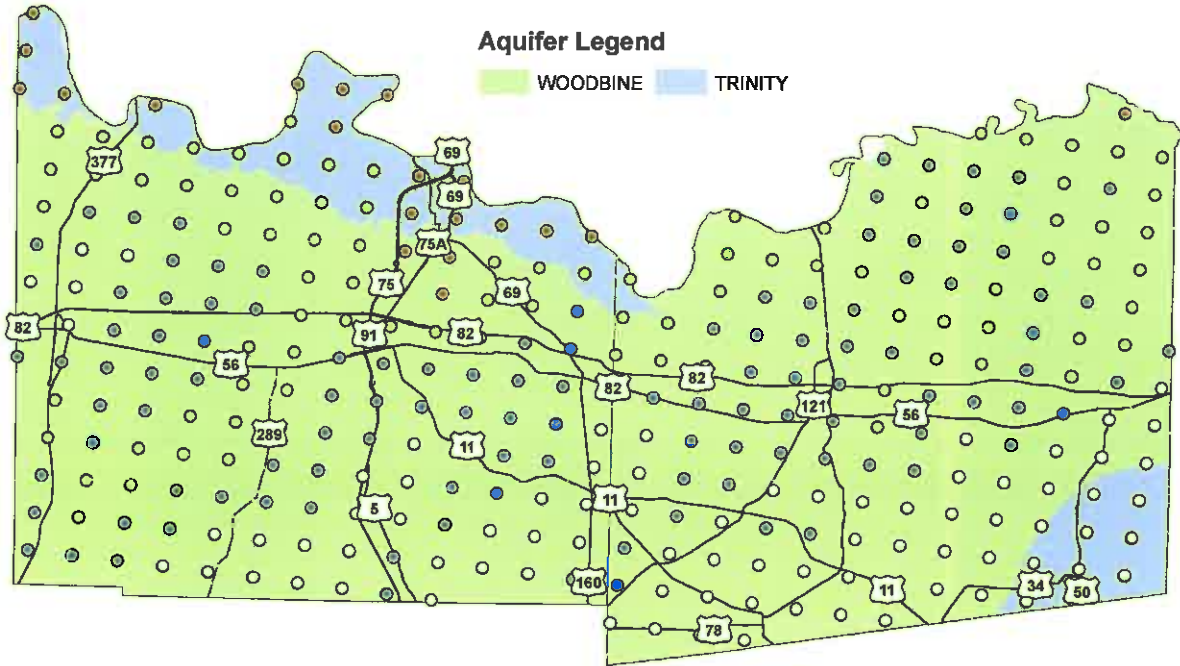
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Eric Luebehusen
U.S. Department of Agriculture



<http://droughtmonitor.unl.edu/>

Rainfall Totals for July 2015



Red River Groundwater Conservation District
 PO Box 1214
 Sherman, TX 75091-1214
 (800) 256-0935

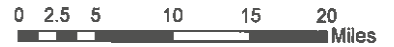
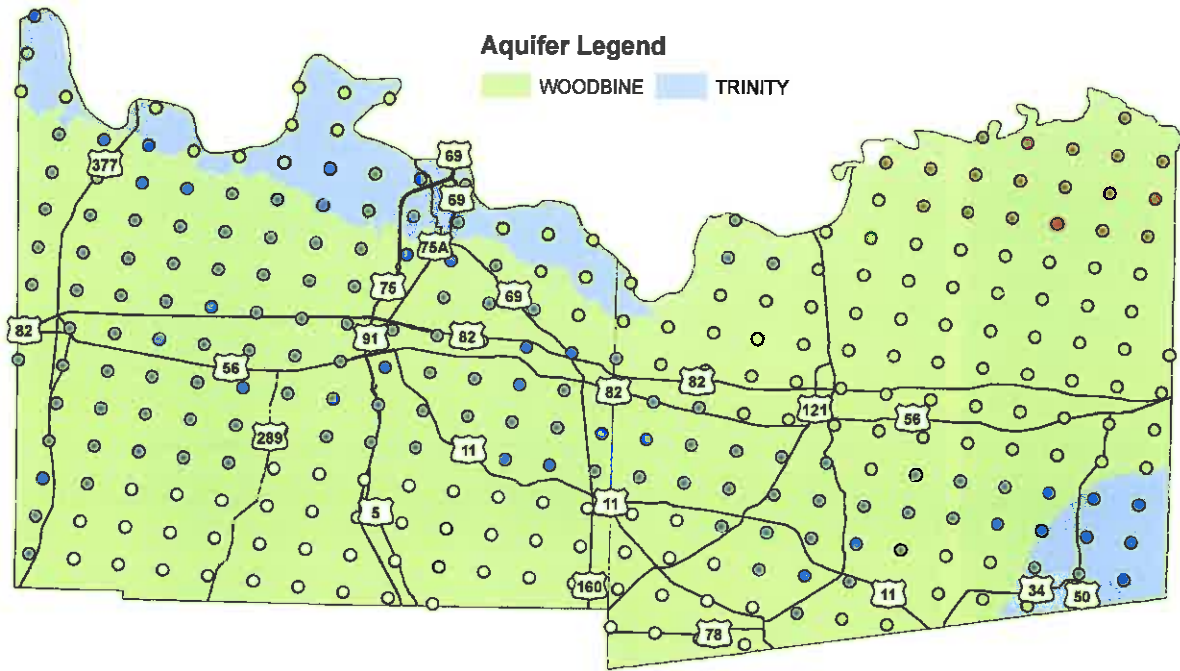


Data Source:
 National Weather Service
 Precipitation Analysis

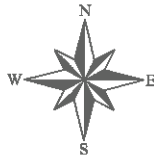
Rainfall in Inches

- | | | | |
|---|-------------|---|-------------|
| ○ | 0.49 - 1.00 | ○ | 1.49 - 2.19 |
| ⊙ | 1.00 - 1.49 | ⊙ | 2.20 - 3.22 |

Rainfall Totals for August 2015



Red River Groundwater Conservation District
 PO Box 1214
 Sherman, TX 75091-1214
 (800) 256-0935

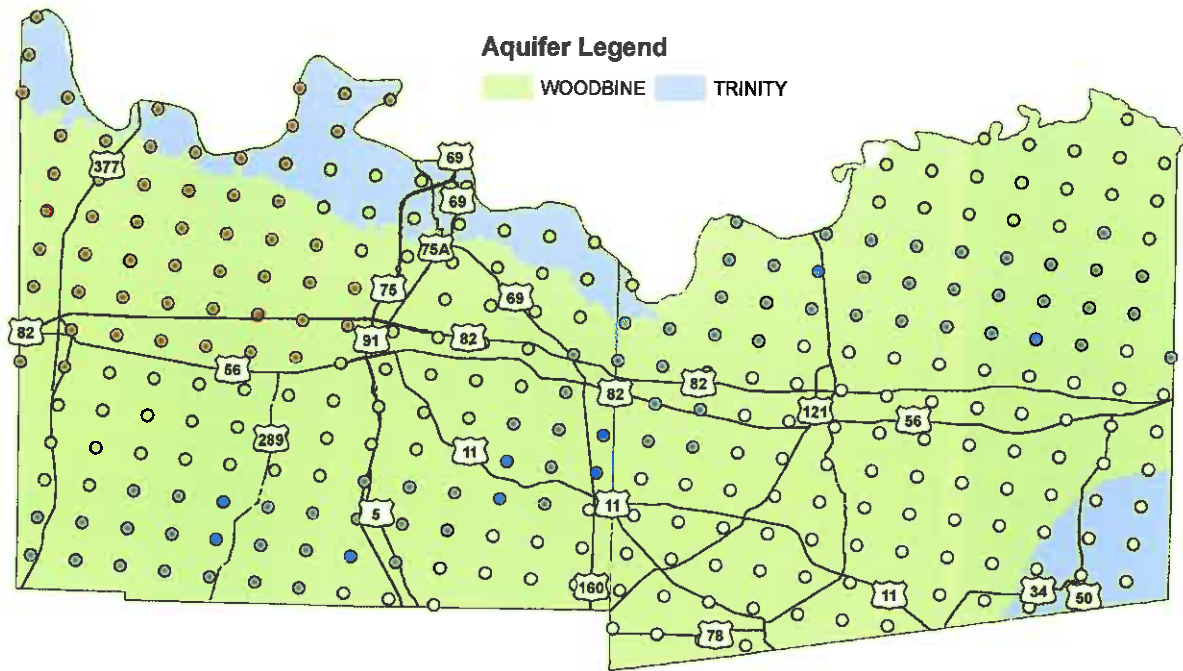


Data Source:
 National Weather Service
 Precipitation Analysis

Rainfall in Inches

- | | |
|---------------|---------------|
| ○ 2.02 - 2.10 | ○ 2.17 - 2.25 |
| ⊙ 2.11 - 2.16 | ⊙ 2.26 - 2.41 |

Rainfall Totals for September 2015



0 2.5 5 10 15 20 Miles

Red River Groundwater Conservation District
 PO Box 1214
 Sherman, TX 75091-1214
 (800) 256-0935



Data Source:
 National Weather Service
 Precipitation Analysis

Rainfall in Inches

- | | |
|---------------|---------------|
| ○ 2.87 - 3.20 | ○ 3.44 - 3.68 |
| ● 3.21 - 3.43 | ● 3.69 - 4.09 |



**RED RIVER
GROUNDWATER CONSERVATION DISTRICT
FANNIN COUNTY AND GRAYSON COUNTY**



General Manager's Quarterly Report
December 31, 2015

Management Plan
Assessment of the Status of Drought in the District

The following is a quarterly report on the existing drought conditions:

As of December 2015 the Texas Water Development Board website reflected no drought in the North Central Texas Area, with stream flow near or above normal.

Attached are the drought maps for October, November, and December 2015. Rainfall maps are also attached to this report for this time period for your information and use.

The NOAA website reflects the following rainfall data in Fannin and Grayson Counties during this quarter:

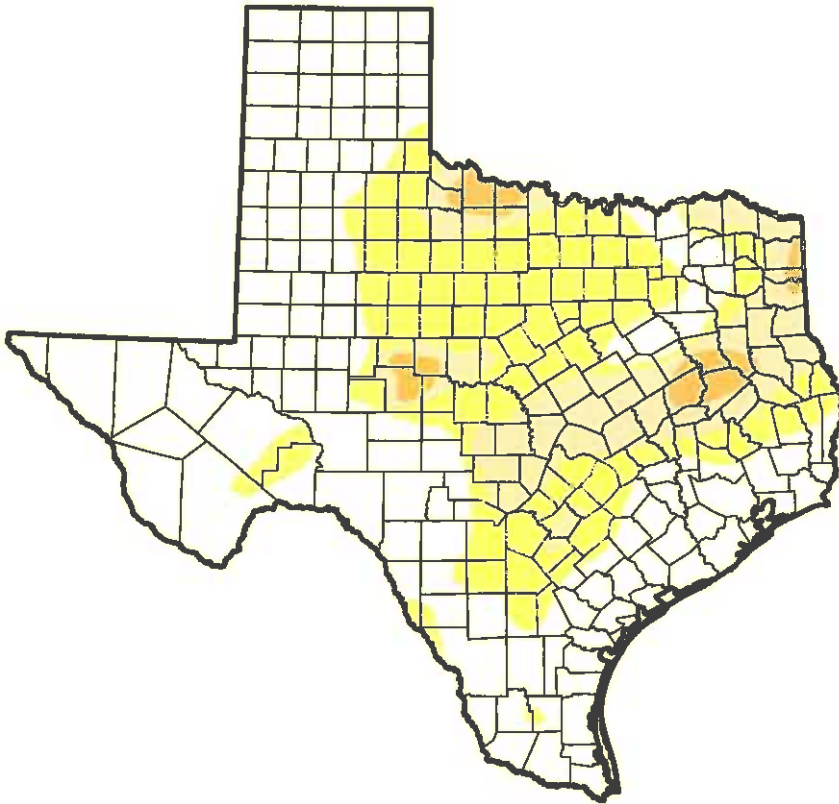
Location	October 2015	November 2015	December 2015
Bonham, Fannin County	6.73"	16.63"	7.72"
Sherman, Grayson County	9.85"	9.37"	6.71"

The Texas Water Development Board website reflects Lake Bonham was at 100% of its conservation storage capacity in November 2015, and Lake Texoma at 100%.

The Climate Prediction Center (NOAA) reflects there is greater than a 90% chance that El Nino will continue through the winter, with a around an 80% chance it will last through early Spring 2016, with a transition to ENSO-neutral (periods when neither El Nino nor La Nina are present) anticipated during late spring/early summer 2016.

U.S. Drought Monitor Texas

October 27, 2015
(Released Thursday, Oct. 29, 2015)
Valid 8 a.m. EDT



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	56.34	43.66	15.67	2.85	0.00	0.00
Last Week <i>10/20/2015</i>	34.75	65.25	50.28	41.88	21.40	5.52
3 Months Ago <i>7/28/2015</i>	86.45	13.55	0.65	0.00	0.00	0.00
Start of Calendar Year <i>12/30/2014</i>	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year <i>9/29/2015</i>	34.51	65.49	38.32	17.55	6.27	0.00
One Year Ago <i>10/28/2014</i>	24.84	75.16	49.20	27.86	11.90	3.62

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

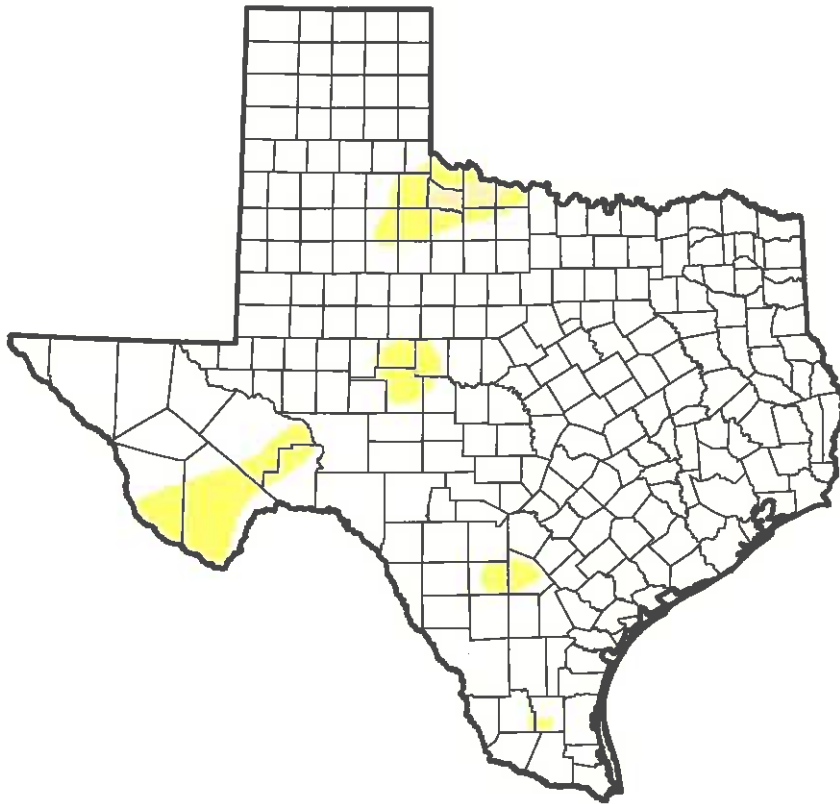
Author:
Brad Rippey
U.S. Department of Agriculture



<http://droughtmonitor.unl.edu/>

U.S. Drought Monitor Texas

November 24, 2015
(Released Wednesday, Nov. 25, 2015)
Valid 7 a.m. EST



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	92.65	7.35	0.61	0.00	0.00	0.00
Last Week <i>11/17/2015</i>	90.41	9.59	0.61	0.00	0.00	0.00
3 Months Ago <i>8/25/2015</i>	59.34	40.66	23.52	6.37	0.00	0.00
Start of Calendar Year <i>12/30/2014</i>	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year <i>9/29/2015</i>	34.51	65.49	38.32	17.55	6.27	0.00
One Year Ago <i>11/25/2014</i>	34.11	65.89	42.56	22.05	9.50	2.57

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

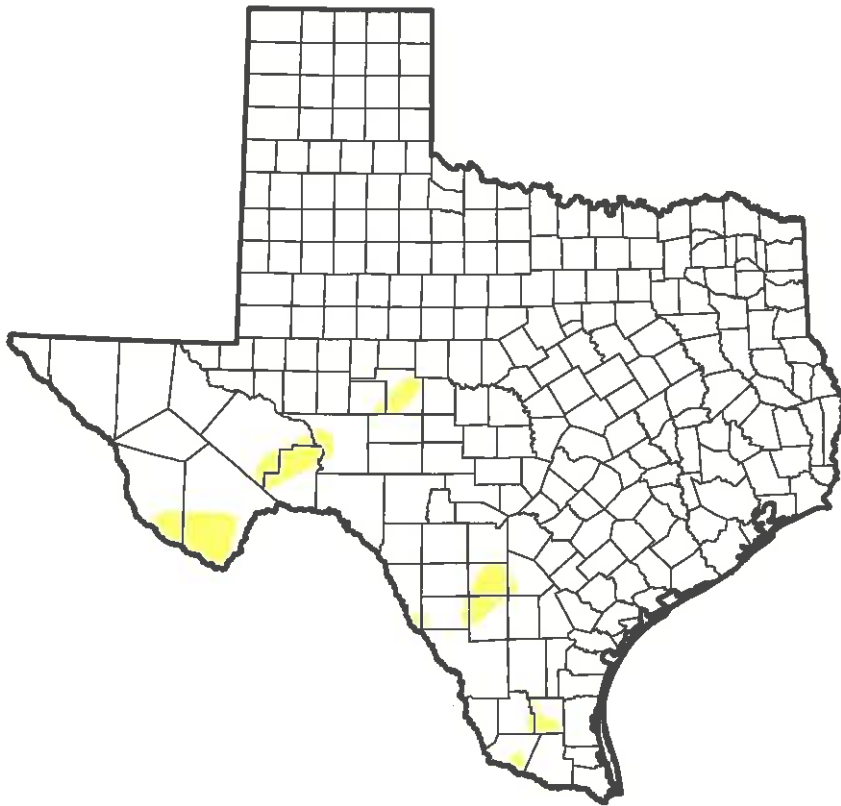
Author:
Richard Heim
NCEI/NOAA



<http://droughtmonitor.unl.edu/>

U.S. Drought Monitor Texas

December 15, 2015
(Released Thursday, Dec. 17, 2015)
Valid 7 a.m. EST



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	96.82	3.18	0.00	0.00	0.00	0.00
Last Week 12/8/2015	97.17	2.83	0.00	0.00	0.00	0.00
3 Months Ago 9/15/2015	48.77	51.23	26.71	10.46	3.92	0.00
Start of Calendar Year 12/30/2014	34.37	65.63	44.68	25.73	11.70	3.17
Start of Water Year 9/29/2015	34.51	65.49	38.32	17.55	6.27	0.00
One Year Ago 12/16/2014	33.17	66.83	43.91	23.41	10.05	2.57

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

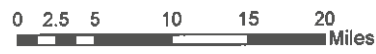
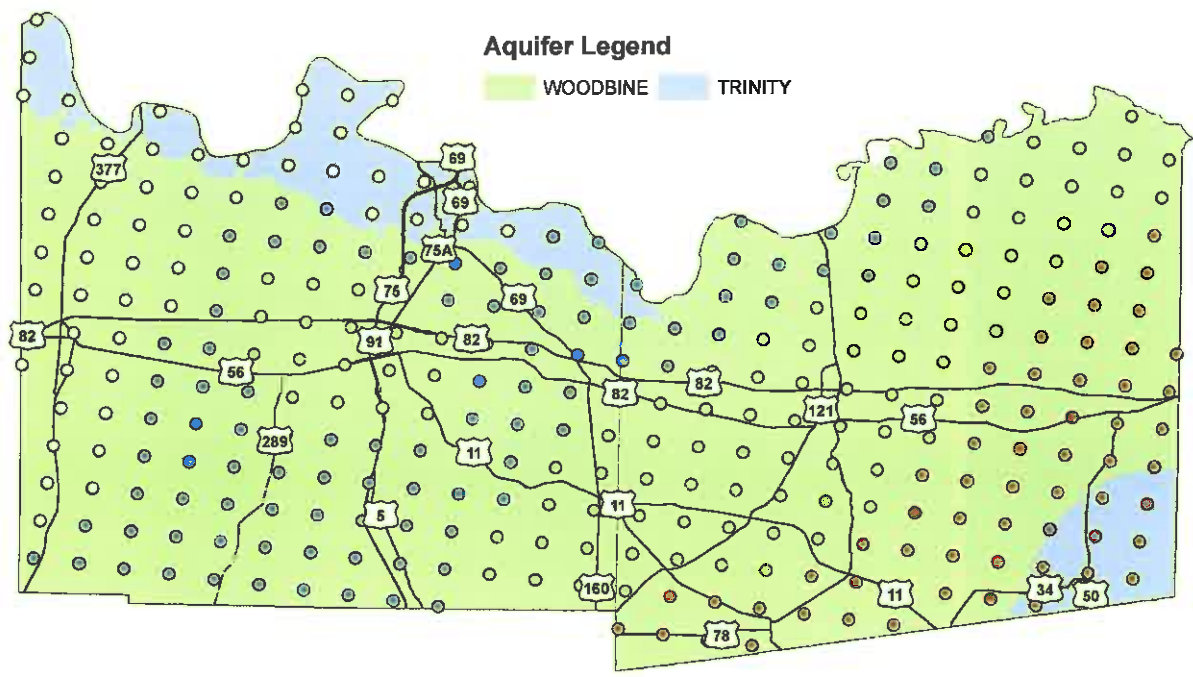
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Richard Tinker
CPC/NOAA/NWS/NCEP



<http://droughtmonitor.unl.edu/>

Rainfall Totals for October 2015



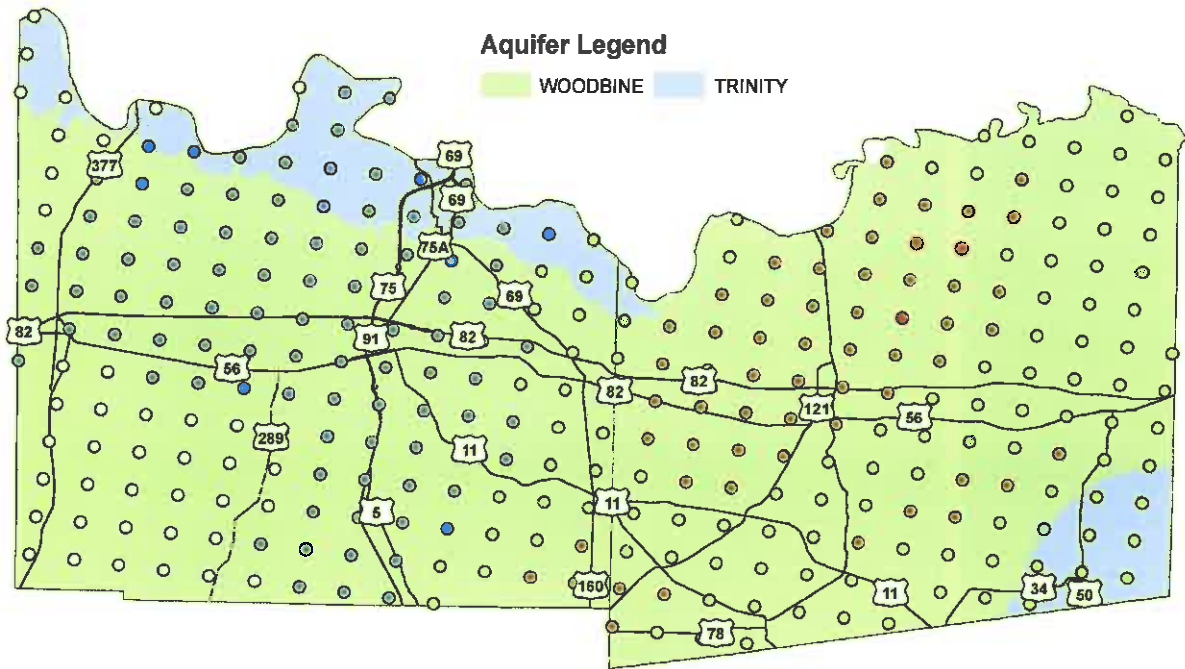
Red River Groundwater Conservation District
 PO Box 1214
 Sherman, TX 75091-1214
 (800) 256-0935



Data Source:
 National Weather Service
 Precipitation Analysis

Rainfall in Inches			
○	4.14 - 4.38	○	4.57 - 4.71
⊙	4.39 - 4.56	⊙	4.72 - 4.90

Rainfall Totals for November 2015



0 2.5 5 10 15 20 Miles

Red River Groundwater Conservation District
 PO Box 1214
 Sherman, TX 75091-1214
 (800) 256-0935

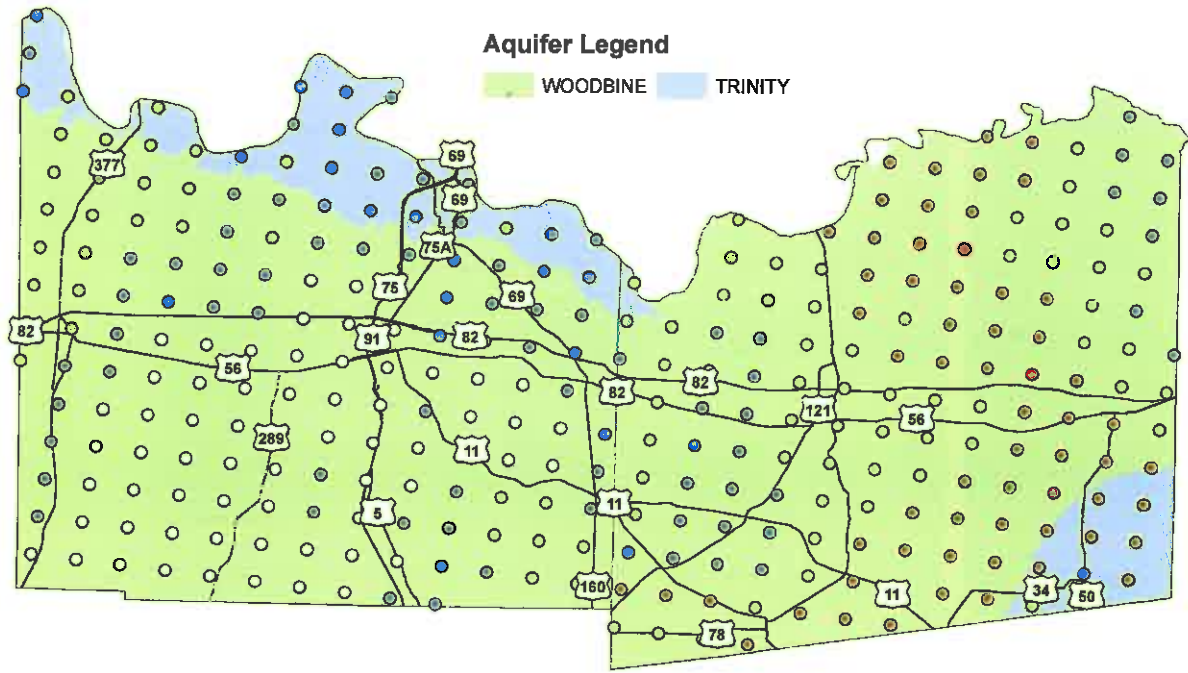


Data Source:
 National Weather Service
 Precipitation Analysis

Rainfall in Inches

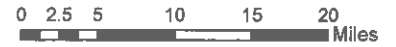
- | | |
|-----------------|-----------------|
| ○ 7.46 - 10.41 | ○ 12.17 - 13.96 |
| ● 10.42 - 12.16 | ● 13.97 - 16.13 |

Rainfall Totals for December 2015

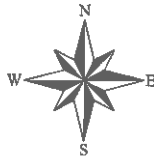


Aquifer Legend

WOODBINE
 TRINITY



Red River Groundwater Conservation District
 PO Box 1214
 Sherman, TX 75091-1214
 (800) 256-0935



Data Source:
 National Weather Service
 Precipitation Analysis

Rainfall in Inches

- | | |
|---------------|---------------|
| ○ 5.02 - 6.25 | ○ 7.13 - 7.99 |
| ● 6.26 - 7.12 | ● 8.00 - 9.77 |

ATTACHMENT D

Publications and Presentations



GRAYSON COUNTY ROTARY CLUB

"Twenty-Ninth Year Of Service"



TODAY'S "PIGSKIN PREVIEW" PROGRAM



ASHBY PORTER

TCS Football

Today's Hostarian - Brian Gary

Grayson County Rotary Board Meeting

Thursday, October 15th at 7:00 a.m.

Virginia Cook Realtors - Sherman Town Center (Near Best Buy)

WHAT TO EXPECT IN THE WEEKS AHEAD

When	Host	Speaker	Topic
Oct. 21	Lisa Hebert	???	???
Oct. 28	Donald Johnston	???	???
Nov. 4	Peter Munson	??	??
Nov. 11	Jim Olin	?	?



Visit us at www.graysonrotary.org

G.T.U.A

In late December 2007, the TCEQ (Texas Commission on Environmental Quality) issued a report showing that a thirteen county region in North Central Texas had a water problem. They need to form at least one groundwater conservation district or the TCEQ would do it for these counties. Twelve of the thirteen counties, excluding Dallas County, has a groundwater conservation district. There are currently 99 conservation districts across the state of Texas.

The Red River Groundwater Conservation District was formed in

2009. There Red River GCD consists of seven directors, three from Fanning County and four from Grayson County. It has regulatory powers for groundwater in Grayson and Fanning Counties. The North Texas Groundwater Conservation District was also formed in 2009 and serves Collin, Cooke and Denton Counties with three directors from each county serving on the board.

Conservation Districts are primarily designed to protect the rights of all land owners and provide a framework to allow availability of groundwater for future generations.

LAST MEETINGS WATERED PROGRAM



DREW SATTERWHITE

Greater Texoma Utility Authority

Drew Satterwhite knows water! Drew is the general manager for GTUA (Greater Texoma Utility Area).

When it comes to talking about water, the first thing on people's minds is Lake Texoma. Lake Texoma has a surface area of 89,000 acres, a conservation volume of over 2.5 million acre feet and a flood control volume of over 5 million acre feet. It is also a source of hydropower, municipal supply and recreational use.

An illustration of the storage behind the damn show water levels that are between 617 and 640 feet as flood control water. Of course, anything over 640', like this past spring, is water above flood control levels. The conservation pool is from 617' down to 590' where the inactive pool begins.

Drew showed an illustration of how Sherman gets its water from a 72" pipe that run from Lake Texoma down to just east of Howe. He also explained how other towns around north Texas get their water.

GTUA does a lot of financing and constructing for area water and waste water providers. They currently have over \$130 million debt portfolio. That debt is backed by a contract from the revenues of the water usage.

Some of GTUA's current projects include the Sherman waste water treatment plant where they will issue about \$27 million in debt. Some of the other projects include the cities of Van Alstyne, Gainesville, Krum and Ector.

In 1997, Senate Bill 1 stated that groundwater conservation districts were the preferred method of groundwater management. Unlike most other states in the union where the state owns the surface water and groundwater, Texas owns the surface water, but it is a private property right.

(Continued on previous page.)

**"You Don't Get To Choose How Or When You're Going To Die.
You Can Only Decide How You're Going To Live. Now."**

On This Date In 1887 ... Thomas Edison and George E. Gouraud reached an agreement for the international marketing rights for the phonograph.

October Birthdays

Larry Campbell
Jim Walker
Norman Gordon

1st
22nd
23rd

Jim E
Cyndi Fry

8th

October Anniversaries

June 8, 2015
6:30 to 8:00 PM

GROUNDWATER— OWNERSHIP, CURRENT LAW, CITIZEN RIGHTS, NEGOTIATIONS

Program Topics:

- Groundwater Ownership
- Groundwater Conservation Districts
- Groundwater Rights
- Groundwater Negotiations

SPECIAL SPEAKER:

TIFFANY DOWELL LASHMET

AG LAW SPECIALIST

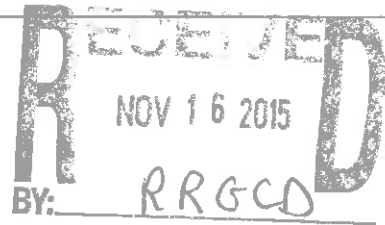


Location: Grayson
County Courthouse, 2nd
floor assembly room

RSVP—903-813-4205

\$12.00 Door fee

Publisher's Affidavit

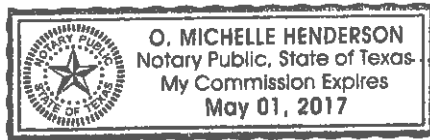


THE STATE OF TEXAS
County of Grayson

Personally appeared before the undersigned authority FRANKIE TYLER
ADVERTISING AGENT who being sworn says that RED RIVER GROUND WATER
CONSERVATION was published in the HERALD DEMOCRAT/SHOPPER on the
following dates November 13TH
, 2015

Frankie Tyler

Subscribed and sworn to before me this 13th day of November A.D., 2015.



O. Michelle Henderson
Notary Public, Grayson County, Texas

...ing the undue burden standard since 1992, it's high time the court steps back in and explains how it applies here," B. Jessie Hill, a professor at Case Western University School of Law, said in an email Thursday, adding that it's "very likely" the court will take the cases.

Even without the pending abortion cases, the court's 2015-16 term has political-fallout poten-

...from top of page
If they do take up the abortion cases as well, justices will be focusing on whether the Texas and Mississippi laws impose an "undue burden" on a woman's right to abortion first identified in the 1973 Roe v. Wade decision.

A subsequent 1992 decision arising out of Pennsylvania specified that while states can regulate abortion, legislators can-

for oral argument. At least four of the court's nine justices must agree for a case to be heard.

Many of the rejected petitions, though, are extreme long shots filed by prisoners, often on their own behalf.

The court is most likely to accept petitions in which different appellate courts have reached different conclusions.

Interim president of Mizzou

...o voice anti-protester sentiment at the University of Missouri, including death threats against black students on Tuesday. Police arrested a white student attending another college almost 100 miles away in connection with the threats.

Hunter Park, 19, was charged Thursday with making a terrorist threat, a felony that carries up to seven years in prison. A University of Missouri police official said Park was not in possession of any weapons.

Park, of Lake St. Louis, Mo., told a police officer that the Yik Yak threat — "I'm going to stand my ground tomorrow and shoot every black person I see" — was "pretty much" just intended to rattle black students, according to a probable cause statement from a university police officer.

One of Park's alleged posts said "Some of you are alright. Don't go to campus tomorrow." Those words were reminiscent of posts the gunman at Umpqua Community Col-

lege is believed to have made shortly before killing nine people at the Roseburg, Ore., school and then killing himself on Oct. 1, court documents said.

University of Missouri and Missouri University of Science and Technology police found Park in

his dorm room in Rolla, Mo. Park admitted to an officer that the posts were "inappropriate," the court documents said.

Early Thursday, a vandal spray-painted over the word "black" on the sign for the university's Black Culture Center, which is located near several dorms.

Red River Groundwater Conservation District: Ten ways to curb your water use while still maintaining a green and vibrant landscape.

1. **Adjust your sprinklers so that they're watering your lawn and garden, and not the street or sidewalk.**
2. **Water early in the morning (before 10a.m) or later in the evening (after 6 p.m.)** when temperatures are cooler and evaporation is minimized.
3. **Set it, but don't forget it!** Whether you have a manual or automatic system, be sure to adjust your watering schedules throughout the irrigation season.
4. **Water established lawns about 1 inch per week** (a bit more during hot, dry weather).
5. **Inspect your overall irrigation system for leaks, broken lines or blockage in the lines.** A well maintained system will save you money, water, and time.
6. **Consider replacing some turf area with low water use plants and ornamental grasses.** They are easier to maintain than turf, look beautiful, and require far less water.
7. **Group plants with like watering needs.** Creating "watering zones" in your garden will allow you to give each plant the water it requires — not too much or too little.
8. **Add a shut-off nozzle to your garden hose and save about 5-7 gallons each minute your hose is on.**
9. **Adjust your mower to a higher setting.** A taller lawn provides shade to the roots and helps retain soil moisture, so your lawn requires less water.
10. **Apply the amount of water your soil can absorb.** Water thoroughly, but infrequently. If run off or puddling occurs, break longer watering sessions into several short sessions allowing water to soak into the soil between each session.

Orx, Vasque Fish Setter Boots

15% off (Nov 9th thru Nov 14th)

In Stock Only

Some Items Not Included

Footwear now 50% Off reg. prices (sizes are not available) Refunds Or Exchanges. All Sales Are Final.

HOE STORE

Specialized fitting
Meridian, Texas 75090
-4428

Monday 9:30 to 6PM
Closed Sunday

ATTACHMENT E

**Annual Review of Texas State Soil & Water Conservation Board State Water Supply
Enhancement Plan**

**The State of Texas' Comprehensive Strategy for Managing Brush in all Areas of the State
where Brush is Contributing to a Substantial Water Conservation Problem**



RED RIVER

GROUNDWATER CONSERVATION DISTRICT

FANNIN COUNTY AND GRAYSON COUNTY

Annual Review

of

Texas State Soil & Water Conservation Board

State Water Supply Enhancement Plan dated July 2014

(formerly State Brush Control Plan)



Red River Groundwater Conservation District Management Plan Objective G.3 – Brush Control – requires that the District evaluate the State Water Supply Enhancement Plan (formerly referred to as the State Brush Control Plan) at least once each year to determine whether projects within the District will increase groundwater resources of the District. The most recent State Brush Control Plan (“Plan”) is the July 2014 Plan by the Texas State Soil & Water Conservation Board (“TSSWCB”).

The following are excerpts from the TSSWCB State Brush Control Plan dated July 2014:

In watersheds where Water Supply Enhancement Program (“WSEP”) grant funds have been allocated, the TSSWCB works through the Soil and Water Conservation Districts (“SWCDs”) to delivery technical assistance to landowners in order to implement brush control activities for water supply enhancement. A 10-year resource management plan is developed for each property enrolled in the WSEP which describes the brush control activities to be implemented, follow-up treatment requirements, and brush density to be maintained after treatment. Cost-share assistance is provided through the WSEP to landowners implementing brush control activities on eligible acres.

In 1985 TSSWCB and the Texas Water Development Board (“TWDB”) developed a list of water supply reservoirs where brush control could possibly enhance water supplies (Table 3.1) (TSSWDB 1999) (copy attached). Beginning in 1998, TSSWCB, in cooperation with many partnering entities, has been conducting assessments of the feasibility of conducting brush control water supply enhancement in watersheds across Texas. These feasibility studies estimate the potential water yield enhanced.

For a watershed to be considered eligible for allocation of WSEP cost-share funds, a feasibility study must demonstrate increases in projected post-treatment water yield as compared to the pre-treatment conditions.

Feasibility Studies have been conducted and published, and the reports accepted by the TSSWCB as established WSEP Project Watersheds for the following:

Lake Arrowhead (RRA 2002)
Lake Brownwood (LCRA 2002)
Upper Guadalupe River above Canyon Lake (Bumgarner and Thompson 2012)
Gonzales County [Carrizo-Wilcox Aquifer Recharge Zone and Guadalupe River] (McLendon et al. 2012)
Frio River above Choke Canyon Reservoir (HDR 2000b)
Nueces River above Lake Corpus Christi [above confluence Frio River] (HDR 2000c)
Edwards Aquifer Recharge Zone [Frio River, Hondo Creek, Medina River, Upper Nueces River, Sabinal River, and Seco Creek] (HDR 2000a)
North Concho River [O.C. Fisher Lake] (UCRA 1999)
O.H. Ivie Reservoir [Upper Colorado River] (UCRA 2000)
Wichita River above Lake Kemp (RRA 2000)
Canadian River above Lake Meridith (CRMWA 2000)
Palo Pinto Reservoir (BRA 2003b)
Fort Phantom Hill Reservoir (BRA 2003a)
E.V. Spence Reservoir [Upper Colorado River] (UCRA 2000)
Lake J.B. Thomas [Upper Colorado River] (UCRA 2000)
Pedernales River [Lake Travis] (LCRA 2000)
Twin Buttes Reservoir [including Lake Nasworthy] (UCRA 2000)

Feasibility Studies in Progress, being either solely conducted with TSSWCB WSEP funding or collaboratively funded by third-parties:

Goliad and Victoria Counties, including Lower San Antonio and Guadalupe Rivers
Lake Alan Henry (impounds South Fork Double Mountain Fork Brazos River)
O.H. Ivie Reservoir lake basin (saltcedar specific)
Upper Llano River, including South and North Llano Rivers and Junction City Lake
Wilson, Karnes, and Refugio Counties (third-party funding; SARA)
Edwards Aquifer Recharge Zone – Upper Nueces River (Carrizo cane specific) (third-party funding; NRA and EAA)

Studies critical to the WSEP and that will contribute to the overall understanding of water supply enhancement through brush control:

Linking the Gonzales County Feasibility Study to the Carrizo-Wilcox Aquifer Groundwater Availability Model in Gonzales County

Linking Empirical Data from Honey Creek State Natural Area to the Upper Guadalupe River Feasibility Study Model

Effects on Huisache Removal on ET in South Central Texas at the McFaddin Ranch in Victoria County

Proposed Feasibility Studies to be considered in the future:

Bandera County groundwater recharge to Medina River
DeWitt County, including lower Guadalupe River and Lavaca River
Hubbard Creek Lake (saltcedar specific)
Stillhouse Hollow Reservoir (impounds Lampasas River)
Upper Brazos River Basin above Possum Kingdom Reservoir (endangered species issues)
Caldwell and Guadalupe Counties, Carrizo-Wilcox Aquifer Recharge Zone
Upper Blanco River, Edwards Aquifer Recharge Zone
Upper Cibolo Creek, Edwards Aquifer Recharge Zone
Lake Buchanan, including San Saba River, Brady Creek, and lower Pecan Bayou
Lake LBJ, primarily Llano River below confluence of South and North Llano Rivers
Lake Whitney, including Steele Creek
White River Reservoir (saltcedar specific)

The TSSWCB program goals and evaluation criteria are focused on enhancing domestic and municipal uses of water for sustaining human life and the life of domestic animals, agricultural and industrial uses, commercial value and environmental flows, as well as enhancing mining and recovery of minerals, power generation, navigation, recreation and pleasure and other beneficial uses of water. TSSWCB implements project proposals that most enhance water quantity to the municipal water supplies most in need, and directs grant funds toward acreage within an established project that will yield the most water.

Agriculture Code §203.053 requires that in prioritizing water supply enhancement projects for funding, the TSSWCB shall consider the need for conservation of water resources within the territory of the project, based on the *State Water Plan* as adopted by the TWDB. The only Regional Water Planning Groups providing recommended Water Management Strategies for brush control with quantified yields were for Region F and Region J.

The TSSWCB identifies watersheds across the state where it is feasible to conduct brush control in order to enhance public water supplies. Detailed guidance on factors that must be considered in a feasibility study have been developed. Once a feasibility study is completed, if it demonstrates increases in projected post-treatment water yield as compared to the pre-treatment conditions, the TSSWCB may consider designating the study area as a priority WSEP Project Watershed, making the watershed eligible for allocation of WSEP cost-share funds. The TSSWCB uses a competitive grant process to rank and select feasible projects and allocate WSEP cost-share funds.

Currently, there are no feasibility studies occurring in Fannin or Grayson Counties.

References:

Texas State Soil & Water Conservation Board, *State Water Supply Enhancement Plan, July 2014*

ATTACHMENT F

Annual Financial Report

RED RIVER GROUNDWATER
CONSERVATION DISTRICT

FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT THEREON

DECEMBER 31, 2014

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Annual Financial Report
Year Ended December 31, 2014

	<u>Page Number</u>
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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	3
Management's Discussion and Analysis (Required Supplementary Information)	5
<u>Basic Financial Statements:</u>	
<u>Government-Wide Financial Statements:</u>	
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Statement of Activities	10
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McClanahan and Holmes, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Report on Basic Financial Statements
Accompanied by Required Supplementary Information

Members of the Board
Red River Groundwater Conservation District
Denison, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Red River Groundwater Conservation District (District), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant account estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Members of the Board
Red River Groundwater Conservation District
Denison, Texas

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Red River Groundwater Conservation District as of December 31, 2014, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedule be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

McClanahan and Holmes, LLP
Certified Public Accountants

Bonham, Texas
May 12, 2015

McClanahan and Holmes, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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FAX 903-583-8453

INDEPENDENT AUDITORS' REPORT

Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
Government Auditing Standards

Members of the Board
Red River Groundwater Conservation District
Denison, Texas

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Red River Groundwater Conservation District (District), as of and for the year ended December 31, 2014, and the related notes to the Financial Statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 12, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We consider the following deficiencies to be material weaknesses in internal control over financial reporting.

Financial Accounting and Reporting:

The District does not prepare the financial statements nor control the period-end financial reporting process, including controls over the selection and application of accounting principles that are in conformity with generally accepted accounting principles; controls over procedures used to analyze transactions comprising general ledger activity; controls over initiating, authorizing, recording and processing journal entries into the general ledger; and controls over recording recurring and nonrecurring adjustments to the financial statements.

Members of the Board
Red River Groundwater Conservation District
Denison, Texas

Segregation of Duties:

A critical element in any internal control structure is the characteristic known as segregation of duties. Assigning different personnel the responsibility of authorizing transactions, recording transactions, and maintaining custody of assets achieve this internal control structure attribute. Due to the District's small number of personnel, there is limited segregation of duties in substantially all areas of the accounting system. To the extent possible, every effort should be made to utilize a "best practices" approach when considering controls over cash transactions and preparation of accounting records. We encourage the board to closely monitor its financial activities which may help offset the weaknesses associated with limited segregation of duties.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McClanahan and Holmes, LLP
Certified Public Accountants

Bonham, Texas
May 12, 2015

RED RIVER GROUNDWATER CONSERVATION DISTRICT
 Management's Discussion and Analysis
 Year Ended December 31, 2014

The Red River Groundwater Conservation District (District) is pleased to present its financial statements. This required supplementary information presents our discussion and analysis of the District's financial performance during the year ended December 31, 2014. Please read this section in conjunction with the basic financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net position was \$327,126 at December 31, 2014.
- During the year, the District's expenses were \$111,503 less than the \$293,403 generated from groundwater production fees and other revenues.
- The General Fund presents a year end fund balance of \$327,126 at December 31, 2014.

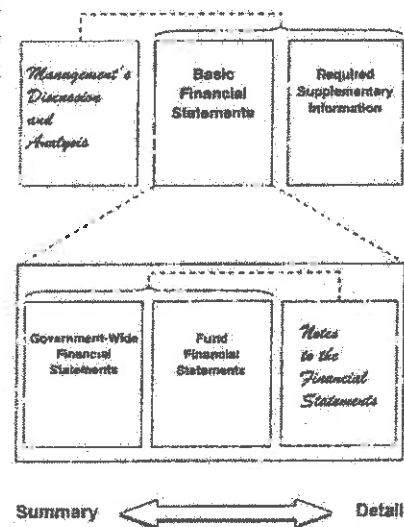
OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to this Management's Discussion and Analysis, this report consists of government-wide financial statements, fund financial statements, and the notes to the financial statements. The first two statements are condensed and present a government-wide view of the District's finances. The government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the District.

Basic Financial Statements

- The Statements of Net Position focuses on resources available for future operations. In simple terms, the statement presents a snapshot of the assets of the District, the liabilities it owes, and the net difference. The net difference is further separated into amounts restricted for specific purposes, if any, and unrestricted amounts. The information presented in this statement is reported on the accrual basis of accounting.
- The Statement of Activities focuses on gross and net costs of the District's programs and the extent to which such programs rely on general revenues. The statement summarizes and simplifies the users analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on individual funds, including assets liabilities and fuel equity. Separate revenues and expenditures analysis are presented to each major fund.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

Figure A-1, Required Components of the District's Annual Financial Report



RED RIVER GROUNDWATER CONSERVATION DISTRICT
 Management's Discussion and Analysis
 Year Ended December 31, 2014

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position may serve over time as a useful indicator of a government's financial position. For the District, the total combined net position was \$327,126 at year end. A comparative condensed summary of the District's statements of net position is presented here.

	<u>2014</u>	<u>2013</u>	Table A-1 Total Percentage Change <u>2013-2014</u>
Red River Groundwater Conservation District's Net Position			
Assets:			
Cash and Cash Equivalents	\$ 259,421	\$ 139,580	85.86%
Receivables and Other Assets	<u>82,695</u>	<u>89,237</u>	-7.33%
Total Assets	<u>342,116</u>	<u>228,817</u>	49.52%
Liabilities:			
Current Liabilities	<u>14,990</u>	<u>13,194</u>	13.61%
Total Current Liabilities	<u>14,990</u>	<u>13,194</u>	13.61%
Net Position:			
Unrestricted	<u>327,126</u>	<u>215,623</u>	51.71%
Total Net Position	<u>\$ 327,126</u>	<u>\$ 215,623</u>	51.71%

At year end, 75.8% of the District's total assets were held in cash and cash equivalents, with fees receivable and prepaid expenses representing 24.2%.

The District's liabilities consist of accounts payable for items or services received during the year, but not paid out in cash until after year end.

Unrestricted net position represents amounts available for future spending.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
 Management's Discussion and Analysis
 Year Ended December 31, 2014

CHANGES IN NET POSITION

The District's total revenues were \$293,403 generated from Groundwater Production Fees assessed upon residents of the District.

The total cost of all services was \$181,900, for third party administration of the program.

A condensed summary of the District's statements of activities and changes in net position for the years ended December 31, 2014 and 2013 is presented here:

Changes in Red River Groundwater Conservation District's Net Position			Table A-2
	<u>2014</u>	<u>2013</u>	Total Percentage Change 2013-2014
Operating Revenues:			
Groundwater Production Fees	\$ 293,403	\$ 273,137	7.42%
Total Revenues	<u>293,403</u>	<u>273,137</u>	7.42%
Operating Expenses:			
Administrative Services	<u>181,900</u>	<u>200,929</u>	-9.47%
Total Expenses	<u>181,900</u>	<u>200,929</u>	-9.47%
Increase (Decrease) in Net Position	<u>\$ 111,503</u>	<u>\$ 72,208</u>	54.42%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The governmental funds of the District reported revenues of \$293,403 during the year, with total expenditures of \$181,900.

BUDGETARY HIGHLIGHTS

The District's Board of Directors adopted a final operating budget for the 2014 fiscal year, based on anticipated receipts and expenditures (unaudited), prior to year end. The budget encompasses all the activities of the District, which would normally include both revenues and expenditures.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Management's Discussion and Analysis
Year Ended December 31, 2014

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2014, the District has not invested in any capital assets.

Debt

As of December 31, 2014, the District has not entered into any debt agreements. The District has no outstanding long-term debt at year end.

ECONOMIC FACTORS AND NET YEAR'S BUDGET AND RATES

The District adopted the next year's budget to provide for the developing nature of the services provided by the District, which will increase over the current year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Drew Satterwhite, General Manager for the District.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Statement of Net Position
December 31, 2014

	Governmental Activities
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 259,421
Accounts Receivable, Net of Allowance for Uncollectibles of \$1,530	81,523
Prepaid Expenses	1,172
Total Current Assets	342,116
Total Assets	342,116
 LIABILITIES	
Current Liabilities	
Accounts Payable	14,990
Total Current Liabilities	14,990
Total Liabilities	14,990
 NET POSITION	
Unrestricted	327,126
Total Net Position	\$ 327,126

The notes to financial statements are an integral part of this statement.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Statement of Activities
For the Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government				
Governmental Activities:				
Administration	\$ 181,900	\$ -	\$ -	\$ (181,900)
Total Governmental Activities	<u>181,900</u>	<u>-</u>	<u>-</u>	<u>(181,900)</u>
Total Primary Government	<u>\$ 181,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(181,900)</u>
General Revenues:				
Groundwater Production Fees				<u>293,403</u>
Total General Revenues				<u>293,403</u>
Change in Net Position				111,503
Net Position - Beginning (January 1)				<u>215,623</u>
Net Position - Ending (December 31)				<u>\$ 327,126</u>

The notes to financial statements are an integral part of this statement.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
 Balance Sheet - Governmental Fund
 December 31, 2014

	General Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 259,421
Accounts Receivable, Net	81,523
Prepaid Expenses	1,172
Total Current Assets	342,116
Total Assets	\$ 342,116
 LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 14,990
Total Current Liabilities	14,990
Total Liabilities	14,990
 FUND BALANCE	
Unassigned	327,126
Total Fund Balance	327,126
Total Liabilities and Fund Balance	\$ 342,116

The notes to financial statements are an integral part of this statement.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Statement of Revenues, Expenses and Changes
In Fund Balance - Governmental Fund
For the Year Ended December 31, 2014

	General Fund
Operating Revenues	
Groundwater Usage Fees	\$ 293,403
Total Operating Revenues	293,403
Operating Expenses	
Administration	168,421
Legal Fees	13,479
Total Operating Expenses	181,900
Operating Revenues (Expenses)	111,503
Net Change in Fund Balance	111,503
Fund Balance - Beginning (January 1)	215,623
Fund Balance - Ending (December 31)	\$ 327,126

The notes to financial statements are an integral part of this statement.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Notes to the Basic Financial Statements
December 31, 2014

I. Summary of Significant Accounting Policies

The basic financial statements of the Red River Groundwater Conservation District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Red River Groundwater Conservation District (District), is a political subdivision of the State of Texas, created under the authority of Article XVI, Section 59, Texas Constitution, and operating pursuant to the provisions of the Texas Water Code, Chapter 36, and Senate Bill 2497, Acts of the 81st Texas Legislature, Regular Session, 2010. The District encompasses the Red River counties of Grayson and Fannin. The Board of Directors (Board), a six member group constituting an on-going entity, is the level of government which has governance responsibilities over all activities within the jurisdiction of the District. The Board is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Reporting Standards, since Board members are appointed, have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

As required by accounting principles generally accepted in the United States of America, the basic financial statements of the reporting entity include those of the District (primary government) and its component units. There are no component units included in these basic financial statements.

B. Basis of Presentation – Basis of Accounting

Government-Wide Statements – The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (1) fees, and other charges paid by the recipients of goods or services offered by the programs and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxing entities allocations and investments, are presented as general revenues.

Fund Financial Statements – The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Any remaining governmental funds are aggregated and reported as non-major funds.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Notes to the Basic Financial Statements (Continued)
December 31, 2014

I. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation – Basis of Accounting (continued)

District accounts are organized on the basis of funds, each of which is considered a separate accounting entity. Governmental resources allocated to individual funds are recorded for the purpose of carrying on specific activities in accordance with laws, regulations or other appropriate requirements. The fund types and funds utilized by the District are described below.

Government fund types include the following:

The *General Fund* is used to account for financial resources used for general operating. This is a budgeted fund and any fund balances are considered resources available for current operations. All revenues and expenditures not required to be accounted for in other funds are accounted for in this fund.

C. Measurement Focus – Basis of Accounting

Government-Wide Statements – These financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives), value without directly receiving (or giving) equal value in exchange, including taxing entity allocations. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fund Financial Statements – These financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers revenues as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

D. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

E. Financial Statement Amounts

Cash and Cash Equivalents

Cash and Cash Equivalents are comprised of deposits in financial institutions, including time deposits. A cash equivalent is considered any highly liquid investment with a maturity of three months or less. Restricted assets and temporary investments are not included.

Fund Balance

Governmental funds utilize a fund balance presentation for equity. Fund balance is categorized as nonspendable, restricted, committed, assigned or unassigned.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Notes to the Basic Financial Statements (Continued)
December 31, 2014

I. Summary of Significant Accounting Policies (Continued)

E. Financial Statement Amounts (continued)

Fund Balance (continued)

Nonspendable fund balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaids) or legally required to remain intact (such as notes receivable or principal or a permanent fund).

Restricted fund balance -- represents amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, other governments, etc.) or imposed by enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers. The District does not have any restricted fund balances by enabling legislation.

Committed fund balance – represents amounts that can only be used for specific purposes imposed by a formal action of the District's highest level of decision-making authority, the Board. Committed resources cannot be used for any other purpose unless the Board removes or changes the specific use by taking the same formal action that imposed the constraint originally.

Assigned fund balance – represents amounts the District intends to use for specific purposes as expressed by the Board or an official delegated the authority. The Board has delegated the authority to assign fund balances to the Superintendent.

Unassigned fund balances -- represents the residual classification for the general fund or deficit balances in other funds.

In circumstances where an expenditure is to be made for the purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

The following schedule provides information about the specific fund balance classification by fund:

	<u>General</u>	<u>Other Governmental</u>	<u>Total</u>
Unassigned	\$ 327,126	\$ -	\$ 327,126
Totals	<u>\$ 327,126</u>	<u>\$ -</u>	<u>\$ 327,126</u>

II. Stewardship, Compliance and Accountability

By its nature as a local government unit, the District is subject to various federal, state, and local laws and contractual regulations.

<u>Object Category</u>	<u>Expenditures Exceeding Appropriations</u>
Legal Fees	\$ 2,479

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Notes to the Basic Financial Statements (Continued)
December 31, 2014

III. Deposits, Securities and Investments

The District maintains deposits in American Bank of Texas, Sherman, Texas that at times exceed the insured amount of \$250,000 provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The excess amount at December 31, 2014, is \$4,637, and was not collateralized.

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District is exposed to custodial credit risk for deposit amounts not covered by depository insurance.

IV. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2014, the District purchased commercial insurance to cover these liabilities. There were no significant reductions in coverage in the last year, and there were no settlements exceeding insurance coverage in the past year.

V. Litigation

The District does not appear to be involved in any pending litigation as of December 31, 2014.

VI. Concentrations

Two customers individually comprised approximately 43% of gross accounts receivable at December 31, 2014. One of these customer's individually comprised approximately 32% of revenue for the year ended December 31, 2014. One vendor comprised approximately 69% of expenses for the year ended December 31, 2014.

VII. Subsequent Events

Subsequent events have been evaluated through May 12, 2015, which is the date the financial statements were available to be issued. There do not appear to be any events occurring after year end that would or could have been an impact on the financial statements at December 31, 2014 as presented.

RED RIVER GROUNDWATER CONSERVATION DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Operating Revenues				
Groundwater Usage Fees	\$ 250,000	\$ 250,000	\$ 293,403	\$ 43,403
Total Operating Revenues	<u>250,000</u>	<u>250,000</u>	<u>293,403</u>	<u>43,403</u>
Operating Expenses				
Administration	245,000	242,350	168,421	73,929
Legal Fees	5,000	11,000	13,479	(2,479)
Total Operating Expenses	<u>250,000</u>	<u>253,350</u>	<u>181,900</u>	<u>71,450</u>
Net Change in Fund Balance	-	(3,350)	111,503	114,853
Fund Balance - Beginning (January 1)	<u>215,623</u>	<u>215,623</u>	<u>215,623</u>	-
Fund Balance - Ending (December 31)	<u>\$ 215,623</u>	<u>\$ 212,273</u>	<u>\$ 327,126</u>	<u>\$ 114,853</u>

McClanahan and Holmes, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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Communication with Those Charged
With Governance

Members of the Board
Red River Groundwater Conservation District
Denison, Texas

We have audited the financial statements of the Red River Groundwater Conservation District ("District") for the year ended December 31, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 30, 2014. Professional Standards also require that we communicate to you the following information related to our audit.

Auditors' Responsibilities Under U.S. General Accepted Auditing Standards

As stated in our engagement letter and as described by professional standards, our responsibility is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you and management of your responsibilities.

Significant Auditing Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The District's significant accounting policies are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management that required management's judgments based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events affecting them may differ significantly from management's expectations. There were no significant or sensitive accounting estimates by management included in the financial statements.

The disclosures in the financial statement are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Members of the Board
Red River Groundwater Conservation District
Denison, Texas

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Appendix A summarizes misstatements detected as a result of audit procedures that were corrected by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 12, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters similar to obtaining a "second opinion" or certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This communication is intended solely for the information and use of management, the Board members, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

McClanahan and Holmes, LLP
Certified Public Accountants

Bonham, Texas
May 12, 2015

RED RIVER GROUNDWATER CONSERVATION DISTRICT
 Misstatements Corrected by Management
 December 31, 2014

Appendix A

Description	Debit	Credit
Accounts Receivable	\$ 17,927	\$ -
Deposits to be Refunded (Liability)	1,900	-
Fund Balance	-	19,427
Well Drillers' Deposit (Income)	-	400
	<u>\$ 19,827</u>	<u>\$ 19,827</u>