

**RED RIVER
GROUNDWATER
CONSERVATION
DISTRICT**

PERMIT HEARING AND BOARD MEETING

Greater Texoma Utility Authority Board Room
5100 Airport Drive
Denison, Texas 75020

**THURSDAY
SEPTEMBER 19, 2024
10:00 AM**

NOTICE OF PUBLIC MEETING
OF THE
BOARD OF DIRECTORS OF THE

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Thursday, September 19, 2024, at 10:00 a.m.

MEETING LOCATION:
Greater Texoma Utility Authority Board Room
5100 Airport Drive
Denison, Texas 75020

Permit Hearing

The Permit Hearing will begin at 10:00 a.m.

Notice is hereby given that the Board of Directors of the Red River Groundwater Conservation District (“District”) will conduct a permit hearing on the following Production Permit Application:

Agenda:

1. Call to Order; establish quorum; declare hearing open to the public; introduction of Board.
2. Review the Production Permit Application of:

Permit Amendment

- a. **Applicant:** North Texas Municipal Water District; PO Box 2408, Wylie, TX 75098

Location of Wells:

- **Well #1 (existing):** 361 CR 4965, Leonard, TX; Latitude: 33.384474°N
Longitude: 96.28376°W; About 2,183 feet west of Co. Rd. 4965, and about 1,645 feet south of Co. Rd. 4950 in Fannin County.
- **Well #2 (existing):** 361 CR 4965, Leonard, TX; Latitude: 33.384474°N
Longitude: 96.28376°W; About 2,575 feet west of Co. Rd. 4965, and about 110 feet south of Co. Rd. 4950 in Fannin County.

Purpose of Use: Phase II Construction Water for Leonard Water Treatment Plant

Requested Amount of Use: 79,350,000 gallons from September 19, 2024 - December 31, 2028.

Production Capacity of Wells:

- **Well #1:** 300 gallons/minute
- **Well #2:** 500 gallons/minute

Aquifer: Woodbine

Amendments:

- Modify permitted use amount to 79,350,000 gallons for Phase II construction (previously 53,000,000 through 2023 for Phase I),
- Modify the permitted use period to September 19, 2024 - December 2028 for Phase II construction.

New Production Permit

a. **Applicant:** Mustang Special Utilities District; 7985 FM 2931, Aubrey, TX 76227

Location of Wells:

- **Cottonwood Well 1 (New):** FM 902, Howe, TX 75459; Latitude: 33.529909°N Longitude: 96.650614°W; about 550 feet south of FM 902, and about 1,970 feet west of Farmington Rd, in Grayson County.
- **Cottonwood Well 2 (New):** Bradshaw Rd, Howe, TX 75459; Latitude: 33.514034°N Longitude: 96.664525°W; about 790 feet west of Bradshaw Rd, and about 1,400 feet north of McBee Rd, in Grayson County.

Purpose of Use: Municipal/Public Water System

Requested Amount of Use: 292,000,000 gallons per year

Production Capacity of Wells:

- **Cottonwood Well 1:** 600 gallons per minute
- **Cottonwood Well 2:** 1,000 gallons per minute

Aquifer: Trinity (Antlers)

3. Public Comment on the Production Permit Application (verbal comments limited to three (3) minutes each).
4. Consider and act upon the Production Permit Application, including designation of parties and/or granting or denying the Production Permit Application in whole or in part, as applicable.
5. Adjourn or continue permit hearing

Board Meeting

The regular Board Meeting will begin upon adjournment of the above noticed Permit Hearing.

Notice is hereby given that the Board of Directors of the Red River Groundwater Conservation District (“District”) may discuss, consider, and take all necessary action, including expenditure of funds, regarding each of the agenda items below:

Agenda:

1. Pledge of Allegiance and Invocation.
2. Call to order, establish quorum; declare meeting open to the public.
3. Public Comment.
4. Consider and act upon approval of Minutes of June 20, 2024, Board Meeting.
5. Consider and act upon the 2023 Audit.
6. Budget and Finance.
 - a. Review and approval of monthly invoices.
 - b. Receive monthly financial information.
 - c. Receive Quarterly Investment Report
7. Receive Quarterly Report on Management Plan.
8. Consider and act upon Engagement Letter for Audit Services for Fiscal Year Ending December 31, 2024.
9. Consider and act upon 2025 Operating Budget.
10. Consider and act upon 2025 Groundwater Production Fee and Fee Schedule.
11. Consider and act upon Fund Balance Policy.
12. Discussion and possible action on Fannin County Rural Water Suppliers Representative to the Board of Directors.
13. Update and possible action regarding the process for the development of Desired Future Conditions (DFC).
14. Consider and act upon compliance and enforcement activities for violations of District Rules.
15. General Manager’s report: The General Manager will update the Board on operational, educational and other activities of the District.
 - a. Well Registration Summary
 - b. Update on Injection/Disposal Well Monitoring Program
16. Open forum / discussion of new business for future meeting agendas.

17. Adjourn.

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

²*At any time during the meeting or work session and in compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, the Red River Groundwater Conservation District Board may meet in executive session on any of the above agenda items or other lawful items for consultation concerning attorney-client matters (§551.071); deliberation regarding real property (§551.072); deliberation regarding prospective gifts (§551.073); personnel matters (§551.074); and deliberation regarding security devices (§551.076). Any subject discussed in executive session may be subject to action during an open meeting.*

³*Persons with disabilities who plan to attend this meeting, and who may need assistance, are requested to contact Velma Starks at (800) 256-0935 two (2) working days prior to the meeting, so that appropriate arrangements can be made.*

⁴*For questions regarding this notice, please contact Velma Starks at (800) 256-0935, at rrgcd@redrivergcd.org or at 5100 Airport Drive, Denison, TX 75020.*

ATTACHMENT 4

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

Thursday, June 20, 2024

**MEETING LOCATION:
GREATER TEXOMA UTILITY AUTHORITY
BOARD ROOM
5100 AIRPORT DRIVE
DENISON TX 75020**

Members Present: Chuck Dodd, David Gattis, Harold Latham, Mark Patterson, Mark Gibson, and Billy Stephens.

Members Absent: Mark Newhouse

Staff: Paul Sigle, Nichole Murphy, Kenneth Elliott, Allen Burks, Kristi Krider, Debi Atkins, and Velma Starks

Visitors: Kristen Fancher, Fancher Legal

Permit Hearing

Agenda:

1. Call to Order; establish quorum; declare hearing open to the public; introduction of Board.

Board President Mark Patterson called the Permit Hearing to order at 10:02 a.m., established quorum declared hearing open to the public and introduced the Board.

2. Review the Production Permit Application of:

New Production Permits

- a. **Applicant:** City of Dorchester; 373 Main Street, Dorchester, TX 75459

Location of Wells:

- **Bennet Well (existing):** Dorchester, TX; Latitude: 33.575538°N, Longitude: 96.704608°W; about 212 feet east of Preston Rd, and about 580 feet south of Primrose Ln., in Grayson County.
- **Well #2 (new):** Dorchester, TX; Latitude: 33.529767°N, Longitude: 96.661552°W; about 615 feet south of the intersection of Ford Rd and FM 902, in Grayson County.

Purpose of Use: Municipal/Public Water System

Requested Amount of Use: 111,906,000 gallons per year

Production Capacity of Wells:

- **Bennet Well:** 270 gallons/minute
- **Well #2:** 550 gallons/minute

Aquifer: Trinity (Antlers)

General Manager Paul Sigle reviewed the permit with the Board. Discussion was held. Board Member David Gattis made the motion to approve the permit. Board Member Chuck Dodd seconded the motion. Motion passed unanimously.

- b. **Applicant:** Triple T Ranch Holding, LLC; 761 Broadmoor Ln, Prosper, TX 75078
Location of Well: Latitude: 33.737927°N, Longitude: 96.797228°W; about 2,481 feet east of Short Rd, and about 2,650 feet north of Bennett Ln, in Grayson County.
Purpose of Use: Agriculture; Filling Pond(s)/Other Impoundment(s); Wildlife Management
Requested Amount of Use: 4,000,000 gallons per year
Production Capacity of Well: 100 gallons per minute
Aquifer: Woodbine

General Manager Paul Sigle reviewed the permit with the Board. Discussion was held. Board Member David Gattis made the motion to approve the permit. Board Member Mark Gibson seconded the motion. Motion passed unanimously.

3. Public Comment on the Production Permit Application (verbal comments limited to three (3) minutes each).

No public comments.

4. Consider and act upon the Production Permit Application, including designation of parties and/or granting or denying the Production Permit Application in whole or in part, as applicable.

Permits were approved individually.

5. Adjourn or continue permit hearing

Board President Mark Patterson adjourned the permit hearing at 10:20 a.m.

Board Meeting

1. Pledge of Allegiance and Invocation.

Board President Mark Patterson led the group in the Pledge of Allegiance and offered the invocation for the group.

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

Board President Mark Patterson called the meeting to order at 10:21 a.m., established a quorum was present, and declared the meeting open to the public.

3. Public Comment.

No Public Comment.

4. Consider and act upon approval of Minutes of May 16, 2024, Board Meeting.

Board Member David Gattis made a motion to approve the minutes of the May 16, 2024, meeting. The motion was seconded by Board Member Billy Stephens. Motion passed unanimously.

5. Consider and act upon the 2023 Audit.

Ariane Burks, McClanahan and Holmes, LLP, reviewed the audit with the Board. Discussion was held. Board Member Chuck Dodd made the motion to approve the Audit. Board Member Billy Stephens seconded the motion. Motion passed unanimously.

6. Budget and Finance.

- a. Review and approval of monthly invoices.

General Manager Paul Sigle reviewed the invoices with the Board. Board Member Billy Stephens made the motion to approve the monthly invoices. Board Member Chuck Dodd seconded the motion. Motion passed unanimously.

- b. Receive monthly financial information.

General Manager Paul Sigle reviewed the District's monthly financial information with the Board.

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

General Manager Paul Sigle informed the Board that GMA 8 met May 15, 2024. A new consultant for the DFCs was hired. A new model is expected to be completed by September or November.

8. Discussion and possible action on audit services for the next fiscal year.

General Manager Paul Sigle provided background information for the Board. An Engagement Letter from McClanahan and Holmes, LLP provided fee information requested by the Board. The Board will consider a five-year contract with McClanahan and Holmes, LLP at the next Board meeting. Board Member Chuck Dodd made the motion to approve the audit services from McClanahan and Holmes, LLP for the next fiscal year. Board Member Mark Gibson seconded the motion. Motion passed unanimously.

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

General Manager Paul Sigle informed the Board that the Porter Green property was sold at a sheriff auction. The neighbors bought property to fix the pond leakage issue and then to sell the property.

10. Receive report on the District's Well Monitoring Program.

Kenneth Elliott, Groundwater Field Technician, presented a presentation on District's Well Monitoring Program. Discussion was held.

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

a. Well Registration Summary

General Manager Paul Sigle reviewed the well registration summary with the Board. Four new wells were registered in May.

b. Update on Injection/Disposal Well Monitoring Program

No update

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

Discussion was held regarding establishing a fund balance policy. It was suggested that a budget committee develop a policy.

Next scheduled meeting is July 18, if no permit hearing, the meeting may be cancelled. The budget meeting will be in August.

13. Adjourn.

Board President Mark Patterson declared the meeting adjourned at 10:51 a.m.

Recording Secretary

Secretary-Treasurer

ATTACHMENT 6 a.

RESOLUTION NO. 2024-09-01

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE RED RIVER GROUNDWATER CONSERVATION DISTRICT AUTHORIZING PAYMENT OF ACCRUED LIABILITIES FOR THE MONTHS OF JUNE, JULY & AUGUST

The following liabilities are hereby presented for payment:

	<u>Amount</u>
<u>Administrative Services</u>	
GUA - Monthly expenses for June	14,150.36
GTUA - Monthly expenses for July	20,374.03
GTUA - Monthly expenses for August	16,991.57
<u>Contract Services</u>	
Advanced Groundwater Solutions - Hydro-Geo Services for June	3,164.25
LRE Water - Initial review & assessment of the Drip Drop System. Upgraded server and firewall.	3,421.50
<u>Direct Costs</u>	
Hillerby Printing - stationary envelopes	45.00
NexTraq - GPS Service through July	36.95
NexTraq - GPS Service through August	36.95
Statewide Plat Service - May & June	106.40
Statewide Plat Service - July & August	100.00
<u>Dues & Subscriptions</u>	
Texas Water Conservation Association - Annual renewal 7/1/24-7/1/25	35.00
<u>GMA-8 Fees</u>	
NTGCD - 2023 Intera expenses for Northern Trinity & Woodbine Aquifer GAM Update 11/30/23	15,394.30
NTGCD - 10/2023-6/2024 General GMA 8 expenses	95.58
<u>Insurance</u>	
Bayless-Hall & Blanton Insurance - Blanket Dishonesty Bond Renewal 2025	286.00
TWCA Risk Management - General Liability, E&O, Workman Comp. renewal for 24-25	3,868.00
<u>Legal</u>	
Fancher Law - BOD general legal services through August	3,052.00
<u>Meetings & Conferences</u>	
Feast On This - June BOD Lunch	249.00
<u>Transportation</u>	
Grayson County Tax Assessor - Registration for 2016 F150	7.50
GRAND TOTAL:	<u><u>81,414.39</u></u>

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RED RIVER GROUNDWATER CONSERVATION DISTRICT THAT the Secretary-Treasurer is hereby authorized to make payments in the amounts listed above.

On motion of _____ and seconded by:

_____, the foregoing Resolution was passed and approved on this, the 19th. day of September 2024

by the following vote:

AYE:

NAY:

At a meeting of the Board of Directors of the Red River Groundwater Conservation District.

President

ATTEST:

Secretary/Treasurer

RED RIVER GROUNDWATER
Balance Sheet
As of August 31, 2024

ASSETS

Current Assets

Checking/Savings

10001 CASH-First United	158,673.45
10005 BANK OZK CDRS	0.00
10025 A/R CONSUMPTION	7,278.63
10230 A/R Violation Fees	0.00
10101 ALLOWANCE FOR UNCOLLECT	-1,530.00
10010 INVESTMENTS	883,775.84
10230 PP EXPENSES	3,252.50

TOTAL ASSETS 1,051,450.42

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

23100 ACCOUNTS PAYABLE	20,143.57
23150 DRILLERS DEPOSIT LIAB	13,003.15

Total Other Current Liabilities 33,146.72

Total Current Liabilities 33,146.72

Total Liabilities 33,146.72

Equity

35100 RETAINED EARNINGS	997,781.16
Net Income	20,522.54

Total Equity 1,018,303.70

TOTAL LIABILITIES & EQUITY 1,051,450.42

RED RIVER GROUNDWATER
Profit & Loss Budget vs. Actual
August 31, 2024

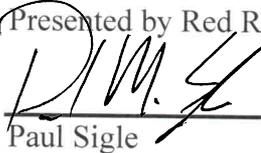
	<u>Current Actual</u>	<u>Current Budget</u>	<u>YTD Actual</u>	<u>Total Budget</u>	<u>% of Budget Remaining</u>
Income					
46002 GW PRODUCTION	-12,146.49	0.00	167,001.90	326,769.23	48.89%
46005 LATE FEES	0.00	0.00	6,219.36	0.00	0.00%
46006 VIOLATION FEES	0.00	0.00	1,000.00	0.00	0.00%
46015 REGISTRATION FEES	200.00	833.00	5,200.00	10,000.00	48.00%
46020 PERMITTING FEES	0.00	583.00	3,000.00	7,000.00	0.00%
46100 INTEREST INCOME	14,611.28	1,333.00	15,632.70	16,000.00	2.30%
Total Income	<u>2,664.79</u>	<u>2,749.00</u>	<u>198,053.96</u>	<u>359,769.23</u>	<u>44.95%</u>
Gross Profit	2,664.79	2,749.00	198,053.96	359,769.23	
Expense					
77010 ADMINISTRATIVE COST	8,627.75	8,750.00	60,229.58	105,000.00	42.64%
77020 ADVERTISING	0.00	83.00	2,007.00	1,000.00	-100.70%
77027 AUDITING	0.00	0.00	7,000.00	5,700.00	-22.81%
77031 BANKING FEES	126.25	83.00	468.86	1,000.00	53.11%
77032 CONTRACT SERVICES	360.00	4,392.00	9,662.00	52,702.39	81.67%
77035 FIELD TECH	3,912.00	5,417.00	35,546.00	65,000.00	45.31%
77040 DIRECT COST	423.78	375.00	2,733.70	4,500.00	39.25%
77045 FIELD PERMITTING SPECIAL	3,146.00	2,917.00	20,932.50	35,000.00	40.19%
77450 DUES & SUBSCRIPTIONS	0.00	333.00	0.00	4,000.00	100.00%
77480 EQUIPMENT	0.00	167.00	0.00	2,000.00	100.00%
77500 FEES-GMA8	0.00	0.00	15,489.88	181.82	-8419.35%
77810 INSURANCE AND BONDING	325.25	367.00	2,932.00	4,410.00	33.51%
77850 GENERIC SOFTWARE SVC	0.00	208.00	1,240.60	2,500.00	50.38%
77970 LEGAL	3,052.00	1,250.00	11,522.00	15,000.00	23.19%
78010 MEETINGS AND CONFEREN	225.00	500.00	2,516.30	6,000.00	58.06%
78310 RENT	200.00	200.00	1,600.00	2,400.00	33.33%
78600 SOFTWARE MAINTENANCE	0.00	4,167.00	0.00	50,000.00	100.00%
78750 TELEPHONE	211.56	250.00	1,715.52	3,000.00	42.82%
78770 - TRANSPORTATION	332.43	417.00	1,935.48	5,000.00	61.29%
Total Expense	<u>20,942.02</u>	<u>29,876.00</u>	<u>177,531.42</u>	<u>364,394.21</u>	<u>51.28%</u>
Net Income	<u><u>-18,277.23</u></u>	<u><u>-27,127.00</u></u>	<u><u>20,522.54</u></u>	<u><u>-4,624.98</u></u>	

ATTACHMENT 6 c

Red River Groundwater Conservation District
Quarterly Investment Report
For the Quarter Ended
June 30, 2024

The investment portfolio of the Red River Groundwater Conservation District is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

Presented by Red River Groundwater Conservation District Investment Officers:



Paul Sigle
General Manager



Debi Atkins
Finance Officer

Book/Market Value Comparison

Description	Coupon/ Discount	Maturity Date	March 31, 2024		Purchases/ Adjustments	Sales/Adjust/ Call Maturity	June 30, 2024	
			Face Amount/ Par Value	Book/Market Value			Face Amount/ Par Value	Book/Market Value
First United (DDA)	0.00%	1/1/2024	218,686.11	218,686.11	230,958.12	81,357.13	368,287.10	\$ 368,287.10
East West (CD)	5.65%	8/26/2024	256,275.68	256,275.68			256,275.68	\$ 256,275.68
East West (CD)	5.00%	2/26/2024	250,000.00	250,000.00		250,000.00	-	\$ -
OZK (CDARS)	5.45%	6/14/2024	144,191.58	144,191.58		144,191.58	-	\$ -
East West (CD)	5.12%	2/28/2025			\$ 362,888.88		362,888.88	\$ 362,888.88
			\$ 982,042.25	\$ 982,042.25	\$ 230,958.12	\$ 81,357.13	\$ 624,562.78	\$ 624,562.78

Investment Holdings
30/2024

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Face Amount/Par Value	Book Value	Market Price	Market Value	Life (Day)	Yield
First United (DDA)		0.00%	7/1/2024	6/30/2024	\$ 368,287.10	\$ 368,287.10	1.00	\$ 368,287.10	1	0.00%
East West (CD)		5.12%	2/28/2025	2/28/2024	\$ 362,888.88	\$ 362,888.88	1.00	\$ 362,888.88	243	5.25%
EastWest (CD)		5.65%	8/26/2024	8/24/2023	\$ 256,275.68	\$ 256,275.68	1.00	\$ 256,275.68	57	5.65%
					<u>\$ 987,451.66</u>	<u>\$ 987,451.66</u>		<u>\$ 987,451.66</u>	<u>244</u>	
Weighted Ave Maturity in yrs									(1)	0.29

(1) Weighted average life - For purposes of calculating weighted average life, bank accounts, pools and money market funds are assumed to have an one day maturity.

ATTACHMENT 7



**RED RIVER
GROUNDWATER CONSERVATION DISTRICT**



FANNIN COUNTY AND GRAYSON COUNTY

General Manager’s Quarterly Report

Date: June 30, 2024

Red River GCD Management Plan

This quarterly briefing is being provided pursuant to the adopted Management Plan for the quarter ending June 30, 2024.

Well Registration Program:

Current number of wells registered in the District: **1,210**

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

Well Inspection/Audit Program:

2024

Well Inspections

Month	Fannin	Grayson	Total
January	0	16	16
February	3	10	13
March	5	23	28
April	2	27	29
May	0	11	11
June	0	14	14
July			
August			
September			
October			
November			
December			
Total	10	101	111

Number of Exempt wells inspected (as of June 30, 2024)

County	Number of Wells Inspected (2024)	Total Number of Completed Wells*	%
Fannin	2	294	1%
Grayson	22	564	4%
Total	24	858	3%

Number of Non-Exempt wells inspected (as of June 30, 2024)

County	Number of Wells Inspected (2024)	Total Number of Completed Wells*	%
Fannin	8	92	9%
Grayson	76	221	34%
Total	84	313	27%

*Plugged wells have been excluded

*Total number of completed wells is estimated.

- Assumptions
 - Wells that have completion dates are assumed to be complete.
 - Wells with application dates through 3/8/2023 are assumed to be complete.
 - Wells that have been inspected are assumed to be complete.

ATTACHMENT 8

McClanahan and Holmes, LLP

CERTIFIED PUBLIC ACCOUNTANTS

GEORGE H. STRUVE, CPA
DEBRA J. WILDER, CPA
TEFFANY A. KAVANAUGH, CPA
APRIL J. HATFIELD, CPA
BRITTANY L. MARTIN, CPA

STEVEN W. MOHUNDRO, CPA,
OF COUNSEL

228 SIXTH STREET S.E.
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903-784-4316
FAX 903-784-4310

304 WEST CHESTNUT
DENISON, TEXAS 75020
903-465-6070
FAX 903-465-6093

1400 WEST RUSSELL
BONHAM, TEXAS 75418
903-583-5574
FAX 903-583-9453

Bonham, Texas
July 1, 2024

Members of Management and Board
Red River Groundwater Conservation District

We are pleased to confirm our understanding of the services we are to provide Red River Groundwater Conservation District (the District) for the year ended December 31, 2024.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities and each major fund, and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's 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. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedule

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditors' Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of Red River Groundwater Conservation District and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry.

We have identified the following significant risks of material misstatement as part of our audit planning:

- 1) Management Override of Controls
- 2) Improper Revenue Recognition Due to Fraud

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures – Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting

from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, or grant agreements that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial

audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Other Services

We will also assist in preparing the financial statements and related notes of the District in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of McClanahan and Holmes, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of McClanahan and Holmes, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or any additional period requested by regulators. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

April J. Hatfield is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign it. We expect to begin our audit in approximately April 2025 and to issue our reports no later than June 2025, unless extenuating circumstances occur.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs except that we agree that our gross fee, including expenses will not exceed \$7,350. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoice for these fees will be rendered upon

completion of the audit and is payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of the District’s financial statements. Our report will be addressed to management and those charged with governance of Red River Groundwater Conservation District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor’s report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to Red River Groundwater Conservation District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

McClanahan and Holmes, LLP
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Red River Groundwater Conservation District.

Management Signature: _____

Title: General Manager _____

Date: _____

Governance Signature: _____

Title: President _____

Date: _____

Briscoe, Burke & Grigsby LLP
CERTIFIED PUBLIC ACCOUNTANTS

Report on the Firm's System of Quality Control

August 19, 2021

To the Partners of McClanahan and Holmes, LLP
and the Peer Review Committee of the Texas Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of McClanahan and Holmes, LLP (the firm) in effect for the year ended March 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards). A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of McClanahan and Holmes, LLP in effect for the year ended March 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. McClanahan and Holmes, LLP has received a peer review rating of *pass*.


Certified Public Accountants

ATTACHMENT 9

**RED RIVER GROUNDWATER
CONSERVATION DISTRICT
BUDGET YEAR 2025**

	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Approved 2024	Actual 6/30/2024	Estimated 12/31/2024	PROPOSED 2025	
Income										
46002 GW Production Fees	357,879.11	343,834.34	329,153.80	391,695.56	369,222.02	326,769.23	177,355.14	354,710.28	267,948.07	6 cents at Peak Production
46007 Registration Fees	2,400.00	8,400.00	8,100.00	13,700.00	6,700.00	10,000.00	4,900.00	9,800.00	10,000.00	3 yr ave = 9500.
46005 Late Fees	1,431.04	4,042.52	8,506.59	5,293.83	10,202.58	-	6,219.00		-	
46006 Violation Fees	3,600.00	1,900.00	500.00	-	(500.00)	-	1,000.00		-	
46010 Drillers Dep Forfeit (Well Drillers I	800.00	1,300.00	1,200.00	7,400.00	5,500.00	-			-	
46020 Permitting Fees		6,200.00	4,000.00	11,600.00	13,200.00	7,000.00	2,300.00	4,600.00	7,000.00	3 yr ave = 9600.00 5 yr ave 7,000.00
46100 Interest Inc	4,013.81	2,721.64	934.44	821.77	26,385.40	16,000.00	1,021.42	25,000.00	15,000.00	
Total Income	370,123.96	368,398.50	352,394.83	430,511.16	430,710.00	359,769.23	192,795.56	394,110.28	299,948.07	
Gross Profit										
Expense										
77010 ADMINISTRATIVE COST	99,112.75	107,104.75	90,767.00	84,918.87	78,882.93	105,000.00	42,653.58	85,307.16	90,000.00	
77033 ADS-LEGAL	255.45	238.21	2,469.09	1,546.85	75.94	1,000.00	2,007.00	4,014.00	4,000.00	
77027 AUDITING	4,750.00	4,850.00	4,950.00	5,125.00	5,400.00	5,700.00	7,000.00	7,000.00	7,350.00	From Engagement ltr
77031 BANKING FEES	12.00	24.00	193.89	507.10	616.51	1,000.00	306.99	613.98	1,000.00	
77032 CONTRACT SERVICES										
Hydrogeologist Consultant GAM Runs & Update	29,627.34	33,661.01	3,615.00	13,570.00	17,033.75	17,000.00	3,076.25	6,152.50	167,000.00	\$150K for local model and \$17K wells
						35,702.39				
77040 DIRECT COST	4,430.45	4,292.75	5,755.31	3,386.91	3,155.63	4,500.00	1,702.56	3,405.12	4,500.00	Copies Postage, Truck GPS, State Wide Plat,
77450 DUES & SUBSCRIPTIONS	1,733.00	1,798.00	1,580.00	1,996.00	4,025.00	4,000.00		4,000.00	4,000.00	TWCA, TAGD, and Groundwater Summit
77550 EQUIPMENT	968.08	940.27	1,668.47	646.36	756.91	2,000.00		2,000.00	38,432.00	8 Well Monitoring Devices and 1/2 BOD chairs
77555 FEES-GMA8	977.20	5,424.51	1,870.66	1,894.68	40,935.43	181.82		182.00	9,600.00	DFC planning split among 11 districts over two yrs
77035 FIELD TECH	58,151.60	70,245.50	62,597.00	60,963.83	56,175.00	65,000.00	25,154.00	50,308.00	55,000.00	
77045 FIELD PERMITTING SPECIALIST	28,681.00	28,884.00	26,754.00	30,744.82	31,149.25	35,000.00	13,808.50	27,617.00	35,000.00	
77810 INSURANCE & BONDING	4,346.48	4,060.50	4,431.04	4,454.96	5,089.50	4,410.00	2,281.50	4,563.00	5,000.00	
77855 GENERIC SOFTWARE SERVICES	2,143.93	3,510.76	2,338.81	2,502.07	1,037.72	2,500.00	1,240.60	2,481.20	2,500.00	ESRI(1/2), Quickbooks(1/3)
77970 LEGAL	26,819.70	30,923.76	25,182.35	14,198.00	21,788.52	15,000.00	8,470.00	16,940.00	20,000.00	**** For legal assistance to make changes to enabling legislation as a option of last resort
Legislation									30,000.00	
78010 MEETING AND CONFERENCE	4,587.35	1,673.08	3,634.28	5,955.18	4,888.64	6,000.00	2,288.30	4,576.60	6,000.00	
78310 RENT	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	2,400.00	1,200.00	2,400.00	7,800.00	
78600 DATABASE (DRIPDROP)	4,514.09	2,616.20	6,067.28	-	1,445.87	50,000.00		50,000.00	50,000.00	
78770 TRANSPORTATION/FUEL/MAINT	2,646.14	2,062.43	1,944.57	3,977.97	1,936.44	5,000.00	1,560.48	3,120.96	4,000.00	
78750 TELEPHONE	2,635.90	2,511.77	2,883.41	3,349.96	2,698.69	3,000.00	1,294.66	2,589.32	3,000.00	
Total Expense	285,992.46	307,221.50	251,102.16	242,138.56	279,491.73	364,394.21	114,044.42	277,270.84	544,182.00	
Contingencies										
Total Expenditures	285,992.46	307,221.50	251,102.16	242,138.56	279,491.73	364,394.21	114,044.42	277,270.84	544,182.00	
	84,131.50	61,177.00	101,292.67	188,372.60	151,218.27	(4,624.98)	78,751.14	116,839.44	(244,233.93)	

ATTACHMENT 10

RED RIVER
GROUNDWATER CONSERVATION DISTRICT

2025 Fee Schedule

Well Registration Fee (<17.36 GPM)	\$100
New Well Registration & Production Permit Application Fee (>17.36 GPM), <i>also applies to permit amendments</i>	\$600
Additional fee for Production Permit Applications which require a Hydrogeological Report (\geq 200 GPM)	\$1,100
Well Driller Log Deposit Fee (refundable if conditions in District Rules are met)	\$100
Additional fee for Registration of an existing unregistered Non-Exempt Well (additional penalties may apply if well was not self-reported)	\$500
Meter Seal Replacement Fee (For replacing seals for reasons other than well or meter failure)	\$100
Water Use Fees (Non-Exempt Wells)	
- Non-Agricultural Use	\$0.050/1000 gal
- Agricultural Use	\$0
Additional Water Use Fees (Non-Exempt Wells) for Production in Excess of Maximum Amount Authorized by Permit, <i>1st violation:</i>	
- Non-Agricultural Use	\$0.15/1000 gal
- Agricultural Use	\$3/acre-foot
Additional Water Use Fees (Non-Exempt Wells) for Production in Excess of Maximum Amount Authorized by Permit, subsequent violation, <i>within 3 calendar years of 1st violation:</i>	
- Non-Agricultural Use (1st violation)	\$0.50/1000 gal
- Agricultural Use	\$10/acre-foot
Failure to Submit Water Production Reports by the Deadline	Per Account
- First Quarter	\$50
- Second Consecutive Quarter	\$250
- Third Consecutive Quarter	\$500
- Fourth Consecutive Quarter	Major Violation
Failure to Pay Water Use Fee by Payment Deadline	15%
Failure to Pay Water Use Fee within 60-days of the Payment Deadline (See Appendix A of the Rules for schedule of Violations)	Major Violation

Notes: Information about the payment and water production report deadlines can be found at redrivergcd.org/billing.

ATTACHMENT 11

RED RIVER GROUNDWATER CONSERVATION DISTRICT

GOVERNING POLICY—FUND BALANCE

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

Classifications of Fund Balance

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

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

Classifying Residual Fund Balance

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

Appropriate Size and Use of Committed Fund Balance

The Board of Directors has set a minimum Committed fund balance equal to \$250,000. This committed fund balance is to be set aside for the following expenditures as needed, listed in no particular order of preference: Truck purchase, and Consultant for local model. The Board of Directors may amend the types of authorized expenditures under this committed fund balance or may establish separate committed fund balances in accordance with this policy.

Utilizing Unassigned Fund Balance

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

Replenishing Fund Balance

The Board of Directors has set a minimum of \$600,000 level and a maximum of \$850,000 level for the Fund Balance. The Board of Directors will implement a plan to replenish the fund within one year or as soon as economic and budgetary conditions allow if it falls below the minimum. Fund balance may be replenished by using all or a portion of an operating surplus from itself or another fund. Revenues from a dedicated stream (e.g. 2% of water production fees received over amount budgeted) may also be used to build fund balance. Alternatively, an amount determined in the budget process either using a percent of operating expenditures or a fixed amount may be used.

ATTACHMENT 15 a

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Well Registration Summary
 (as of 6/30/2024)

Well Type	Fannin	Grayson	Total RRGCD	New Registrations June 2024
Domestic	264	459	723	4
Public Water	61	197	258	0
Livestock	17	32	49	0
Agriculture	26	27	53	0
Commercial	9	21	30	1
Surface Impoundments	13	19	32	0
Oil / Gas	0	17	17	0
Golf Course	0	14	14	0
Irrigation	1	13	14	0
Monitoring	1	10	11	0
Industrial	0	7	7	0
*Other	1	1	2	0
TOTALS	393	817	1210	5

NOTE: Plugged wells have been excluded
***Construction Water**

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Well Registration Summary
 (as of 7/31/2024)

Well Type	Fannin	Grayson	Total RRGCD	New Registrations July 2024
Domestic	264	462	726	3
Public Water	61	197	258	0
Livestock	17	32	49	0
Agriculture	26	27	53	0
Commercial	9	21	30	0
Surface Impoundments	13	19	32	0
Oil / Gas	0	17	17	0
Golf Course	0	14	14	0
Irrigation	1	13	14	0
Monitoring	1	10	11	0
Industrial	0	7	7	0
*Other	1	1	2	0
TOTALS	393	820	1213	3

NOTE: Plugged wells have been excluded
***Construction Water**

RED RIVER GROUNDWATER CONSERVATION DISTRICT
Well Registration Summary
(as of 8/31/2024)

Well Type	Fannin	Grayson	Total RRGCD	New Registrations August 2024
Domestic	270	465	736	12
Public Water	61	197	258	0
Livestock	17	32	49	0
Agriculture	25	27	52	0
Commercial	9	21	30	0
Surface Impoundments	13	19	32	0
Oil / Gas	0	17	17	0
Golf Course	0	14	14	0
Irrigation	1	13	14	0
Monitoring	1	10	11	0
Industrial	0	7	7	0
*Other	1	1	2	0
TOTALS	398	823	1222	12

NOTE: Plugged wells have been excluded
***Construction Water**

ADJOURN