

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

THURSDAY, SEPTEMBER 15, 2016

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

Members Present: David Gattis, P.E., Mark Gibson, P.E., Harold Latham, Mark Patterson, William Purcell, Don Wortham, PhD

Members Absent: Mark Newhouse

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

Visitors: None

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

President Patterson called the meeting to order at 2:02 pm, established a quorum was present, and declared the meeting open to the public.

2. Public comment

There were no citizens present requesting to appear before the Board of Directors for public comment.

3. Consider and act upon approval of Minutes from the July 21, 2016 board meeting

William Purcell requested that Item 7 on the Minutes from the July 21, 2016 meeting be revised to state the motion to limit the balance reserve to 150% failed because the resolution was ruled to be out of order and not posted on the agenda for action. Minutes were revised to reflect:

“Board Member Purcell made a motion for a proposed resolution that the RRGCD limit its fund balance reserve to 150% of the proposed budget expenses for the next year. The proposed resolution was determined to be out of order. The fund balance policy will be placed on the agenda for the next Board meeting for discussion.”

With this revision to the minutes, a motion was made by David Gattis and seconded by William Purcell to approve the Minutes from the July 21, 2016 board meeting. Motion passed unanimously.

4. Review and approval of monthly invoices.

After a brief discussion, David Gattis made a motion to approve Resolution 2016-09-15-01. Mark Gibson, seconded the motion. Motion passed unanimously.

5. Receive monthly financial information

General Manager Drew Satterwhite reviewed the monthly financial information with the Board.

6. Consider and act upon District's Fund Balance Policy

General Manager Drew Satterwhite reviewed the current fund balance policy with the Board. A listing of possible uses of the fund balance was provided to the Board for discussion.

William Purcell made a motion for a resolution regarding fund balance: Whereas the RRGCD unrestricted fund balance has a minimum balance but no maximum balance; Whereas the unrestricted fund balance has increase 20 fold over the five year life of the RRGCD; Whereas every dollar reposing in the RRGCD unrestricted fund becomes a dead dollar to the individual and private sector, lost for investment, purchasing, and other personal use; Whereas that same dead dollar will never benefit the private sector through its multiplier effect; Now therefore be it resolved the RRGCD fund balance be limited to some maximum of the annual budget, e.g. 150%. Any excess to that maximum shall result in a fee holiday for the members of RRGCD until the balance drops below the stated maximum.

President Patterson asked if there was any discussion by the Board concerning the motion. Harold Latham stated that when the Red River GCD began operations and was addressing the necessary steps to be a successful groundwater district, the purchase of a truck was even out of the question due to limited funds. The District is in the process of accomplishing the tasks necessary to protect groundwater and ensuring a long term groundwater supply for the communities and residents represented by the Board. He further stated that he was not sure this is the appropriate time to cap the fund balance.

President Patterson called for a second to the motion on the table. The motion failed due to lack of second.

7. Consider and act upon 2017 Budget and adopt Rate Schedule

General Manager Dew Satterwhite, reviewed the proposed budget and rate schedule with the Board of Directors. The proposed budget remains the same, the fees remaining the same, \$0.07 per thousand for non-exempt water use.

William Purcell stated that he would like for administrative expenses, item 77010, to be reflected in a dollar amount, to reflect transparency. After discussion, it was the consensus of the rest of the Board that the budget remain in the format presented and approved by the Budget Committee.

General Manager Drew Satterwhite, asked for direction from the Board in regard to the geologist position being added to staff. It was the consensus of the Board that a job description be developed and presented to the board at a later date, and the position be put into place next year.

David Gattis, made a motion to adopt the budget for 2017. The motion was seconded by Mark Gibson. Five members voted yes (David Gattis, Mark Gibson, Harold Latham, Mark Patterson and Don Wortham), and one voted no (William Purcell). Motion did not pass, as six votes are needed when voting on a budget matter.

David Gattis made a motion to adopt the draft fee schedule as presented:

Draft 2017 Fee Schedule

Well Registration Fee	\$100
Well Driller Report Deposit Fee	\$100 refundable
Agricultural Water Use Fee	\$0
Non-Exempt Water Use Fee	\$0.07 per 1,000 gallons
Meter seal replacement fee	\$100*
Failure to Report Meter Readings within 30-days	Major violation – See Appendix A of the Temporary Rules for Schedule of Violations
Failure to Pay Water Use Fee within 30-days	15%
Failure to Pay Use Fee within 60-days	Major Violation – See Appendix A of the Temporary Rules for Schedule of Violations

* For replacing seals for reasons other than well or meter failure

Mark Gibson seconded the motion. Motion passed unanimously.

8. Update and possible action regarding the development of Desired Future Conditions (DFCs)

General Manager Drew Satterwhite informed the Board the next GMA-8 meeting is scheduled for September 29th. Mr. Drew Satterwhite requested the Board consider of authorizing David Gattis to vote yes on behalf of the District during the September 29th GMA-8 meeting to authorize LBG Guyton to develop the technical memorandum for Run 10. Motion was made by Mark Gibson to authorize David Gattis to vote yes to authorize LBG Guyton to begin drafting the Run 10 Technical Memorandum. Harold Latham seconded the motion, and the motion passed unanimously.

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

General Manager Drew Satterwhite informed the Board that Texas Rain is delinquent in reporting usage and providing meter readings. Notice has been given to them and 30 days provided for them to rectify this matter.

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

General Manager Drew Satterwhite reviewed the wells registered as of August 2016, 672 wells total in the District. Mr. Drew Satterwhite reported the RRGCD staff attended a presentation

provided by the TDLR staff. The presentation was very informative and staff believes this should provide the District with additional tools to protect the aquifers from pollution. The Board discussed the sand mining plant in Fannin County, instructing staff to pass information on to the owner relating to the TCEQ and their involvement in sand mining and its regulations in Texas. RFQs are due by the end of the month for the District's geodatabase.

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

President Patterson asked if there were any items of discussion requested by the Board for future agendas. It was the consensus of the Board that the next meeting will be October 20th.

12. Adjourn public meeting

David Gattis motioned to adjourn the meeting. The motion was seconded by Harold Latham and passed unanimously. The Board adjourned at 3:38 pm.

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Carolyn Bennett
Recording Secretary

J. Don Matheson
Secretary-Treasurer