

Texana Groundwater Conservation District

411 N. Wells, Room 118, Edna, Texas 77957

P.O. Box 1098, Edna, Texas 77957

Phone (361) 781-0624 | Fax (361) 781-0453 | www.texanagcd.org

The meeting of the Texana Groundwater Conservation District Board of Directors convened at 411 N. Wells, Edna, Texas 77957 on Thursday, July 18, 2024, at 6:00 PM.

The following representatives of Texana Groundwater Conservation District attended the meeting:

Precinct 1:	John Boone	Present
Precinct 2:	Michael Skalicky	Absent
Precinct 3:	Clifford Born	Present
Precinct 4:	Charles Marr	Present
At Large:	Jim Revel	Absent
At Large:	Alfred Tupa	Present
At Large:	Robert Gendke	Present
General Manager:	Tim Andruss	Present
Legal Counsel:	Jim Allison of Allison, Bass & Magee, LLP	Present

Agenda Item 1: Call the meeting to order and welcome guests.

Meeting Discussion: Mr. Tupa called the meeting to order at approximately 6:00 PM.

Board Action: None.

Agenda Item 2: Receive public comments.

Meeting Discussion: Mr. Tupa offered to accept public comment from attendees.

No comments were made at this time.

Board Action: None.

Agenda Item 3: Consideration of and possible action on matters related to groundwater management including the efforts and activities of the District regarding permitting, complaints, investigations, violations, and enforcement cases associated with permitting.

3.0 – Report regarding Groundwater Management

Meeting Discussion: Mr. Andruss offered the following report:

Regarding Well Registration Processing for FY2024.

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As of July 16, 2024, staff had received 16 well registration applications (ARWs) since October 1, 2023.

As of July 16, 2024, staff had received 34 Notices of Intent to Drill a Well (NIDWs) since October 1, 2023.

Regarding Production Permit Renewal Processing for FY2024.

As of July 16, 2024, staff had received 26 production permit renewal requests (ARPs) since October 1, 2023.

Regarding Permit Processing for FY2024.

As of July 16, 2024, staff had initiated 11 permitting request case (PRCs) since October 1, 2023.

As of July 16, 2024, staff had 20 permitting request case pending.

As of July 16, 2024, staff had 147 active or approved production permits recorded in the permitting database with a combined amount of authorized groundwater production per year of 167,063 acre-feet.

Regarding Groundwater Production Report Processing for CY2023.

As of July 16, 2024, staff had processed 205 groundwater production reports for the preceding calendar year since October 1, 2023.

As of July 16, 2024, staff had recorded groundwater production reports for 205 water wells reporting 24,627 acre-feet of groundwater production during CY2023. (TWDB estimated the volume of groundwater produced for rural domestic, livestock, mining, and rig supply exempt uses in Jackson County in Year 2020 was 1,581 acre-feet.

Regarding Manage Investigations related to Permitting Violations for FY2024.

As of July 16, 2024, staff had initiated 2 investigations related to groundwater management (i.e., permitting) since October 1, 2023.

As of July 16, 2024, staff had 6 active investigations related to groundwater management (i.e., permitting).

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Regarding Manage Enforcement Cases related to Permitting Violations for FY2024.

As of July 16, 2024, the Board had initiated 11 enforcement case violations related to groundwater management (i.e., permitting) since October 1, 2023.

As of July 16, 2024, staff had 3 unresolved enforcement cases related to groundwater management (i.e., permitting).

Board Action: None.

3.1 – Permit Hearing for PRC-20230321-01 – Bowers and Saha LLC

Meeting Discussion: Mr. Andruss explained on April 20, 2023, the Board approved the following motion:

Mr. Revel moved to:

1. designate the permitting request case contested;
2. authorize the general manager to engage and pay for services rendered by a qualified technical consultant for the review of application and supporting documentation for the purposes of expressing an opinion regarding the validity of the technical statements within the application and degree to which the "DiSorbo Report" and monitoring data supports technical claims by Bower and Saha; and
3. schedule a meeting for the purpose of receiving a report from the technical consultant and continue the contested case proceedings.
4. grant Bowers and Saha LLC forbearance authorizing
 - a) pumping of 30% of their permitted groundwater volume in the fresh zone, and their full permitted volume in the brackish zone so long as water levels in monitoring wells do not decline more than 20 feet below the initial condition of the of the monitoring well,
 - b) authorization to produce groundwater from the fresh zone while air temperature falls below 40 degrees for two or more consecutive days,
 - c) elimination of weekly monitoring requirements by the permitted entity, until the review of the amendment request by the District is completed, and presented to the board, or otherwise withdrawn by the board.

Mr. Skalicky seconded the motion. The motion passed unanimously.

On March 8, 2024, Mr. Andruss, Dr. Uddameri, Mr. Frankson, and Mr. Kubecka met as part of the efforts of the District to reach a settlement between the parties

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of the contested case related to the waiver amendment request submitted by Bower and Saha Aquaculture related to waiver WV-20191219-01. As of April 8, 2024, a settlement had not been agreed to by the parties.

On April 4, 2024, staff forwarded a copy of the draft revisions developed as part of our efforts to negotiate terms of a revised waiver for the BSA fish farm to Mr. Kubecka and Mr. Frankson.

On June 18, 2024, staff requested that Dr. Uddameri provide "a written expression of support for the draft revisions developed as part of our efforts to negotiate terms of a revised waiver for the BSA fish farm. In particular, it would be helpful, if you expressed an opinion whether or not 1) the proposed monitoring of , 2) the proposed reporting of, and [3]) the proposed responses to measured aquifer conditions of the draft revision of the existing waiver will adequately protect the fresh groundwater resources used by existing groundwater users in the vicinity of the production wells with the continued production of groundwater as authorized by the associated production permit."

On July 12, 2024, Dr. Uddameri provided a response to the request of June 18, 2024. Dr. Uddameri expressed support for the draft revisions developed as part of our efforts to negotiate terms of a revised waiver for the BSA fish farm.

Mr. Kubecka updated the board on the situation at the fish farm and indicated he would submit an amended application for consideration at the next meeting.

Board Action: Mr. Boone moved to instruct the General Manager to issue a formal hearing for the amendment waiver. Mr. Gendke seconded the motion. The motion passed unanimously.

3.2 – Permit Hearing for PRC-20231012-01 – Chris Hajovsky

Meeting Discussion: Mr. Andruss explained Mr. Christopher Hajovsky seeks, under permitting request case PRC-20231012-01 - AAPC-20231012-01 - Chris Hajovsky, a waiver of the rules of the district and an amendment to production permit VPW-20161215-01 associated with grandfathered well GW-00348 to authorize the production of groundwater permitted under historic use validation permit VPW-20161215-01 (1,007.51 acre-feet per year) from grandfathered well GW-00348 and non-grandfathered well NW-00751. The subject wells are located on a 398-acre tract of land near the intersection of FM 1157 and County Rd. 206 in Jackson County, Texas.

On April 10, 2024, the District notified Mr. Hajovsky of its intent to contest the permitting request.

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On June 18, 2024, the District notified Mr. Hajovsky of its concern regarding the good cause basis provided within waiver request:

"Mr. Hajovsky,

As you know, your permitting request case is scheduled for hearing by the Board of Directors of the Texana Groundwater Conservation District on July 18, 2024, at 6:00 PM at the office building of the District. I reviewed your request with legal counsel of the district, Mr. Allison, yesterday. He encouraged me to notify you of my concerns that the waiver request submitted with the permitting application does not articulate an adequate basis for recommending the Board find good cause to grant the requested waiver.

In particular, my concern is the good cause basis you provide within the request (i.e., granting the waiver would improve your ability to produce groundwater for irrigation purposes from the tract of land while not resulting in authorized production of the new well field exceeding the production limitations established for the historic use permit issued for grandfathered well GW-00348) does not articulate how the approval of the waiver request would benefit the conditions or management of the groundwater resources within Jackson County. "

The permitting request represents a significant departure from one of the fundamental aspects of the rules of the district. In particular, the rules of the district limit the historic use protection provisions to grandfathered wells and to the pattern of use that occurred in the historic period. Furthermore, the rules prohibit, under Rule 4.1(6), extending historic use protections to non-grandfathered wells. Essentially, the applicant is seeking to extend the historic use protections validated (under permit VPW-20161215-01) for a grandfathered well (grandfathered well GW-00348) to an additional well (non-grandfathered well NW-00751).

The applicant appears to assert that granting the requested waiver is justifiable because the current production capacity of wells GW-00348 and NW-00751, in aggregate, will not exceed the reported capacity or the validated annual production rate of well GW-00348 in the historic period and therefore should not cause impacts on the groundwater resources to any greater degree than the impacts caused during the historic period.

Mr. Hajovsky was present at the meeting and discuss permitting options he was considering to address his situation.

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Board Action: Mr. Born moved to accept the applicant's request to delay consideration at this time to give him the opportunity to communicate with the General Manager to discuss possible revisions. Mr. Boone seconded the motion. The motion passed unanimously.

3.3 – Production Permit Renewals for FY2024

Meeting Discussion: Mr. Andruss explained as of July 16, 2024, staff had received administratively complete application seeking the renewal of production permit scheduled to expire in July 2024.

RULE 4.8: PERMIT RENEWAL

1. The General Manager of the District may authorize an authorized operator of a non-exempt use well, well field, or well system for which an application to renew a production permit or transport permit to continue operating under the conditions of the prior permit, subject to any changes necessary under these rules, or the District's management plan, for the period of time during which the renewal application is the subject of a contested case hearing.
2. The District shall without a hearing renew or approve an application to renew a production permit before the date on which the production permit expires, provided that:
 - a. the application, if required by the district, is submitted in a timely manner and accompanied by any required fees in accordance with district rules; and
 - b. the authorized operator is not requesting a change related to the renewal that would require a permit amendment under district rules.
3. The District shall not renew a permit if the applicant or authorized operator:
 - a. is delinquent in paying a fee required by the district;
 - b. is subject to a pending enforcement action for a substantive violation of a district permit, order, or rule that has not been settled by agreement with the district or a final adjudication; or
 - c. has not paid a civil penalty or has otherwise failed to comply with an order resulting from a final adjudication of a violation of a district permit, order, or rule.
4. A production permit that the District did not renew because the applicant or authorized operator is subject to a pending enforcement action for a substantive violation of a district permit, order, or rule that has not been settled by agreement with the District or a final adjudication remains in effect until the final settlement or adjudication on the matter of the substantive violation.

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5. A production permit as it existed prior to the initiation of the production permit amendment process shall be renewed without penalty if an associated production permit amendment process results in a denial of the amendment unless the applicant or authorized operator:

- a. is delinquent in paying a fee required by the district;
- b. is subject to a pending enforcement action for a substantive violation of a district permit, order, or rule that has not been settled by agreement with the district or a final adjudication; or
- c. has not paid a civil penalty or has otherwise failed to comply with an order resulting from a final adjudication of a violation of a district permit, order, or rule.

Board Action: Mr. Gendke moved to approve the following production permit renewals and authorize the general manager to issue production permit renewals for the permits associated with the following renewal requests in accordance with the Rules of the District: ARPP-20240430-01, ARPP-20240430-02, ARPP-20240430-03, ARPP-20240430-04, ARPP-20240430-05, ARPP-20240430-06, ARPP-20240430-07, ARPP-20240430-08, ARPP-20240430-09, ARPP-20240430-10, ARPP-20240430-11, ARPP-20240430-12, ARPP-20240430-13, ARPP-20240430-14, ARPP-20240430-15, ARPP-20240430-16, ARPP-20240430-17, ARPP-20240430-18, ARPP-20240430-19, ARPP-20240430-20, ARPP-20240430-21 and ARPP-20240528-01. Mr. Boone seconded the motion. The motion passed unanimously.

3.4 – Enforcement Hearing re ECV-20240429-01

Meeting Discussion: Mr. Andruss explained on April 18, 2024, the Board passed a motion to:

1. find that the well owner as of December 31, 2023, (Registered Well Owner: Donald Lewis Leach Jr.; JCAD Landowner: Terranona Properties LP) violated RULE 2.6: REPORTING REQUIREMENT RELATED TO NON-EXEMPT USE WELLS of the Rules of the District related to well GW-00453 and GW-00544 unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;
2. authorize the General Manager to initiate an enforcement case regarding the violation;
3. set a \$100.00 penalty for the violation per RULE 9.6: Rule Enforcement of the Rules of the District; and
4. offer to settle the violation if Registered Well Owner: Donald Lewis Leach Jr. (JCAD Landowner: Terranona Properties LP) consents to the following conditions:
 - a. acknowledges the violation by June 30, 2024;
 - b. pays a settlement fee of \$0.00 by June 30, 2024; and

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c. submits a administratively complete groundwater production report for calendar year 2023 by June 30, 2024.

In response to the action taken by the Board, staff recorded violation Enforcement Case Violation - ECV-20240429-01 - Donald Lewis Leach Jr. - Failure to Report Groundwater Production CY2023 for Well(s) - GW-00453 and GW-00544 - Active

On May 3, 2024, staff attempted to provide notice of violation ECV-20240429-01 to Donald Lewis Leach Jr. by certified mail (CMRRR 7022 1670 0003 4383 1621).

On May 6, 2024, Mr. Donald Lewis Leach contacted staff of the District in regards to enforcement case violation ECV-20240429-01 and stated the he had sold the property over a year ago to a Mr. Hernandez and that the phone number for Mr. Hernandez is 832-790-2578.

On May 9, 2024, staff of the District attempted to contact Mr. Hernandez to obtain contact information in regards to enforcement case violation ECV-20240429-01.

On June 3, 2024, staff attempted to provide notice of violation ECV-20240429-01 to Donald Lewis Leach Jr. by certified mail (CMRRR 7022 1670 0003 4383 1911).

On June 4, 2024, staff of the district hand delivered 2nd NOV Letter to an employee with Twin Lakes RV Park.

On June 4, 2024, staff of the District was able to obtain a forwarding address for Twin Lakes RV Park.

On June 6, 2024, staff of the District mailed by certified mail 2nd NOV Letter regarding enforcement case violation ECV-20240429-01 to Twin Lakes RV Park, C/O Creations by DNA, 5611 Grape St., Houston, Texas 77096 by certified mail (CMRRR 7022 1670 0003 4383 2055).

On July 1, 2024, the staff attempted to provide notice of this enforcement hearing and staff's intent to seek authorization to pursue enforcement of the rules by filing a civil suit against Twin Lakes RV Park at the next regularly scheduled meeting of the board of directors to Twin Lakes RV Park by certified mail (CMRRR 7022 1670 0003 4383 2307).

Board Action: Mr. Born moved to designate ECV-20240429-01 resolved and take no further action. Mr. Gendke seconded the motion. The motion passed unanimously.

3.5 – Enforcement Hearing re ECV-20240429-06

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Meeting Discussion: Mr. Andruss explained on April 18, 2024, the Board passed a motion to:

1. find that the well owner as of December 31, 2023, (Registered Well Owner: TRI-COUNTY POINT; JCAD Landowner: TRI-COUNTY POINT) violated RULE 2.6: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District related to well GW-00418, GW-00419, GW-00420, and GW-00421 unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;
2. authorize the General Manager to initiate an enforcement case regarding the violation;
3. set a \$250.00 penalty for the violation per RULE 9.6: Rule Enforcement of the Rules of the District; and
4. offer to settle the violation if Registered Well Owner: TRI-COUNTY POINT (JCAD Landowner: TRI-COUNTY POINT) consents to the following conditions:
 - a) acknowledges the violation by June 30, 2024;
 - b) pays a settlement fee of \$20.00 by June 30, 2024; and
 - c) submits a administratively complete groundwater production report for calendar year 2023 by June 30, 2024.

In response to the action taken by the Board, staff recorded violation Enforcement Case Violation - ECV-20240429-06 - TRI-COUNTY POINT - Failure to Report Groundwater Production CY2023 for Well(s) - GW-00418, GW-00419, GW-00420, and GW-00421 - Active

On May 3, 2024, staff attempted to provide notice of violation ECV-20240429-06 to CSWR-Texas Utility Operating Company by certified mail (CMRRR 7022 1670 0003 4383 1676).

On May 23, 2024, Mr. Ben Glynn provided the following response to the district regarding the 1st NOV Letter for violation ECV-20240429-06.

On May 29, 2024, staff of the District processed the following production reports that were submitted by Mr. Ben Glynn for CSWR-Texas Utility Operating Company.

Administratively Complete groundwater production reports for CY2023, for wells GW-00418 and GW-00420.

Administratively Incomplete groundwater production reports for CY2023, for wells GW-00419 and GW-00421.

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On May 29, 2024, staff of the District mailed and emailed Mr. Ben Glynn for CSWR-Texas Utility Operating Company letter requesting additional information.

On June 3, 2024, staff attempted to provide notice of violation ECV-20240429-06 to CSWR-Texas Utility Operating Company by certified mail (CMRRR 7022 1670 0003 4383 1874).

On June 5, 2024, staff attempted to hand deliver notice of violation ECV-20240429-06 to CSWR-Texas Utility Operating Company.

On July 1, 2024, the staff attempted to provide notice of this enforcement hearing and staff's intent to seek authorization to pursue enforcement of the rules by filing a civil suit against CSWR-Texas Utility Operating Company at the next regularly scheduled meeting of the board of directors to CSWR-Texas Utility Operating Company by certified mail (CMRRR 7022 1670 0003 4383 2338).

Board Action: Mr. Gendke moved to open and record the enforcement hearing at approximately 7:29 PM regarding violation ECV-202404029-06. Mr. Boone seconded the motion. The motion passed unanimously.

The hearing was opened on July 18, 2024, at 7:29 PM

The enforcement case ID: ECV-20240429-06.

The alleged violator: CSWR-Texas Utility Operating Company

The alleged violation: Rule 2.6

The general manager of the district was sworn in.

A representative for CSWR was not present.

Mr. Gendke moved to cease the recording of the enforcement hearing after receiving no comments from the alleged violator and recess the hearing to a future meeting to give the General Manager to work with the alleged violator to resolve the violation. Mr. Boone seconded the motion. The motion passed unanimously.

3.6 – Enforcement Hearing re ECV-20240503-03

Meeting Discussion: Mr. Andruss explained on April 18, 2024, the Board passed a motion to:

1. find that the Tri County Point Water Systems violated RULE 4.9: PRODUCTION RELATED VIOLATIONS of the Rules of the District related to water well(s) owned by the Tri County Point Water Systems used to produce groundwater for public water system uses unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;

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2. authorize the General Manager to initiate an enforcement case regarding the violation;
3. set a \$0.00 penalty to be paid by the Tri County Point Water Systems for each violation per per Rule 11.10: Penalties of the Rules of the District as restricted under Section 36.102(e) of the Texas Water Code; and
4. offer to settle the violation without payment of the penalties if the Tri County Point Water Systems consents to the following conditions:
 - a) acknowledges the violation by June 30, 2024;
 - b) pays a settlement fee of \$0.00 by June 30, 2024; and
 - c) submits a administratively complete production permit application to the District by June 30, 2024.

In response to the action taken by the Board, staff recorded violation Enforcement Case Violation - ECV-20240503-03 - Tri County Point Water Systems - Failure to Obtain Production Permit - Active

On May 3, 2024, staff attempted to provide notice of violation ECV-20240503-03 to Tri County Point Water Systems by certified mail (CMRRR 7022 1670 0003 4383 1706).

On June 3, 2024, staff attempted to provide notice of violation ECV-20240503-03 to CSWR-Texas Utility Operating Company by certified mail (CMRRR 7022 1670 0003 4383 1935).

On June 4, 2024, staff of the attempted to hand delivered 2nd NOV Letter to an employee with CSWR-Texas Utility Operating Company.

On July 1, 2024, the staff attempted to provide notice of this enforcement hearing and staff's intent to seek authorization to pursue enforcement of the rules by filing a civil suit against CSWR-Texas Utility Operating Company at the next regularly scheduled meeting of the board of directors to CSWR-Texas Utility Operating Company by certified mail (CMRRR 7022 1670 0003 4383 2185).

Board Action: Mr. Tupa moved to open and record the enforcement hearing at approximately 7:31 PM regarding violation ECV-20240503-03. Mr. Born seconded the motion. The motion passed unanimously.

The hearing was opened on July 18, 2024, at 7:31 PM

The enforcement case ID: ECV-20240503-03

The alleged violator: CSWR-Texas Utility Operating Company

The alleged violation: Rule 4.9

The general manager of the district was sworn in.

A representative for CSWR was not present.

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Mr. Tupa moved to cease the recording of the enforcement hearing after receiving no comments from the alleged violator and recess the hearing to a future meeting to give the General Manager to work with the alleged violator to resolve the violation. Mr. Gendke seconded the motion. The motion passed unanimously.

Agenda Item 4: Consideration of and possible action on matters related to groundwater protection including complaints, investigations, violations, and enforcement cases related to groundwater contamination and waste.

4.0 – Report regarding Groundwater Protection

Meeting Discussion: Mr. Andruss offered the following report:

Regarding Well Inspections for FY2024.

As of July 16, 2024, staff had recorded 11 well inspection forms (WIFs) since October 1, 2023.

Regarding Manage Investigations related to Groundwater Protection for FY2024.

As of July 16, 2024, staff had initiated 0 investigations related to Groundwater Protection since October 1, 2023:

As of July 16, 2024, staff had 1 active investigation related to Groundwater Protection.

Regarding Manage Enforcement Cases related to Groundwater Protection for FY2024.

As of July 16, 2024, the Board had initiated 0 enforcement cases related to Groundwater Protection since October 1, 2023.

As of July 16, 2024, staff had 0 unresolved enforcement case violations related to Groundwater Protection.

Board Action: None.

Agenda Item 5: Consideration of and possible action on matters related to groundwater monitoring.

5.0 – Report regarding Groundwater Monitoring

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Meeting Discussion: Mr. Andruss offered the following report:

Regarding Monitor Drought Conditions for FY2024.

As of July 16, 2024, the U.S. Drought Monitor indicates that 0% of Jackson County is experiencing abnormally dry or moderate drought conditions.

As of July 16, 2024, drought condition information related to the district and the surrounding region of Texas collected from the Water Data for Texas website indicates that no portions of Jackson County are experiencing drought conditions.

Regarding Synoptic Aquifer Monitoring for FY2024.

As of July 16, 2024, staff had collected 72 water level measurements since October 1, 2023.

Regarding Continuous Water Level Monitoring for FY2024.

On January 18, 2024, staff provided a revised quote from WelIntel for the installation, configuration, and data services to monitor a single site within Jackson County as requested by the Board. Staff have suspended all efforts related to implementing a program to setup continuous aquifer monitoring sites within the District until such time as the Board provides guidance on how to proceed, if at all.

Regarding Baseline Water Quality Aquifer Monitoring for FY2024.

As of July 16, 2024, staff had collected 60 water quality field measurements since October 1, 2023.

As of July 16, 2024, staff had collected 0 water quality samples since October 1, 2023.

As of July 16, 2024, staff had received 0 water quality lab reports since October 1, 2023.

Regarding Ad-Hoc Baseline Water Quality Sampling for FY2024.

No report.

Regarding Annual Water Level Assessment for FY2024.

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No report.

Regarding Annual Water Quality Assessment for FY2024.

On July 8, 2024, staff received a proposal from Dr. Young of Intera for a project to update the water level assessment report.

Regarding Monitoring Network Assessment and Improvement Project for FY2024.

No report.

Regarding Aquifer Monitoring for WV-20191219-01 for FY2024.

Regarding West Ranch Monitoring for FY2024.

On January 18, 2024, staff provided an update regarding recent water quality data gathered from a site and the potential of significant changes near West Ranch. See: MFC-20240118-5.2 - Monitoring Near West Ranch. Staff have suspended all efforts to implement a program to renew monitoring activities near West Ranch until such time as the Board provides guidance on how to proceed, if at all.

Board Action: None.

5.1 – Intera Proposal for Update of Water Level Assessment Report

Meeting Discussion: Mr. Andruss explained on July 8, 2024, Dr. Young of Intera submitted a proposal to Victoria County GCD to apply geostatistical techniques to interpret measured 2023 water levels in Calhoun County GCD, Refugio GCD, Texana GCD and Victoria County GCD. The proposed work will expand the analysis of measured water levels performed by Dr. Young and others in previous years to include measured water levels in 2023.

The cost for performing the completing the work is \$18,000. The project will be fixed priced. The presentations and the memorandum will be completed in approximately 5 months. Intera will deliver a memorandum and presentations for each participating GCD documenting contours of hydraulic head for CY2023, calculations of water level changes between CY2000 and CY2023, and the geostatistical techniques used to interpret water level measurements.

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Board Action: Mr. Boone moved to accept the proposal and authorize Intera to proceed with the work with a cost not to exceed \$18,000.00 contingent upon Calhoun County GCD, Refugio GCD, and Victoria County GCD agreeing to cost-share at \$4,500.00 per district. Mr. Born seconded the motion. The motion passed unanimously.

Agenda Item 6: Consideration of and possible action on matters related to groundwater conservation.

6.0 – Report regarding Groundwater Conservation

Meeting Discussion: Mr. Andruss explained:

Regarding Promote Conservation for FY2024.

No Report.

Regarding Conservation Education and Teacher Professional Development for FY2024

On June 26 and 27, 2024, district staff conducted workshops to provide professional develop regarding water conservation to science teachers of Victoria County. The workshops were attended by 9 teachers from Victoria County and facilitated by Dr. Teresa Le Sage-Clements and Dr. Dmitri Sobolev of UHV, Ms. Denise Andruss and Mr. Snyder (RGCD Director) of VISD, Mr. Willie Immenhauser, Mr. Mike Benavides, Ms. Caitlynn Davenport, and Mr. Andruss of VCGCD.

The teachers participated in activities and exercises related to understanding the hydrologic cycle; the use of physical models to understand watershed and aquifers; site visits and sample collection at the Guadalupe River at Riverside Park, a water well at the Clements Ranch, and the wetlands at the INVISTA Plant in Victoria County; risks to water resource; water resource conservation approaches; and technological and scientific advancements in water conservation.

The participating teachers provided evaluation of the workshops to assist in improving similar projects undertaken in the future.

Based on the feedback received from the participants and facilitators, staff anticipates developing a similar project proposal for consideration by the Board in FY2025.

Board Action: None.

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Agenda Item 7: Consideration of and possible action on matters related to groundwater resource planning including Groundwater Management Area 15 Joint Planning and regional water planning.

7.0 – Report regarding Groundwater Resource Planning

Meeting Discussion: Mr. Andruss offered the following report:

Regarding Regional Water Planning Participation for FY2024.

Representatives of the district did not participate in the meeting of the Lavaca Regional Planning Group (Region P) held on May 6, 2024. The next meeting of the Lavaca Regional Planning Group (Region P) is scheduled for July 24, 2024, at 12:00 PM at the LNRA Offices.

Regarding GMA 15 Joint Planning for 4th Planning Cycle in FY2024.

The representatives of Groundwater Management Area 15 met on July 11, 2024, in Fayette County. The primary topics of discussed at the meeting were the project scope and cost of the technical work proposed by Intera (the preferred and only respondent to the associated RFP) and groundwater availability modeling. Staff encouraged the representatives to contribute more funding to the GMA 15 Joint Planning Fund to avoid substantial limitation to the scope of the proposed technical work to be performed by Intera.

Board Action: None.

7.1 – GMA 15 Joint Planning

Meeting Discussion: Mr. Andruss explained the representatives of Groundwater Management Area 15 met on July 11, 2024, in Fayette County. The primary topics of discussed at the meeting were the project scope and cost of the technical work proposed by Intera (the preferred and only respondent to the associated RFP) and groundwater availability modeling. Staff encouraged the representatives to contribute more funding to the GMA 15 Joint Planning Fund to avoid substantial limitation to the scope of the proposed technical work to be performed by Intera.

Staff resumed efforts to negotiate terms of an agreement with Intera for providing the proposed technical services to the GMA-15 Committee because 1) the majority of the member districts of GMA 15 have adopted the by-laws and cost-sharing agreement, 2) the majority of the member district the GMA-15 Committee have submitted their contributions to the fund for the technical services for the 4th cycle

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of joint planning, and 3) the TWDB agreed to allow the use of the “GAM for the central portion of the Gulf Coast Aquifer System” by GMA 15.

As of May 31, 2024, the GMA 15 Joint Planning Fund has a balance of \$70,832.21. The costs for the proposal submitted by Intera for the adoption of the DFC in the 4th Joint Planning Cycle was \$90,000.

Due to the funding gap between GCD contributions and Intera’s proposed cost, VCGCD and Intera are examining ways to alter the scope of the project to address the funding short fall. VCGCD has suggested revisions for consideration by Intera.

Staff recommended to the representatives of the funding districts at the GMA 15 meeting to seek additional funding in the amount of \$2,000 to fully fund the project as initially proposed.

Additional contributions could be available for additional GAM simulations, updates to historic pumping in the CGC-GAM, improvements to the explanatory report, or addendums to the GMA 15 explanatory report.

Board Action: Mr. Born moved to authorize the increased contribution of \$2,000 to the GMA 15 Joint Planning Fund. Mr. Boone seconded the motion. The motion passed unanimously.

Agenda Item 8: Consideration of and possible action on matters related to groundwater policy including the Management Plan of the District and the Rules of the District.

8.0 – Report regarding Groundwater Policy

Meeting Discussion: Mr. Andruss offered the following report:

Regarding Management Plan Revisions for FY2024.

No report.

Regarding Rule Amendments for FY2024.

Staff will review the passed legislation of the previous legislative session, coordinate with legal counsel to develop proposed rule revisions, and post the required rulemaking hearing notice for the meeting scheduled for October 2024.

Regarding Legislative Support and Lobbying for FY2024.

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No report.

Board Action: None.

Agenda Item 9: Consideration of and possible action on matters related to administration and management including the minutes of previous meetings, the annual budget of the district, bank accounts, investments, financial reports of the district, bills and invoices of the district, management goals and objectives of the district, administrative policies, staffing, consultant agreements, interlocal cooperation agreements, and support services provided to and from other groundwater conservation districts.

9.0 – Report regarding Administration and Management

Meeting Discussion: Mr. Andruss offered the following report:

Regarding Election Coordination for CY2024.

On June 28, 2024, staff posted the Notice of Candidate Filing Deadline on the website of the district.

Regarding Financial Audit for FY2023.

No Report.

Regarding Investment Management for FY2024.

No Report.

Regarding Financial Record Processing and Reporting for FY2024.

No Report.

Regarding Budget Development for FY2025.

No Report.

Regarding Asset Tracking for FY2024.

No Report.

Regarding Public Funds Training for FY2024.

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No Report.

Regarding Website Improvements.

No Report.

Regarding Public Notice and Meeting Coordination for FY2024.

The next meetings of the Board are scheduled for **August 15, 2024** (Budget and Tax Rate Matters), and **October 17, 2024**, with each meeting to convene at **6:00 PM**. Regular meetings will be rescheduled as necessary and special meeting may be scheduled to address unforeseen issues.

Regarding Performance Audit for FY2023.

No Report.

Regarding Project Management for FY2024.

No Report.

Regarding Administrative Policy Review for FY2024.

No Report.

Regarding Transparency Reporting for FY2024.

No Report.

Regarding Cybersecurity Training for FY2024.

No Report.

Regarding Consultant Review for FY2024.

No Report.

Regarding Open Government Training for FY2024.

No Report.

Regarding District Liability Insurance Review and Renewal.

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No Report.

Regarding Digital Record Archiving for FY2024.

No Report.

Regarding Physical Record Archiving for FY2024.

No Report.

Board Action: None.

9.1 – Minutes of the Previous Meetings

Meeting Discussion: Mr. Andruss explained the minutes for the previous meeting were sent the board members prior to the meeting.

Board Action: Mr. Born moved to accept and approve the meeting minutes for April 18, 2024, as drafted. Mr. Boone seconded the motion. The motion passed unanimously.

9.2 – Financial Reports of the District

Meeting Discussion: Mr. Andruss explained the internal financial reports of the District for March, April and May 2024, have been sent to the directors prior to the meeting.

Board Action: Mr. Born moved to accept and approve the financial reports for March, April and May 2024. Mr. Gendke seconded the motion. The motion passed unanimously.

9.2.1 – Financial Transaction Review

Meeting Discussion: Mr. Andruss explained that there have been 6 accounts payable and 13 accounts receivable transactions since April 12, 2024, as of July 5, 2024.

Board Action: None.

9.3 – Investments of the District.

Meeting Discussion: Mr. Andruss explained the investment reports for March, April and May 2024, have been sent to the board prior to the meeting.

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Board Action: Mr. Boone moved to accept the investment reports for March, April and May 2024. Mr. Born seconded the motion. The motion passed unanimously.

9.4 – Unpaid Accounts Payable

Meeting Discussion: Mr. Andruss explained the District has outstanding accounts payable invoices that are not considered regular and routine for which the District has received the goods and services billed for under the invoices.

Board Action: Mr. Gendke moved to authorize the general manager to pay the following items:

1. Allison, Bass and Magee, LLP – Inv# 7343 - \$810.00

2. Victoria County GCD – Reimbursement - \$889.29

Mr. Boone seconded the motion. The motion passed unanimously.

9.5 – Annual Performance Report of the District

Meeting Discussion: Mr. Andruss explained on July 18, 2024, management compiled the annual performance report for the fiscal year ending September 30, 2023. Based on the review of the activities and projects of the Texana Groundwater Conservation District between October 1, 2022, and September 30, 2023, and an assessment of the performance standards, management has determined that all goals and associated objectives established within the Management Plan of the District have been fully or partially achieved during the fiscal year ending September 30, 2023.

Board Action: Mr. Gendke moved to accept and approve the annual performance report for the fiscal year ending September 30, 2023. Mr. Born seconded the motion. The motion passed unanimously.

9.6 – Financial Audit for FY2023

Meeting Discussion: Mr. Andruss explained on October 19, 2023, the Board accepted the offer of Goldman, Hunt and Notz, LLP to perform the financial audit for the fiscal year ending September 30, 2023, and authorize the firm to begin the audit upon development of the internal financial reports for September 30, 2023.

Mr. Goldman presented the audit.

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Board Action: Mr. Gendke moved to accept and approve the financial audit for the fiscal year ending September 30, 2023. Mr. Boone seconded the motion. The motion passed unanimously.

9.7 – Preliminary Budget Information for FY2025

Meeting Discussion: Mr. Andruss explained staff will develop and present a budget for the fiscal year ending September 30, 2025, at the meeting scheduled for August 15, 2024, that attempts to fund the operations of the District in a manner that provides for 1) the accomplishment of the management plan goals and objectives and 2) the completion of certain projects and tasks associated with the administration of the district, groundwater conservation, groundwater management and permitting, groundwater monitoring, groundwater policy development, groundwater protection, groundwater research, and groundwater resource planning, and 3) the avoidance of a budget deficit in Fiscal Year 2024-2025. Management anticipates proposing an increased expense budget due to impacts of inflation.

The anticipated balance of the Operating Fund at the end of the fiscal year is \$61,139.10. The anticipated balance of the Reserve Fund at the end of the fiscal year is \$1,112,845.31.

The VCGCD will consider options regarding the services it provides to other GCDs at the meeting scheduled for July 19, 2024. If the Board of the VCGCD wishes to offer revisions to the current agreement, the VCGCD will provide notice of its cancellation of the current agreement and a new agreement for those services it intends to offer other GCDs. The District may also consider revisions or cancelation of the current agreement to avoid its automatic renewal.

Staff will develop the proposed budget anticipating the commitment of the monies of the Reserve Fund in Fiscal Year 2024-2025 in accordance with the following schedule:

- Groundwater Conservation: 5%
- Groundwater Management: 25%
- Groundwater Monitoring: 25%
- Groundwater Protection: 10%
- Groundwater Research: 5%
- Groundwater Resource Planning: 5%
- Legal Contingencies: 25%

Staff will develop the proposed budget anticipating the approval of a tax rate equal to the No-New-Revenue Tax Rate calculated by the Tax Assessor-Collector for Tax Year 2024.

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Board Action: Mr. Born moved to authorize the general manager to publish the required tax rate notices for the district based on the lesser of the No-New-Revenue Tax Rate calculated by the Tax Assessor - Collector for Tax Year 2024 or the Tax Rate for Tax Year 2023. Mr. Boone seconded the motion. The motion passed unanimously.

9.8 – Cyber Liability and Data Breach Response Coverage

Meeting Discussion: Mr. Andruss explained TML has created a new cybersecurity insurance fund in response to increased financial exposure from cybercriminal behavior. TML is requiring all entities to deliberately “opt-in” to continue cybersecurity coverage.

Board Action: Mr. Boone moved to accept and opt-in to the Core+ edition of the TML Cyber Liability and Data Breach Response Coverage and authorize the general manager to submit any necessary documentation necessary to obtain the coverage for the District at a cost of \$1,250.00. Mr. Marr seconded the motion. The motion passed unanimously.

9.9 – Prosperity Bank Depository Services Contract

Meeting Discussion: Mr. Andruss explained Prosperity Bank has offered to extend the depository services agreement with the district until April 30, 2026.

Board Action: Mr. Born moved to authorize the General Manager to execute the depository services agreement submitted by Prosperity Bank to extend the depository services agreement with the District until April 30, 2026. Mr. Boone seconded the motion. The motion passed unanimously.

Agenda Item 10: Consideration of and possible action on matters related to legal counsel report.

10.0 – Legal Counsel Report

Meeting Discussion: Mr. Allison gave his report.

Board Action: None.

Agenda Item 11: Adjourn

11.0 – Adjourn Meeting

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Meeting Discussion: None.

Board Action: Mr. Gendke moved to adjourn the meeting after concluding all business of the District, at approximately 9:03 PM. Mr. Born seconded the motion. The motion passed unanimously.

The above and foregoing minutes were read and approved on this the 17th day of October, 2024.

ATTEST:

Alton J. Tupa
District Director

Robert M. ...
District Director