

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, August 18, 2022, at 8:30 AM.

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

Precinct 1:	Kenneth Koop	Present
Precinct 2:	Michael Skalicky	Present
Precinct 3:	Clifford Born	Present
Precinct 4:	Robert Gendke Jr.	Present
At Large:	Jim Revel	Present
At Large:	Johnny Dugger	Present
At Large:	Fredrick Woodland	Present
General Manager:	Tim Andruss	Present
Legal Counsel:	Jim Allison of Allison, Bass & Magee, LLP	Absent

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

1.0 – Convene Meeting

Meeting Discussion: Mr. Skalicky called the meeting to order at approximately 8:33 AM.

Board Action: None.

Agenda Item 2: Receive public comments.

2.0 – Receive Public Comment

Meeting Discussion: None.

Board Action: None.

Agenda Item 3: Consideration of and possible action on matters related to groundwater management including permit and waiver requests, complaints, investigations, and enforcement cases.

3.0 – Report regarding Groundwater Management

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Meeting Discussion: Mr. Andruss explained as of August 9, 2022, the District has initiated 10 permitting request cases (PRCs) since July 2022.

Mr. Andruss explained as of August 9, 2022, there were 21 permitting requests and applications pending with the District.

Board Action: None.

3.4.1 – PRC-20220728-03 – Lavaca Rio Ranch LLC

Meeting Discussion: Mr. Andruss explained, Mr. Brent Friedrichs for Lavaca Rio Ranch LLC seeks, under permitting request case PRC-20220728-03 - ADW-20220630-02/AOW-20220630-03 - Lavaca Rio Ranch LLC - Pending, a drilling permit and production permit authorizing construction of a well and the production of groundwater for pond management uses at rates not to exceed 245 gallons per minute or 395 acre-feet per year. The proposed well will be located on a 2,250.1-acre tract of land near the intersection of County Road 127 and FM 822 in Jackson County, Texas.

Mr. Andruss explained, the applications and supplemental information associated with this permitting request case are considered administratively complete and contain sufficient information evaluate the request relative to the Rules of the District.

Provided the resulting permits are properly conditioned, the operation of the proposed well would satisfy the requirements as established within the Rules of the District without a waiver or variance.

On August 3, 2022, the public notice related to the consideration of the permit case was completed.

As of August 9, 2022, the District had not received notice of intent to contest the permitting request.

Board Action: Mr. Dugger moved to:

1. cancel the permit hearing and proceed with the permitting case as an uncontested matter;
2. authorize the general manager to issue a drilling permit to Lavaca Rio Ranch LLC with the following conditions in accordance with the Rules of the District:
 1. the proposed well be offset from the nearest property line by 50 feet, and

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2. the proposed well be offset from other water wells owned other persons by 245 feet; and
3. authorize the general manager to issue a production permit to Lavaca Rio Ranch LLC under application AOW-20220630-03 with the following conditions in accordance with the Rules of the District:
 1. Authorized Purpose of Use: pond management uses,
 2. Authorized Maximum Rate of Production per Minute: 245 gallons per minute,
 3. Authorized Maximum Rate of Production per Year: 395 acre-feet per year, and
 4. Expiration Date: July 31, 2027.

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

Agenda Item 4: Consideration of and possible action on matters related to Meeting Management including minutes of previous meetings.

4.0 – Report regarding Meeting Management

Meeting Discussion: Mr. Andruss explained the next meetings of the Board are scheduled for October 20, 2022, with each meeting to convene at 8:30 AM. Special Meetings may be scheduled to address unforeseen issues.

Another meeting was tentatively scheduled for September 15, 2022, for the purposes of reviewing draft revision to the rules of the district.

Board Action: None.

4.1 – Minutes of Previous Meeting

Meeting Discussion: Mr. Andruss explained the minutes for the meeting held on July 21, 2022, were sent to the board members prior to the meeting.

Board Action: Mr. Dugger moved to accept and approve the meeting minutes for July 21, 2022, as drafted. Mr. Revel seconded the motion. The motion passed unanimously.

Agenda Item 5: Consideration of and possible action on matters related to financial management including the annual budget, budget recommendation for fiscal year 2023, tax rate for tax year 2022, certified appraisal roll, bank accounts, investments, financial reports of the district, bills and invoices of the district.

5.0 – Report on Financial Management

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Meeting Discussion: Mr. Andruss explained the financial records for June 2022 have been compiled, reviewed, and sent to the board members prior to the meeting.

Board Action: Mr. Dugger moved to accept and approve the financial records for June 2022. Mr. Gendke seconded the motion. The motion passed unanimously.

5.1 – Budget Recommendation for FY2023

Meeting Discussion: Mr. Andruss explained a recommended budget for fiscal year 2022 for the District has been developed that, if adopted, would fund the operations of the District in a manner that should provide 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) avoid a budget deficit in Fiscal Year 2022-2023.

The recommended budget anticipates the continued cooperation with and support of the staff of the Victoria County Groundwater Conservation to be achieved through the approval of a revised interlocal cooperation agreement. The significant revisions provide for 1) an increase to the monthly fees for service by 5% from \$6,825.00 to \$7,166.25.

The recommended budget includes and is based on the following:

- estimation of total fund balance of \$799,032 at the end of Fiscal Year 2021-2022;
- anticipation of expenditures of \$258,845 during Fiscal Year 2022-2023;
- allocation of \$258,845 of the total fund balance to the Operating Fund effective October 1, 2022;
- allocation of the remainder of the total fund balance to the Reserve Fund effective October 1, 2022;
- commitment of the monies of the Reserve Fund in Fiscal Year 2022-2023 in accordance with the following schedule:
 - Groundwater Conservation: 5%
 - Groundwater Management: 10%
 - Groundwater Monitoring: 25%
 - Groundwater Protection: 25%
 - Groundwater Research: 5%
 - Groundwater Resource Planning: 5%
 - Legal Contingencies: 25%

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- anticipation of revenue from sources other than tax-related sources to be \$2,500;
- adoption of a Tax Year 2022 tax rate of \$0.007700/\$100 of taxable value;
- anticipation of revenue from tax-related sources to be \$268,679; and
- anticipation of an increase of the reserve fund by \$12,334 at the conclusion of the fiscal year.

Board Action: Mr. Gendke moved to approve and adopt the proposed budget for FY2023 by order. Mr. Dugger seconded the motion. The motion passed unanimously.

5.2 – Hearing and Adoption of Tax Rate for Tax Year 2022

Meeting Discussion: Mr. Andruss explained the District completed the public notice requirements related the required public hearing regarding the proposed tax rate for tax year 2022.

Based on calculations completed by the Jackson County Tax Assessor-Collector, the following tax rates exist for the District for Tax Year 2022:

- No-New-Revenue Tax Rate: \$0.007700/\$100
- Voter-Approved Tax Rate: \$0.008300/\$100

The District adopted a tax rate of \$0.008700/\$100 for Tax Year 2021.

The proposed tax rate for Tax Year 2022 (No-New-Revenue Tax Rate; \$0.007700/\$100), if adopted, would decrease the tax rate and produce an additional \$1,517 of tax revenue.

As of August 17, 2022, District has not received comments on the proposed tax rate for tax year 2022.

If the Board adopts the proposed rate, the tax rate would be lower than the current rate of \$0.008700/\$100 value to the No-New-Revenue Rate of \$0.0077/\$100 value.

Board Action: Mr. Skalicky moved to open a public hearing regarding the proposed tax rate for tax year 2022, at 10:21 AM. Mr. Dugger seconded the motion. The motion passed unanimously.

Mr. Dugger moved to close the public hearing after accepting public comment regarding the proposed tax rate for tax year 2022, at 10:22 AM. Mr. Skalicky seconded the motion. The motion passed unanimously.

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Mr. Born moved to approve and adopt the proposed tax rate of \$0.007700/\$100 value as the tax rate for tax year 2022 by order. Mr. Skalicky seconded the motion. The motion passed unanimously.

5.3 – Appraisal Roll for Tax Year 2022

Meeting Discussion: None.

Board Action: Mr. Dugger moved to accept and approve the appraisal roll for tax Year 2022 and adopt the Order Approving the 2022 Appraisal Roll. Mr. Skalicky seconded the motion. The motion passed unanimously.

5.4 – 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. Revel moved to authorize the general manager to pay the following items:

1. ACCTP-20220811-01 - \$1,894.46 - Pace Analytical - Inv# 22751519075 - TR-YYYYMMDD-SQ-D - \$AMOUNT - ACCOUNTID - UNRECONCILED
2. ACCTP-20220812-01 - \$7,271.24 - VCGCD - April 2022 - Inv# ILA-202204-01-T - TR-YYYYMMDD-SQ-D - \$AMOUNT - ACCOUNTID - UNRECONCILED
3. ACCTP-20220812-02 - \$6,871.04 - VCGCD - May 2022 - Inv# ILA-202205-01-T - TR-YYYYMMDD-SQ-D - \$AMOUNT - ACCOUNTID - UNRECONCILED
4. ACCTP-20220812-03 - \$6,993.01 - VCGCD - June 2022 - Inv# ILA-202206-01-T - TR-YYYYMMDD-SQ-D - \$AMOUNT - ACCOUNTID - UNRECONCILED
5. ACCTP-20220812-04 - \$7,097.03 - VCGCD - July 2022 - ILA-20220812-04 - TR-YYYYMMDD-SQ-D - \$AMOUNT - ACCOUNTID - UNRECONCILED
6. ACCTP-20220812-05 - \$63.96 - Pace Analytical Invoice Revised No. 22751519411 - TR-YYYYMMDD-SQ-D - \$AMOUNT - ACCOUNTID - UNRECONCILED
7. ACCTP-20220815-01 - \$592.21 - Invoice No.0816 - Prosperity Bank - TR-YYYYMMDD-SQ-D - \$592.21 - Prosperity 7512 – UNRECONCILED

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

Agenda Item 6: Consideration of and possible action on matters related to Office Administration and Management including administrative policies, consultant agreements, interlocal cooperation agreements, and support services provided to and from other groundwater conservation districts.

6.0 – Report regarding Administration and Management

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Meeting Discussion: None.

Board Action: None.

6.1 – Agreements with Cooperating Districts

Meeting Discussion: Mr. Andruss explained the District anticipates that the VCGCD Board may adopt management-recommended revisions to the cooperating agreement for the District as well as CCGCD, and RGCD which increases the monthly fees by 5% from \$6,825.00 to \$7,166.25 for fiscal year 2023.

Board Action: Mr. Dugger moved to authorize the presiding officer to execute an interlocal cooperation agreement with VCGCD (INTERLOCAL AGREEMENT FOR SERVICES RELATED TO GENERAL MANAGEMENT AND ADMINISTRATIVE ACTIVITIES) with revisions limited to increasing monthly fees by 5% from \$6,825.00 to \$7,166.25 for fiscal year 2023. Mr. Skalicky seconded the motion. The motion passed unanimously.

6.2 – Review of Consultants

Meeting Discussion: Mr. Andruss explained the District previously reviewed and considered the services provided by consultants on October 19, 2021. The District has obtained services from Jim Allison of Allison, Bass and Magee, Dr. Venkatesh Uddameri as well as Steve Young of Intera, Inc. in the past. The services provided by each consultant have been considered acceptable by the District. Furthermore, services provide by Dr. Venkatesh Uddameri as well as Steve Young of Intera, Inc. have been obtained through interlocal cooperation agreements with the VCGCD.

Board Action: Mr. Gendke moved to continue the authorization for General Manager to obtain proposals and services from Dr. Venkatesh Uddameri, and Intera, Inc. in accordance with the conditions established in the agreements between VCGCD and the consultants as appropriate. Mr. Born seconded the motion. The motion passed unanimously.

Agenda Item 7: Consideration of and possible action on matters related to contracts related to the 2022 election and the potential cancellation of the 2022 election.

7.0 – Election Matters

Meeting Discussion: Mr. Andruss explained the Secretary of State Office has published Election Advisory 2022-25. Within the advisory, a number of key dates are identified regarding the upcoming elections:

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- **Monday, August 22, 2022 (78th day before Election Day)**
 - Political Subdivisions Other Than Counties: 5:00 p.m. - Last day for a candidate in a political subdivision (other than a county) to file an application for a place on the ballot for general election for officers for most political subdivisions, except as otherwise provided by the Texas Election Code. (Secs. 143.007(c), 144.005(d), Election Code; Sec. 11.055, Education Code; Chapter 286, Health & Safety Code). See Candidacy Filing outline for more details.
 - Political Subdivisions Other Than Counties (General Election): Deadline for political subdivisions to order a general election to be held on Tuesday, November 8, 2022. (Sec. 3.005).
- **Friday, August 26, 2022 (74th day before Election Day)**
 - Political Subdivisions Other Than Counties: 5:00 p.m. - Deadline for write-in candidates to file Declaration of Write-In Candidacy (PDF) for regular officers for city, school district, library district, junior college district, hospital district, common school districts, Chapter 36 and 49 Water Code districts, and other political subdivision elections, unless otherwise provided by law. (Secs. 144.006(b), 146.054(b), 146.055, Election Code; Secs. 11.056, 11.304, 130.0825, Education Code; Secs. 326.0431, 326.0432, Local Government Code; Sec. 285.131, Health and Safety Code; Secs. 36.059, 49.101, 63.0945, Water Code). See Candidacy Filing outline for more details.
 - Political Subdivisions Other Than Counties: Recommended first day that a general or special election may be cancelled if all filing deadlines have passed, each candidate for an office listed on the ballot is unopposed (except as discussed below), and write-in votes may be counted only for names appearing on a list of write-in candidates. The Certification of Unopposed Candidates for Other Political Subdivisions (PDF) may be used to certify candidates as unopposed. Also, see our Sample Order of Cancellation (PDF).

On April 14, 2011, the Board established the order of elections for each director position of the District.

The terms of the following offices are scheduled to expire in November 2022:

- Director, Precinct 2; (currently held by Mr. Skalicky)
- Director, Precinct 4; (currently held by Mr. Woodland)
- Director, At-Large 2; (currently held by Mr. Dugger)
- Director, At-Large 3; (currently held by Mr. Gendke)

Example Election Documents:

- Order of General Election for Other Political Subdivisions:
<https://www.sos.state.tx.us/elections/forms/pol-sub/1-3f.pdf>

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- Certification of Unopposed Candidates for Other Political Subdivisions:
<https://www.sos.state.tx.us/elections/forms/pol-sub/12-1f.pdf>
- Order of Cancellation:
<https://www.sos.state.tx.us/elections/forms/pol-sub/12-2f.pdf>

As of August 15, 2022, the District had received applications for a place on the ballot from Mr. Dugger for Director, At-Large 2 and Mr. Genke for Director, At-Large 3.

Board Action: Mr. Skalicky moved to 1) cancel the election for all positions effective August 26, 2022, unless an application for a place on the ballot is received before 5:00 PM on August 26, 2022, or 2) order a general election for November 8, 2022, if any position up for election is an opposed race. Mr. Dugger seconded the motion. The motion passed unanimously.

Agenda Item 8: Adjourn.

8.0 – Adjourn Meeting

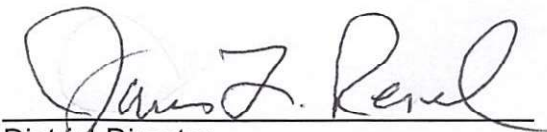
Meeting Discussion: None.

Board Action: Mr. Dugger moved to adjourn the meeting after concluding all business of the District. Mr. Born seconded the motion. The motion passed unanimously.

The above and foregoing minutes were read and approved on this the 22nd day of SEPT., 2022

ATTEST:


District Director


District Director