

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

THE STATE OF TEXAS

CALHOUN COUNTY

The Board of Directors of the Calhoun County Groundwater Conservation District convened a meeting at the Coastal Center, 131-A N. Virginia St, Port Lavaca TX 77979, Calhoun County, on April 24, 2023, at 5:30 PM.

Meeting Attendance:

Precinct 1:	Mr. Steven Dierschke, Director	Present
Precinct 2:	Mr. Wesley Brett, Vice-President	Present
Precinct 3:	Mr. Galen Johnson, Secretary	Present
Precinct 4:	Mr. Michael Hahn, Treasurer	Present
At Large:	Mr. Harold May, President	Present
General Manager:	Mr. Timothy Andruss	Present
Legal Counsel:	Mr. James Allison	Absent

Agenda Items -

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

Meeting Discussion: Mr. May called the meeting to order at 5:30 PM.

Board Action: None.

Agenda Item 2: Receive public comments.

Meeting Discussion: None.

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 explained as of April 23, 2023, the District has initiated 3 permitting request cases (PRCs) since January 1, 2023.

As of April 23, 2023, the District has 11 pending permitting request cases.

As of April 23, 2023, the volume of groundwater production authorized for water wells under production permits is 7,700.89 acre-feet per year.

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

As of April 23, 2023, the District has 2 investigations related to groundwater management.

As of April 23, 2023, the District has no open enforcement cases.

Board Action: None.

3.1 – Permit Hearing – PRC-20315-01 and PRC-20230315-02 – Port Alto HOA District 1

Meeting Discussion: Mr. Andruss explained that Mr. Harold Green for Port Alto HOA District 1 seeks, under permitting request case PRC-20230315-01, a historic-use production permit protecting the historic production of groundwater from grandfathered well GW-00080 for public water system uses at rates not to exceed 68 gallons per minute or 7.08 acre-feet per year. The subject well is located on a 0.18-acre tract of land near the intersection of Spur 159 and County Rd. 307 in Calhoun County, Texas.

Mr. Harold Green for Port Alto HOA District 1 seeks, under permitting request case PRC-20230315-02, a historic-use production permit protecting the historic production of groundwater from grandfathered well GW-00081 for public water system uses at rates not to exceed 64 gallons per minute or 1 acre-foot per year. The subject well is located on a 0.18-acre tract of land near the intersection of Spur 159 and County Rd. 307 in Calhoun County, Texas.

On April 23, 2023, management identified that the applications rely upon the same evidence of historic use (TWDB Water Use Survey 0690176) which supports a request of 8.11 acre-feet for a grandfathered well (GW-00080) and no historic use for another grandfathered well (GW-00081).

Based on this understanding, management has withdrawn the district's finding that the applications are administratively complete to provide an opportunity for the applicant to resolve the apparent issue and submit revised applications. The applicant was notified of this development April 24, 2023, the day of this meeting.

It appears that the applicant may be better served by requesting a validation permit for the historic use of a grandfathered well field. A historic use validation permit for a well field enables the permittee to produce any portion of the historic production amount (e.g., 8.11 acre-feet) from any of the grandfathered wells of the field. Staff will coordinate with the applicant to resolve the matter and prepare the permitting request case(s) for consideration at the next meeting of the board scheduled for July 24, 2023.

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

Board Action: The board moved to postpone the consideration of permitting request cases PRC-20230315-01 and PRC-20230315-02 until the identified issues are resolved and re-posted for hearing.

3.2 – Permit Hearing PRC-20230315-03 – Farmers Transport

Meeting Discussion: Mr. Andruss explained that Mr. Jesse Wood for Farmers Transport seeks, under permitting request case PRC-20230315-03, a historic-use production permit protecting the historic production of groundwater from grandfathered well GW-00082 for commercial uses at rates not to exceed 200 gallons per minute or 29.88 acre-feet per year. The subject well is located on a 6.29-acre tract of land near the intersection of County Rd. 306 and Sunidolfin Dr. in Calhoun County, Texas.

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. The applicant has not submitted a request for a district waiver in connection with the permitting request.

The application includes an affidavit, executed by Mr. Jesse Wood, regarding the evidence of historic use submitted in the application that states "The evidence of historic use submitted to support the validation of the historic use of the well located at: Latitude: 28.6559088 N, Longitude: -96.4211717 W is to the best of my knowledge and belief true and correct and that all available information concerning groundwater production of the subject well during the historic use validation year has been provided to the district with this application." The application includes supplemental documentation containing the TWDB Water Use Survey (Survey Number: 0829478) for the subject well for calendar year 2011. The survey indicates the subject well produced 9,765,400 gallons in year 2011 (29.96 acre-feet).

Based on the review of the information provided within the associated application and supplemental information provided by the applicant, the district has determined that the request is consistent with the policies and rules of the district.

On April 7, 2023, the district completed the public notice process for the permitting request case.

As of April 23, 2023, the district had not received any notices of intent to contest the permitting request.

On April 23, 2023, management discovered a defect in the public notice for the permitting request case. The notice indicated the permitting case was

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

associated with a request of 29.88 acre-feet instead of the correct value of 29.96 acre-feet.

Board Action: The board move to postpone the consideration of the permitting request until the meeting of the board scheduled for July 24, 2023, to afford the district the opportunity to correct the public notice.

3.4 – Groundwater Production Reporting for CY2022

Meeting Discussion: Mr. Andruss explained the staff has developed and mailed 65 courtesy notices related to required groundwater production reporting for the calendar year 2022. Staff have processed 60 groundwater production reports for the calendar year 2022 with the volume of groundwater production totaling 7,647.39 acre-feet.

Staff initiated an investigation into failures to report groundwater production for calendar year 2021 on July 22, 2022.

Staff identified six wells that potentially violated the reporting requirements of the district. As of April 23, 2023, the owners of the subject wells had achieved compliance with the rules of the district by submitting groundwater production reports for calendar year 2022.

Board Action: Mr. Brett moved to close investigation INV-20220722.1128 - Failure to Report Groundwater Production - Active without any additional investigation or enforcement processing. Mr. Johnson seconded the motion. The motion passed unanimously.

3.5 – Investigation of Failures to Report Groundwater Production for CY2022

Meeting Discussion: Mr. Andruss explained as of April 23, 2023, the District has identified 5 wells under investigation INV-20230303.1006 - Failure to Satisfy Rules of the District - Production Reporting for CY2022 - Active that have potentially violated RULE 4.2: REPORTING REQUIREMENT RELATED TO NON-EXEMPT-USE WELLS by failing to report the volume of groundwater produced from the non-exempt-use well for the previous calendar year (January 1 to December 31) during January of the current calendar year.

On March 3, 2023, the general manager initiated the investigation.

On April 18, 2023, the compliance specialist identified the wells and ownership information related to wells that appear to have failed to satisfy the requirement to report groundwater production for CY2022.

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

Board Action: Mr. Johnson moved to:

1. find that Short Pleze (Buffalo Creek RV Retreat) violated RULE 2.6: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District related to well NW-00007 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 Short Pleze (Buffalo Creek RV Retreat) consents to the following conditions:
 1. acknowledges the violation by June 30, 2023;
 2. pays a settlement fee of \$0.00 by June 30, 2023; and
 3. submits a administratively complete groundwater production report for calendar year 2022 by June 30, 2023.
-
1. find that 118 TRINITY SHORES DR LLC (Calhoun County RP, LTD.) violated RULE 2.6: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District related to well NW-00054 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 118 TRINITY SHORES DR LLC (Calhoun County RP, LTD.) consents to the following conditions:
 1. acknowledges the violation by June 30, 2023;
 2. pays a settlement fee of \$0.00 by June 30, 2023; and
 3. submits a administratively complete groundwater production report for calendar year 2022 by June 30, 2023.
-
1. find that Cervantes Juan Cruz (Juan Cruz Cervantes-Vega) violated RULE 2.6: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District related to well NW-00087 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

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

4. offer to settle the violation if Cervantes Juan Cruz (Juan Cruz Cervantes-Vega) consents to the following conditions:
 1. acknowledges the violation by June 30, 2023;
 2. pays a settlement fee of \$0.00 by June 30, 2023; and
 3. submits a administratively complete groundwater production report for calendar year 2022 by June 30, 2023.

1. find that CBPB Partners, LLC. (CBPB Partners, LLC.) violated RULE 2.6: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District related to well NW-00133 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 CBPB Partners, LLC. (CBPB Partners, LLC.) consents to the following conditions:
 1. acknowledges the violation by June 30, 2023;
 2. pays a settlement fee of \$0.00 by June 30, 2023; and
 3. submits a administratively complete groundwater production report for calendar year 2022 by June 30, 2023.

Mr. Hahn 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 explained that as of April 23, 2023, staff had recorded no well inspections since October 1, 2023. Well inspections are scheduled to be completed in connection with PRJ-20234100.04 - Baseline Water Quality Aquifer Monitoring for FY2023 (MG4:O1) - Active and PRJ-20234100.05 - Ad-Hoc Baseline Water Quality Sampling for FY2023 (MG4:O1) - Active.

As of April 23, 2023, staff had no open investigations related to groundwater protection.

As of April 23, 2023, staff had received 15 Notices of Intent to Place Casing (NIPCRs) in new wells and completed 2 site visits in connection with those NIPCRs since October 1, 2022. PRJ-20236100.03 - Observation of Casing Placement for FY2023 (MG2:O1) - Active is no longer actively managed as

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

notices of intent to place casing are no longer submitted to the district under the recently adopted rules of the district.

As of April 23, 2023, staff had no open enforcement cases 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

Meeting Discussion: Mr. Andruss explained according to the National Integrated Drought Information System, the U.S. Drought Monitor (USDM) is updated each Thursday to show the location and intensity of drought across the country using a five-category system, from Abnormally Dry (D0) conditions to Exceptional Drought (D4). The USDM is a joint effort of the National Drought Mitigation Center, USDA, and NOAA.

The U.S. Drought Monitor indicates that 0.59% of Calhoun County was experiencing abnormally dry conditions while 99.41% of Calhoun County was experiencing drought as of April 23, 2023.

Drought condition information related to the district and the surrounding region of Texas collected from the Water Data for Texas website indicates that 99.35 % of Calhoun County was experiencing moderate drought as of April 23, 2023.

As of April 23, 2023, staff had collected synoptic water level measurements from 5 sites since October 1, 2022. Staff will focus efforts to improve the network of monitoring wells in the areas identified by Intera in report Final: Drilling Techniques, Field Protocols, and Proposed Monitoring Locations to Support the Development of a Reliable Program for Monitoring Water Levels, dated November 2022.

As of April 23, 2023, staff had transmitted interest letters to the landowners of 20 wells randomly identified as candidates for inclusion in project PRJ-20234100.04 - Baseline Water Quality Aquifer Monitoring for FY2023 (MG4:O1) - Active. Field work to be completed under this project is scheduled for completion by June 30, 2023.

Board Action: None.

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

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 on April 6, 2023, Ms. LeSage-Clements submitted a preliminary proposal for continuing the conservation - promotion project. Suggested revisions to the proposal have been provided to Ms. LeSage-Clements suggesting that 1) the UHV PD be implemented in such a way as to connect the PD activities like water sampling and analysis to the relevant Texas Essential Knowledge and Skills (TEKS) and 2) eliminate the student camp component. The district anticipates that identifying the relationships between TEKS and PD activities will serve to increase interest in participating in the PD by teachers and ensure the activities are relevant to future teaching efforts related to conservation.

If the district(s) agrees to fund the UHV PD project, management recommends that the districts use a teacher's participation in the UHV PD as a prerequisite to seeking sponsorship from the GCDs for the development and teaching of water conservation curriculum in their classrooms. The development and execution of curriculum, lesson plans, and possibly field trips would be a responsibility of those teachers, if any, sponsored by the GCDs, independent of UHV. Management believes the implementation of district-sponsored curriculum can serve to offset the negative consequences of eliminating the student camp component in the original UHV proposal.

On April 17, 2023, at the suggestion of Director Snyder, the RGCD board of directors authorized the expenditure of up to \$5,000.00 for sponsorship of field trips by 4th and 5th grade students from Refugio County to the Wetland Education Center located in the INVISTA Victoria Plant Wetland for the purposes of promoting water conservation.

On April 20, 2023, at the suggestion of Director Skalicky, the TGCD board of directors authorized the expenditure of up to \$5,000.00 for sponsorship of field trips by 4th and 5th grade students from Jackson County to the Wetland Education Center located in the INVISTA Victoria Plant Wetland for the purposes of promoting water conservation.

On April 21, 2023, at the suggestion of Director Eller, the TGCD board of directors authorized the expenditure of up to \$5,000.00 for sponsorship of field trips by 4th and 5th grade students from Victoria County to the Wetland Education Center located in the INVISTA Victoria Plant Wetland for the purposes of promoting water conservation.

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

Board Action: Mr. Hahn moved to authorize the expenditure of up to \$5,000.00 for sponsorship of field trips by 4th and 5th grade students from Calhoun County to the Wetland Education Center located in the INVISTA Victoria Plant Wetland for the purposes of promoting water conservation. Mr. Brett seconded the motion. The motion passed unanimously.

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 explained the representatives of Region L met on February 2, 2023, to continue efforts to develop the 2026 Regional Water Plan. Interim meetings of the Population and Water Demands Workgroup have met to review demand projections within the region. The next meeting of Region L is scheduled for May 4, 2023.

The representatives of Management Area 15 met on April 13, 2023, to continue their joint planning efforts. The representatives of GMA 15 1) discussed the new groundwater availability model being developed by TWDB for the central and southern portions of the Gulf Coast Aquifer, 2) reviewed management plans of certain member districts, 3) reviewed achievements of certain member districts, 4) approved for distribution draft revisions of bylaws and a cost sharing agreement, and 5) requested VCGCD serve as the GMA 15 Administrator for the purposes of a) holding the GMA 15 Joint Planning Funds, b) soliciting proposals from qualified entities to provide technical services to GMA 15 to support the development and adoption of desired future conditions and associated explanatory report for the 4th Joint Planning Cycle, and c) negotiating terms of an agreement for consulting services from the preferred respondent(s) identified by the GMA-15 Committee Members.

The next meeting of GMA 15 is scheduled for July 13, 2023.

Board Action: None.

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

8.0 – Report regarding Groundwater Policy

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

Meeting Discussion: Mr. Andruss explained on April 8, 2023, the staff of the district completed the public notice requirements related to the hearing for proposed management plan of the district scheduled for this meeting.

On March 1, 2023, the staff of the district completed the public notice requirements related to the hearings for the petitions to amend the rules scheduled for this meeting.

The 88th regular session of the Texas Legislature began on January 9, 2023. Staff have monitored legislation proposed during the session.

Board Action: None.

8.1 – Hearing on proposed Management Plan of the District

Meeting Discussion: Mr. Andruss explained the staff prepared a draft management plan with the best available technical data from TWDB with the goals, objectives, and performance standards approved on January 20, 2023.

The Management Plan of the District with proposed revisions was developed using the best available data and addresses the following management goals, as applicable: (1) providing the most efficient use of groundwater; (2) controlling and preventing waste of groundwater; (3) controlling and preventing subsidence; (4) addressing conjunctive surface water management issues; (5) addressing natural resource issues; (6) addressing drought conditions; (7) addressing conservation, recharge enhancement, rainwater harvesting, precipitation enhancement, or brush control, where appropriate and cost-effective; and (8) addressing the desired future conditions adopted by the district under Section 36.108.

The Management Plan of the District with proposed revisions (1) identifies the performance standards and management objectives under which the district will operate to achieve the management goals ; (2) specifies the actions, procedures, performance, and avoidance that are or may be necessary to effect the plan; (3) includes estimates of (A) modeled available groundwater in the district based on the desired future condition established under Section 36.108; (B) the amount of groundwater being used within the district on an annual basis; (C) the annual amount of recharge from precipitation, if any, to the groundwater resources within the district; (D) for each aquifer, the annual volume of water that discharges from the aquifer to springs and any surface water bodies, including lakes, streams, and rivers; (E) the annual volume of flow into and out of the district within each aquifer and between aquifers in the district, if a groundwater availability model is available; (F) the projected surface water supply in the district according to the most recently adopted state water plan; and (G) the

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

projected total demand for water in the district according to the most recently adopted state water plan; and (4) considers the water supply needs and water management strategies included in the adopted state water plan.

On April 10, 2023, the staff of the district completed the public notice requirements related to the hearing for the proposed management plan of the district scheduled for this meeting.

As of April 20, 2023, the district had not received comments from the public regarding the proposed management plan.

If, after concluding the public hearing on the proposed management plan of the district, the board wishes to adopt the management plan without substantive revisions, the board should adopt the attached resolution.

Board Action: The public hearing was opened at approximately 5:47 PM. The Board received no comments regarding the proposed management plan of the district. Mr. Johnson moved to close the public hearing at approximately 5:47 PM. Mr. Dierschke seconded the motion. The motion passed unanimously.

Board Action: Mr. Hahn moved to adopt the proposed management plan of the district without substantive revisions by resolution. Mr. Dierschke seconded the motion. The motion passed unanimously.

8.2 – Hearing on petition APAR-20230127-01

Meeting Discussion: Mr. Andruss explained under Rule 8.5, the board established the policies related to petitions to amend the rules of the district.

The policies are stated as:

RULE 8.4: GENERAL POLICIES RELATED TO PETITIONS TO AMEND THE RULES OF THE DISTRICT

1. The district shall only adopt amendments to rules of the district that are consistent with the mission of the district to conserve, preserve and protect the groundwater resources within the boundary of the district.

2. The district shall only adopt amendments to rules of the district that are consistent with the desired future conditions of the district as established under Chapter 36 of the Texas Water Code and documented in the Management Plan of the district.

3. The district shall only adopt amendments to rules of the district that are consistent with the Management Plan of the district, orders of the board of directors, and the laws of the State of Texas.

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

On January 27, 2023, the district received a petition to amend the rules from Mr. Critendon and Mr. Cady.

Mr. Carl Critendon and Lloyd Cady, under APAR-20230127-01, seek to amend SECTION 2: POLICIES RELATED TO DRILLING, REWORKING, REPLACING, AND PLUGGING WELLS of the rules of the district by revising Rule 2.2 to reduce the property line offset ratio from 1 foot per 1 gallon per minute of production capacity to ½ foot per 1 gallon per minute of production capacity.

On March 1, 2023, the staff of the district completed the public notice requirements related to the hearings for the petitions to amend the rules scheduled for this meeting.

As of April 23, 2023, the district had not received comments from the public regarding the proposed management plan.

If, after concluding the public hearing on the petition, the board wishes to amend the rules of the district, the board should instruct the general manager to prepare a proposed set of revisions and complete the required public notice process to schedule the hearing and consideration of the proposed rule revisions at the next meeting scheduled for July 24, 2023.

Board Action: The public hearing was opened at 5:51 PM. The Board received public comments regarding the petition. The hearing was closed at 5:55 PM by motion made by Mr. Dierschke. Mr. Johnson seconded the motion. The motion passed unanimously.

Board Action: Mr. Johnson moved to schedule a rulemaking hearing regarding the revisions requested under petition APAR-20230127-01 on July 24, 2023. Mr. Hahn seconded the motion. The motion passed unanimously.

8.3 – Hearing on petition APAR-20230127-02

Meeting Discussion: Mr. Andruss explained under Rule 8.5, the board established the policies related to petitions to amend the rules of the district.

The policies are stated as:

RULE 8.4: GENERAL POLICIES RELATED TO PETITIONS TO AMEND THE RULES OF THE DISTRICT

1. The district shall only adopt amendments to rules of the district that are consistent with the mission of the district to conserve, preserve and protect the groundwater resources within the boundary of the district.

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

2. The district shall only adopt amendments to rules of the district that are consistent with the desired future conditions of the district as established under Chapter 36 of the Texas Water Code and documented in the Management Plan of the district.

3. The district shall only adopt amendments to rules of the district that are consistent with the Management Plan of the district, orders of the board of directors, and the laws of the State of Texas.

On January 27, 2023, the district received a petition to amend the rules from Mr. Critendon and Mr. Cady.

Mr. Carl Critendon and Mr. Lloyd Cady, under APAR-20230127-02, seek to amend SECTION 2: POLICIES RELATED TO DRILLING, REWORKING, REPLACING, AND PLUGGING WELLS of the rules of the district by adding a requirement to Rule 2.4 to require a person drilling a well to seal the annular space between the wall of the borehole and casing from a depth of 100 feet below the surface to the ground surface.

On March 1, 2023, the staff of the district completed the public notice requirements related to the hearings for the petitions to amend the rules scheduled for this meeting.

As of April 23, 2023, the district had not received comments from the public regarding the proposed management plan.

If, after concluding the public hearing on the petition, the board wishes to amend the rules of the district, the board should instruct the general manager to prepare a proposed set of revisions and complete the required public notice process to schedule the hearing and consideration of the proposed rule revisions at the next meeting scheduled for July 24, 2023.

Board Action: The public hearing was opened at 6:02 PM. The Board received comments regarding the petition. The hearing was closed at 6:07 PM by motion made by Mr. Johnson. Mr. Diershcke seconded the motion. The motion passed unanimously.

Board Action: Mr. Brett moved to schedule a rulemaking hearing regarding the revisions requested under petition APAR-20230127-02 on July 24, 2023. Mr. Hahn seconded the motion. The motion passed unanimously.

8.4 – Hearing on petition APAR-20230127-03

Meeting Discussion: Mr. Andruss explained under Rule 8.5, the board established the policies related to petitions to amend the rules of the district.

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

The policies are stated as:

RULE 8.4: GENERAL POLICIES RELATED TO PETITIONS TO AMEND THE RULES OF THE DISTRICT

1. The district shall only adopt amendments to rules of the district that are consistent with the mission of the district to conserve, preserve and protect the groundwater resources within the boundary of the district.

2. The district shall only adopt amendments to rules of the district that are consistent with the desired future conditions of the district as established under Chapter 36 of the Texas Water Code and documented in the Management Plan of the district.

3. The district shall only adopt amendments to rules of the district that are consistent with the Management Plan of the district, orders of the board of directors, and the laws of the State of Texas.

On January 27, 2023, the district received a petition to amend the rules from Mr. Johnson.

Mr. Matt Johnson, under APAR-20230127-03, seeks to amend SECTION 2: POLICIES RELATED TO DRILLING, REWORKING, REPLACING, AND PLUGGING WELLS of the rules of the district by revising Rule 2.1 to add the person having a well drilled or the authorized agent of the well owner to list of individuals that must provide written notice of intent to drill a well to the district.

On March 1, 2023, the staff of the district completed the public notice requirements related to the hearings for the petitions to amend the rules scheduled for this meeting.

As of April 23, 2023, the district had not received comments from the public regarding the proposed management plan.

If, after concluding the public hearing on the petition, the board wishes to amend the rules of the district, the board should instruct the general manger to prepare a proposed set of revisions and complete the required public notice process to schedule the hearing and consideration of the proposed rule revisions at the next meeting scheduled for July 24, 2023.

Board Action: The public hearing was open at 6:08 PM. The Board received no comments regarding the petition. Mr. Dierschke moved to close the hearing at 6:13 PM. Mr. Brett seconded the motion. The motion passed unanimously.

Board Action: Mr. Johnson moved to take no action regarding petition APAR-20230127-03. Mr. Hahn seconded the motion. The motion passed unanimously.

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

8.5 – Draft Fee Schedule

Meeting Discussion: Mr. Andruss explained in conjunction with the rule revision process completed by the district in January 2023, staff has developed a draft fee schedule for the district. The draft fee schedule establishes the administrative and application fees, production fees and transfer fees for the district.

The draft administrative and application fees include the following: 1) a \$150.00 fee for processing a historic-use production permit request; and 2) a \$6,500.00 fee associated with processing a high-capacity non-historic-use permit request, a deep-saline non-historic use production permit, a transfer permit request, or a district waiver request. The fee schedule specifies that any portion of administrative and application fees collected by the district are to be refunded after final disposition of the permitting request.

The draft transfer fees is set to the legislative maximum of \$8.14 per acre-foot of groundwater transferred/transported out of the district under a transfer permit.

Item 1 of RULE 10.5: PENALTIES AND LATE FEES reads as follows: "The board of directors, by resolution, may establish penalties for the production of groundwater in excess of the authorized groundwater production amount specified on a production permit."

Due to the relative simplicity and balance achieved between over penalizing and discouraging abuse of production limitations, management recommends the use of a bracketed fee schedule for production in excess of authorized (permitted) production amounts.

The following example illustrates the effect the bracketing approach could produce:

Bracket 1 - less than 1 acre-foot of excess production of groundwater in a calendar year from a well:

- Fee for Excess Production: \$10.00 for groundwater produced in a calendar year in excess of the annual production amount authorized for the subject well.

Bracket 2 - 1 acre-foot to 10 acre-feet of excess production groundwater in a calendar year from a well:

- Fee for Excess Production: \$20.00 per acre-foot of groundwater produced in a calendar year in excess of the annual production amount authorized for the subject well, not to exceed \$10,000.00 per day of continued production of groundwater in excess of the annual production amount authorized for the subject well.

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

Bracket 3: production or 10 acre-feet to 100 acre-feet of excess production of groundwater in a calendar year from a well:

- Fee for Excess Production: \$100.00 per acre-foot of groundwater produced in a calendar year in excess of the annual production amount authorized for the subject well, not to exceed \$10,000.00 per day of continued production of groundwater in excess of the annual production amount authorized for the subject well.

Bracket 4: production of 100 acre-feet or more of excess production groundwater in a calendar year from a well:

- Fee for Excess Production: \$500.00 per acre-foot of groundwater produced in a calendar year in excess of the annual production amount authorized for the subject well, not to exceed \$10,000.00 per day of continued production of groundwater in excess of the annual production amount authorized for the subject well.

When evaluating potential penalties, it is important to recognize that the Texas Water Code limits the civil penalties that may be set under Section 36.102 which reads: "(b) The board by rule may set reasonable civil penalties against any person for breach of any rule of the district not to exceed \$10,000 per day per violation, and each day of a continuing violation constitutes a separate violation."

If the board wishes to revise and adopt the draft fee schedule as the fee schedule of the district, it should do so by adoption of a resolutions. A draft resolution has been prepared for that purpose.

Board Action: Mr. Hahn moved to adopt the draft fee schedule with the bracketed fee structure for excess groundwater production as the fee schedule of the district by resolution. Mr. Brett seconded the motion. The motion passed unanimously.

Mr. Johnson left the meeting at 6:15 PM.

8.6 – 88th Regular Session of the Texas Legislature

Meeting Discussion: Mr. Andruss explained as of April 14, 2023, the following bills with "groundwater" in the text of the bill had been added to the list of bills being monitored by staff. On Thursday, April 20, 2023, Mr. Allison provided the district with an updated list of legislation being monitored that could impact the district.

Board Action: None.

Agenda Item 9: Consideration of and possible action on matters related to meeting management including minutes of previous meetings.

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

9.0 – Report on Meeting Management

Meeting Discussion: Mr. Andruss explained the next meetings of the Board are scheduled for July 24, 2023, August 2, 2023, and October 23, 2023, with each meeting to convene at 5:30 PM. Special meetings may be scheduled to address unforeseen issues.

Board Action: None.

9.1 – Minutes of the Previous Meeting

Meeting Discussion: Mr. Andruss explained the minutes for meeting held on January 23, 2023, were sent to the board members prior to the meeting.

Board Action: Mr. Brett moved to accept and approve the meeting minutes for January 23, 2023, as drafted. Mr. Dierschke seconded the motion. The motion passed unanimously.

Agenda Item 10: Consideration of and possible action on matters related to financial management including the annual budget of the district, bank accounts, investments, financial reports of the district, bills and invoices of the district.

10.0 – Report on Financial Management

Meeting Discussion: Mr. Andruss explained the internal control review reports and internal financial reports for December 2022, January and February 2023 have been compiled, reviewed and sent to the board members prior to the meeting.

Board Action: Mr. Hahn moved to accept the internal control review and internal financial reports for December 2022, January and February 2023 and the internal financial reports for December 2022 and January 2023. Mr. Brett seconded the motion. The motion passed unanimously.

10.0.1 – Financial Transaction Review

Meeting Discussion: Mr. Andruss explained as of April 21, 2023, since January 22, 2023, there have been 17 accounts payable and 18 accounts receivable transactions recorded.

Board Action: None.

10.0.2 – Budget Amendment

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

Meeting Discussion: Mr. Andruss explained the internal financial reports for February 2023 have been developed with proposed budget amendments to adjust certain expense line items so that the amended budget amount equals or exceeds the actual expenses as of February 2023. The proposed amendments are outlined in the table below. The amendments represent a no-net-change in the overall budgeted expenses of the district and effectively re-assigns portions of the expense budget from certain budget line items to other line items.

Board Action: Mr. Brett moved to 1) amend the budget of the district to increase expense category 225 - Professional and Technical Services within program 3000 - Groundwater Management by decreasing the same category in program 4000 - Groundwater Monitoring and 2) accept the internal financial reports for February 2023. Mr. Hahn seconded the motion. The motion passed unanimously.

10.1 – 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. Hahn moved to authorize the general manager to pay the following items:

1. ACCTP-20230412-05 - \$13,750.00 - VCGCD - District Invoice - Intera Cost Share
2. ACCTP-20230412-04 - \$7,372.38 - VCGCD - District Invoice - March 2023
3. ACCTP-20230412-03 - \$7,166.25 - VCGCD - District Invoice - February 2023
4. ACCTP-20230412-02 - \$7,310.80 - VCGCD - District Invoice - January 2023
5. ACCTP-20230412-01 - \$21.68 - MVBA - March 2023
6. ACCTP-20230410-01 - \$100.00 - Calhoun County Clerk - Posting House Account
7. ACCTP-20230421-01 - \$208.60 - Victoria Advocate
8. ACCTP-20230310-01 - \$930.00 - Allison, Bass & Magee - Inv# 6836

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

10.2 – Investments of the District

Meeting Discussion: Mr. Andruss explained the investment reports for December 2022, January and February 2023, have been developed, reviewed, and sent to the board members prior to the meeting.

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

Board Action: Mr. Hahn moved to accept and approve the investment reports for December 2022 and January 2023. Mr. Dierschke seconded the motion. The motion passed unanimously.

10.3 – Financial Audit for FY2022

Meeting Discussion: Mr. Andruss explained on October 24, 2022, the Board authorized Goldman, Hunt and Notz to conduct a financial audit of the District for the fiscal year ending September 30, 2022.

Mr. Cox of Goldman, Hunt and Notz has informed the District that he intended to present the findings of the financial audit of the District for the fiscal year ending September 30, 2022, at this meeting

Mr. Cox of Goldman, Hunt and Notz presented his audit report and provided the board with his reports.

Board Action: Mr. Hahn moved to accept the audit report for FY2022 as presented. Mr. Brett seconded the motion. The motion passed unanimously.

10.4 – Calhoun County Appraisal District Designate Chief Appraiser

Meeting Discussion: Mr. Andruss explained the Texas Property Tax Code, Section 26.04(c), states that after the assessor submits the appraisal roll to the governing body, an officer or employee designated by the governing body shall calculate the no-new-revenue tax rate and the voter-approval tax rate for the taxing unit. The Calhoun County Appraisal District have been performing the assessing and collecting functions for the District.

Board Action: Mr. Hahn moved to pass and sign the resolution designating the Chief Appraiser of the Calhoun County Appraisal District to calculate the 2023 tax rates. Mr. Brett seconded the motion. The motion passed unanimously.

10.5 – Optional Homestead Exemption

Meeting Discussion: Mr. Andruss explained the Calhoun County Appraisal District has provided a listing of homestead exemptions currently granted for each taxing unit in Calhoun County.

Board Action: None.

Agenda Item 11: Consideration of and possible action on matters related to office administration and management including management goals and objectives of

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

the district, administrative policies, election of officers of the board, staffing, consultant agreements, interlocal cooperation agreements, and support services provided to and from other groundwater conservation districts.

11.0 – Report regarding Administration and Management

Meeting Discussion: Mr. Andruss explained the staff continues to develop projects to manage the administrative tasks to be completed during the fiscal year with project milestones.

Board Action: None.

11.1 – Annual Performance Report of the District

Meeting Discussion: Mr. Andruss explained on April 24, 2023, management compiled the annual performance report for the fiscal year ending September 30, 2022.

Based on the review of the activities and projects of the Calhoun County Groundwater Conservation District between October 1, 2021, and September 30, 2022, and an assessment of the performance standards, management has determined that five (5) goals and associated objectives established within the Management Plan of the District have been fully achieved and two (2) goals and associated objectives established within the Management Plan of the District have been partially achieved during the fiscal year ending September 30, 2021.

Board Action: Mr. Brett moved to accept and approve the annual performance report for the fiscal year ending September 30, 2022. Mr. Dierschke seconded the motion. The motion passed unanimously.

11.2 – Interlocal Agreement with Cooperating Districts

Meeting Discussion: Mr. Andruss explained on September 7, 2022, the board last considered the interlocal agreement with VCGCD through which services are provided to the district by VCGCD staff.

The agreement automatically renews for an additional one (1) year period on October 1 of each year unless either party provides 90-day written notice of their intent to not renew the agreement. The deadline to provide the notice falls on July 3 of each year. This district is not scheduled to meet again until after this notice deadline on July 24, 2023. The VCGCD board met on April 21, 2023, and did not express a desire to re-evaluate or suggest revision to the arrangement with the district.

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

Board Action: The board moved to instruct the General Manager to notify the board of the Victoria County Groundwater conservation District of its intent to renew the interlocal agreement.

11.3 – Website Hosting

Meeting Discussion: Mr. Andruss explained presently, the website of the district is hosted by a service referred to as iPower and maintained using a service referred to as Weebly via iPower. Staff have encountered frequent issues with the websites hosted and maintained via iPower. On several occasions, the issues were significant and required significant time to resolve (e.g., rebuilding links and uploading replacement documents). While the technical support is general responsive, the resolutions sometimes require long periods of time for the resolution to propagate through the system.

In response to these issues and a general uncomfortable feeling regarding the reliability and maintenance of the website of the district, staff have reviewed a service provided by Streamline. Streamline is a California-based firm that develops website and communication products for local government districts.

The web hosting service provides districts with a simple to use interface for building and maintaining/updating the district website and the in-country technical support provided by Streamline.

Staff obtained a quote from Streamline Web for hosting the website of the district. The monthly cost for hosting the district website is quoted at \$120 per month, \$1,440 per year plus a one-time migration fee of \$250.00.

Board Action: Mr. Hahn moved to authorize the general manager to switch the hosting of the website of the district to Streamline, make any necessary adjustments to other inter-related services such as email hosting services, and pay associated fees. Mr. Brett seconded the motion. The motion passed unanimously.

11.6 – Cybersecurity Training for FY2023

Meeting Discussion: Mr. Andruss explained the state requires local government entities to complete cyber training on an annual basis. The training requirement applies to employees and elected officials (e.g., directors of the district). While a number of methods are available to satisfy this requirement, the simplest method and least time consuming is the viewing of one of the listed YouTube videos.

Calhoun County Groundwater Conservation District

131-A N. Virginia St., Port Lavaca, Texas 77979

P.O. Box 1395, Port Lavaca, Texas 77979

Phone (361) 482-0357 | Fax (361) 482-0303 | www.calhouncountygcd.org

Directors are encouraged to notify staff of their completion of the training for reporting purposes. The district is required to certify to the state the degree to which the requirements were satisfied each year.

Board Action: None.

Agenda Item 13: Adjourn Meeting

Meeting Discussion: None.

Board Action: Mr. Dierschke moved to adjourn the meeting after concluding all business of the District. Mr. Brett seconded the motion. The motion passed unanimously. The meeting concluded at approximately 7:00 PM.

THE ABOVE AND FOREGOING MINUTES WERE READ AND APPROVED ON THIS

THE 24 DAY OF July A.D. 2023.



Director of the Calhoun County Groundwater Conservation District

ATTEST:



Director of the Calhoun County Groundwater Conservation District