

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 October 24, 2022, at 5:30 PM.

Meeting Attendance:

Precinct 1:	Mr. Steven Dierschke, Director	Absent
Precinct 2:	Mr. Wesley Brett, Vice-President	Present
Precinct 3:	Mr. Galen Johnson, Secretary	Absent
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	Present

Agenda Items -

1. Call the meeting to order and welcome guests.

Meeting Discussion: Mr. May called the meeting to order at 5:30 PM.
The following guests were present: Matthew Wickham

Board Action: None.

2. Receive public comments.

Meeting Discussion: None.

Board Action: None.

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 October 21, 2022, the District has initiated 53 permitting request cases (PRCs) since September 1, 2022. As of October 21, 2022, the District had 11 pending permitting requests cases. See MFC-20221024-3.0.1 - Review of Permitting Request Cases for more information.

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 October 21, 2022, the volume of groundwater production authorized for water wells under production permits is 6,810.89 acre-feet per year.

As of October 21, 2022, the District has 3 investigations related to groundwater management. See MFC-20221024-3.3 - Investigations related to Failure to Obtain a Production Permit, MFC-20221024-3.4 - Investigations related to Failure to Notify of Intent to Place Casing, MFC-20221024-3.5 - Investigations related to Failures to Report Groundwater Production.

As of October 21, 2022, the District has no open enforcement cases.

Board Action: None.

3.0.1 – Review of Permitting Request Cases

Meeting Discussion: Mr. Andruss explained 53 permitting request cases have been initiated by the District since September 1, 2022. As of October 21, 2022, 11 permitting requests and applications are pending with the District.

Board Action: None.

3.2 – PRC-20220617-01 – Port O’ Connor Improvement District Waiver and Permits

Meeting Discussion: Mr. Andruss explained on January 24, 2022, the Board moved to 1) establish a fee for processing waiver application WV-20220107-08 submitted by POCID at \$6,500.00; and 2) and move to accept and approve the proposal (CCGCD - Golder WSP Proposal to review POCID Applications - 20220121) submitted by Golder/WSP for the review the permitting request submitted by POCID upon designation of the applications as administratively complete.

On February 2, 2022, the POCID submitted a payment of \$6,500.00 as the application processing fee. See ACCTR-20220202-01 - \$6,500.00 - POC Improvement District - TR-20220202-01-C - \$6,500.00 - Prosperity 4152 - RECONCILED.

On June 16, 2022, the District received the current application packet from representatives of POCID. The packet contains the following applications:

1. Registration Requests - ARW-20220617-01 - POID - WL-20220617-08 - Administratively Complete
2. Drilling Permit Requests - ADW-20220617-02 - POID - Administratively Complete

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

3. Drilling Permit Requests - ADW-20220617-03 - POID - Administratively Complete
4. Drilling Permit Requests - ADW-20220617-04 - POID - Administratively Complete
5. Drilling Permit Requests - ADW-20220617-05 - POID - Administratively Complete
6. Drilling Permit Requests - ADW-20220617-06 - POID - Administratively Complete
7. Production Permit Requests - AOWF-20220617-07 - POID - Administratively Incomplete
8. Waiver and Variance Requests - AWR-20220617-08 - POID - Administratively Incomplete

The applications are being processed under permitting request case PRC-20220617-01 - ARW-20220617-01/ ADW-20220617-02,03,04,05,06 /AOWS-20220124-07, AWR-20220124-08 - POID - Pending.

On June 30, 2022, the District forwarded the application packet to Mr. Wickham of WSP Golder for review and comment.

On June 30, 2022, the District transmitted notice of intent to contest the permit applications and notice that the applications are designated a administratively incomplete to the representatives of POID.

On July 7, 2022, staff of WSP Golder and the District conducted a kick-off meeting regarding their efforts to review the application packet.

On July 11, 2022, the representatives of POID submitted supplemental information to the applications. The supplemental information contains a lease agreement between the County of Calhoun and POID. The supplemental information was forwarded to legal counsel for review on July 12, 2022.

Based on the details contained within the application packet, the District understands that POID seeks authorization to operate a well field comprised of one existing grandfathered well and five proposed wells at maximum production rates not exceeding 1,750 gallons per minute, 300 gallons per minute per well, or 890 acre-feet per year. The wells of the well field are to be located in a 2,096-acre tract of contiguous area comprised of the service area of POID as of June 30, 2022, and acreage to be annexed in July 2022.

The waiver request submitted with the application packet appears to seek:

1. variance to the well spacing requirements;

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. waiver of the rules that expands the policy of the District regarding the area a water system can consider to be in their control (expand from a CCN to a service area) for the purposes of evaluating production limitations;
3. waiver of requirement to include within the production permit application demonstrations of achievement of performance conditions specified in item 10 of Rule 4.3; and
4. waiver of performance conditions of a production permit specified in item 13 of Rule 4.3.

The applicant appears to be based on asserting a good cause claim (as it relates to groundwater resources) that approving the waiver and associated permit requests would result in the preservation of fresh groundwater resource by relying on groundwater produced from brackish zones.

On July 28, 2022, Mr. Wickham provided a revised proposal for reviewing the new POID applications at a cost of \$10,850.

On July 29, 2022, the District authorized Mr. Wickham of Golder to proceed with the work.

On September 28, 2022, Mr. Marvin Jones notified the District that his law firm represents the POID.

On October 7, 2022, Mr. Wickham submitted the report regarding WSP Golder's review of the POID permit and waiver request (the WSP Golder Report).

On October 7, 2022, the District forwarded a copy of the WSP Golder Report and a draft waiver to the representatives of POID. The draft waiver contained elements believed by the staff to contain "1) a reasonable basis for finding good cause to waive the rules of the CCGCD and 2) appropriate provisions related to production rates, well construction requirements, aquifer monitoring and reporting requirements, performance standards and related performance responses." In addition to authorizing the requested production from the proposed well field, the draft waiver establishes 1) production well construction requirements, 2) monitoring well requirements, 3) monitoring and reporting requirements, performance criteria, and performance responses.

On October 14, 2022, the public notice related to the permit hearing for POID's permitting request case was completed.

On October 14, 2022, representatives of POID and the District participated in a conference call regarding the WSP Golder Report and a draft waiver. During the conference call, Mr. McGuire, President of the POID, expressed his frustration with the permitting process and his view that legal action may be necessary to resolve

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

differences between the POID and the District. Based on comments provided by the representatives of the POID, the District anticipates receiving a counteroffer by November 1, 2022.

On October 17, 2022, the District forwarded a copy of the draft waiver with comments embedded describing the purpose or intent of the various provisions within the waiver to the POID representatives.

On October 17, 2022, representatives of POID forward a corrected shapefile that represents the boundary of the relevant portion of the service area as a contiguous tract.

The District requested that Mr. Wickham attend the meeting to provide a summary of the WSP Golder Report to the Board.

Mr. Wickham presented a summary of his report.

Board Action: Mr. May opened the permit hearing at 6:28 PM. Mr. May moved to table the matter and recess the hearing to be reconvened at the next meeting on November 14, 2022. Mr. Hahn seconded the motion. The motion passed unanimously.

3.3 – Investigations related to Failure to Obtain a Production Permit

Meeting Discussion: Mr. Andruss explained as of October 21, 2022, the District had 1 open investigations regarding failures to obtain necessary production permits:

1. INV-20221012.1455 - Failure to Obtain a Production Permit - Active

The District intends to focus its efforts on investigation INV-20221012.1455 through which the District is reconciling production permits to the list of public water systems with groundwater identified as the primary source of water. The District will postpone further processing of the other investigations related to failures to obtain a production permit until the rule revision process is completed.

Board Action: None.

3.4 – Investigations related to Failure to Notify of Intent to Place Casing

Meeting Discussion: Mr. Andruss explained as of October 21, 2022, the District has 1 active investigation associated with well driller apparently failing to provide notice to the District of intent to place casing into a new well borehole. Item 39 of Rule 4.2: PERMITTING POLICIES AND PROCEDURES RELATED TO DRILLING PERMITS went into effect on October 17, 2017, and states "A person drilling a 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

shall provide the District with notice of intent to place casing in the borehole at least two hours and not more than three hours before placing casing in the borehole."

The following investigation are associated with a well driller without previous violations related to failing to provide notice to the District of intent to place casing into a new well boreholes: INV-20220927.1539 - Failure to Notify of Intent to Place Casing - Active.

Board Action: Mr. Hahn moved to:

1. authorize the General Manager to open an enforcement case for INV-20220927.1539;
2. find that the subject well driller violated Rule 4.2: PERMITTING POLICIES AND PROCEDURES RELATED TO DRILLING PERMITS by failing to provide notice of intent to place casing in association with the drilling of the subject well; and
3. authorize the General Manager to offer to settle the violation if well driller acknowledges the violation and that subsequent violations may result in additional enforcement proceedings in accordance with the Enforcement Policy of the District.

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

3.5 – Investigations related to Failures to Report Groundwater Production

Meeting Discussion: Mr. Andruss explained as of October 21, 2022, the District has 1 open investigation regarding failures to report groundwater production: INV-20220722.1128 - Failure to Report Groundwater Production - Active. On October 24, 2022, the District sent a final courtesy notice to the well owner/landowner regarding a) the requirement to report or amend the registration of the well, b) offering to forego enforcement proceedings if the required report is submitted by December 31, 2022, and c) the intention of the district to recommend enforcement proceedings for each case in which a well owner failed to report groundwater production for CY2021 at the meeting of the Board of Directors scheduled for January 23, 2023.

Board Action: None.

4. Consideration of and possible action on matters related to Groundwater Protection including complaints, investigations, violations and enforcement related to disposal and injection wells, contamination and waste.

4.0 – Report regarding Groundwater Protection

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 as of October 21, 2022, the District has no active investigations regarding potential contamination of groundwater.

Board Action: None.

5. Consideration of and possible action on matters related to Groundwater Monitoring.

5.0 – Report regarding Groundwater Monitoring

Meeting Discussion: Mr. Andruss explained in light of the general disinterest by well owners to participate in water quality monitoring, the District intends to initiate a single, district-wide baseline water quality monitoring project for FY2023. Candidate wells will be identified by randomly selecting 20 wells within Calhoun County with known depths. Well owners of the candidate wells will be contacted by the District seeking access to the wells for sampling purposes. Samples will be submitted to Pace Analytical for processing with an estimate cost of \$300 per sample.

The District intends to modify its synoptic aquifer monitoring program to focus on synoptic water level monitoring in the February to March timeframe and synoptic water quality monitoring (field conductivity measurements) in the August to September timeframe.

Board Action: Mr. Brett moved to authorize the general manager to implement a district-wide baseline water quality monitoring project for FY2023 and authorized the expenditure of \$6,000.00 for lab analysis work. Mr. Hahn seconded the motion. The motion passed unanimously.

5.1 – Drought Monitoring

Meeting Discussion: Mr. Andruss explained the U.S. Drought Monitor (<https://www.drought.gov/states/texas/county/calhoun>) indicates that 100% of Calhoun County was experiencing abnormally dry drought conditions as of October 18, 2022.

Board Action: None.

6. Consideration of and possible action on matters related to Groundwater Conservation.

6.0 Report regarding Groundwater 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

Meeting Discussion: Mr. Andruss explained on September 29, 2022, Dr. LeSage-Clements of UHV informed the District that the student water quality camps proposed in the conservation promotion project by UHV were scheduled for October 8 and October 15, 2022.

Board Action: None.

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 August 4, 2022, to continue efforts to develop the 2026 Regional Water Plan. The next meeting of Region L is scheduled for November 3, 2022.

The representatives of Management Area 15 met on October 13, 2022, to continue joint planning efforts. The next meeting of GMA 15 is scheduled for January 2023.

Board Action: None.

8. Consideration of and possible action on matters related to Groundwater Policy including the Management Plan of the District, draft revisions to the Rules of the District and Fee Schedule.

8.0 – Report regarding Groundwater Policy

Meeting Discussion: Mr. Andruss explained the staff of the District continue to draft revisions to the Rules of the District for the purposes of eliminating unnecessary regulations, streamlining procedures, improving groundwater regulation and long-term management of groundwater resources within Calhoun County.

On October 14, 2022, the District received notice from TWDB that the GMA 15 MAG report has been posted on the TWDB website along with MAG summaries by district and county. The District will develop a draft management plan with revisions related to the new DFCs and MAGs for consideration at a future meeting.

Board Action: None.

8.1 – Review of Draft Rule Revisions and Draft Fee Schedule

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 July 25, 2022, the Board passed a motion authorizing the general manager to transmit the draft rules to the licensed well drillers of the county, the County of Calhoun, the City of Port Lavaca, the City of Seadrift, GBRA, CPA, and POCID. Prior to transmitting the draft rules, significant revisions were suggested by directors of VCGCD and TGCD.

In response to input received from directors from the cooperating districts and input received from legal counsel, a revised "management draft" of revisions to the rules of the district was developed. Despite management's efforts to address concerns raised by a director of the Texana GCD and that director's continuing concern that the advancement of the "management draft" would undermine public confidence and cooperation with the Texana GCD, an "alternate draft" of revision to the rules of the district was developed for Texana GCD. While this "alternate draft" for Texana GCD contains numerous improvements, it is not the recommendation of management that this approach be taken for revising the rules of the district. The primary revisions to the management draft were the inclusion of newly defined terms; the change of the notice of intent to place casing with the written notice of intent to drill a well with well driller and well owner acknowledgements of the notification of the existence of regulations established by the District regarding well spacing, production limitations, well registration, and production permitting; the elimination of district-specified well construction requirements; clarification of well owner responsibilities associated with a well allowing the commingling of undesirable water with desirable water; provision for plugging a deteriorated well by the District.

Board Action: Mr. Hahn moved to:

1. designate the management draft of the rules of the district as the proposed rules of the district;
2. authorize the general manager to publicly post the proposed rules of the district for the purposes of accepting public;
3. authorize the general manager to notify and seek feedback from the member of the County of Calhoun, City of Port Lavaca, City of Seadrift, GBRA, and the Port of Calhoun on the proposed rules of the district; and
4. post the required notices of a rulemaking hearing regarding the draft rules scheduled for January 23, 2023.

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

9. Consideration of and possible action on matters related to Meeting Management including Minutes of Previous Meetings.

9.0 – Report regarding Meeting Management

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 next meetings of the Board are scheduled for January 23, 2023, April 24, 2023, July 24, 2023, August 28, 2023, and October 23, 2023 with each meeting to convene at 5:30 PM. Special meeting may be scheduled to address unforeseen issues.

Board Action: Mr. Brett moved to adopt the meeting schedule for CY2023. Mr. Hahn seconded the motion. The motion passed unanimously.

9.1 – Minutes of Previous Meeting

Meeting Discussion: Mr. Andruss explained the minutes for the meeting held on September 7, 2022, were sent to the board members prior to the meeting.

Board Action: Mr. Brett moved to accept and approve the meeting minutes for September 7, 2022, as drafted. Mr. Hahn seconded the motion. The motion passed unanimously.

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 financial records for July and August 2022 have been compiled, reviewed, and sent to the board members prior to the meeting.

Board Action: Mr. Brett moved to accept and approve the financial records for July and August 2022. Mr. Hahn seconded the motion. The motion passed unanimously.

10.1 – Review of Financial Transactions

Meeting Discussion: Mr. Andruss listed the accounts payable and receivables recorded since August 18, 2022, as of October 21, 2022.

Board Action: None.

10.2 – 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.

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. Brett moved to authorize the general manager to pay the listed items. Mr. Hahn seconded the motion. The motion passed unanimously.

10.3 – Financial Audit for FY2022

Meeting Discussion: Mr. Andruss explained Mr. Goldman of Goldman, Hunt and Notz LLP has submitted an engagement letter related to performance of a financial audit of the District for FY2022.

Board Action: Mr. Hahn moved to accept the offer of Goldman, Hunt and Notz LLP to perform the financial audit for the fiscal year ending September 30, 2022 and authorize the firm to begin the audit upon development of the internal financial reports for September 30, 2022. Mr. Brett seconded the motion. The motion passed unanimously.

11. Consideration of and possible action on matters related to Office Administration and Management including Management Goals and Objectives of 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: None.

Board Action: None.

12. Consideration of and possible action on matters related to Legal Counsel Report.

Meeting Discussion: None.

Board Action: None.

13. Adjourn.

13.0 – Adjourn Meeting

Meeting Discussion: None.

Board Action: Mr. Brett moved to adjourn the meeting. 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

Prepared by: Caitlynn Davenport, Administrative Coordinator
Calhoun County Groundwater Conservation District Official

THE ABOVE AND FOREGOING MINUTES WERE READ AND APPROVED ON THIS

THE _____ DAY OF _____ A.D. _____.



Director of the Calhoun County Groundwater Conservation District

ATTEST:



Director of the Calhoun County Groundwater Conservation District