

# Victoria County Groundwater Conservation District

THE STATE OF TEXAS  
VICTORIA COUNTY

The Board of Directors of the Victoria County Groundwater Conservation District convened a meeting at the Dr. Pattie Dodson Health Center, 2805 N. Navarro St., Room 108, Victoria, Victoria County, Texas, 77901 on July 19, 2024, at 9:00 AM.

## Meeting Attendance:

Precinct 1:	Mr. Jerry Hroch, Vice President	Absent
Precinct 2:	Mr. Thurman Clements, Jr., Director	Present
Precinct 3:	Mrs. Barbara Dietzel, Secretary	Absent
Precinct 4:	Mr. Mark Meek, President	Present
At Large:	Mr. Kenneth Eller, Director	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. Meek called the meeting to order at 9:03 AM.

**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 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 provided the following report:

#### Regarding Well Registration Processing for FY2024.

As of July 8, 2024, staff had received 34 well registration applications (ARWs) since October 1, 2023.

As of July 8, 2024, staff had received 50 Notices of Intent to Drill a Well (NIDWs) since October 1, 2023.

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## **Regarding Production Permit Renewal Processing for FY2024.**

As of July 8, 2024, staff had received 8 production permit renewal requests (ARPs) since October 1, 2023.

## **Regarding Permit Processing for FY2024.**

As of July 8, 2024, staff had initiated 44 permitting request case (PRCs) since October 1, 2023.

As of July 8, 2024, staff had 26 permitting request cases pending.

As of July 8, 2024, staff had 251 active or approved production permits recorded in the permitting database with a combined amount of authorized groundwater production per year of 99,163.10 acre-feet.

## **Regarding Groundwater Production Report Processing for CY2023.**

As of July 8, 2024, staff had processed 243 groundwater production reports for the preceding calendar year since October 1, 2023.

As of July 8, 2024, staff had recorded groundwater production reports for 238 water wells reporting 12,288.33 acre-feet of groundwater production during CY2023. (TWDB estimated the volume of groundwater produced for rural domestic, livestock, mining, and rig supply exempt uses in Victoria County in Year 2020 was 1,920 acre-feet.

## **Regarding Manage Investigations related to Permitting Violations for FY2024.**

As of July 8, 2024, staff had initiated 2 investigations related to groundwater management (i.e., permitting) since October 1, 2023.

As of July 8, 2024, staff had 5 active investigations related to groundwater management (i.e., permitting).

## **Regarding Manage Enforcement Cases related to Permitting Violations for FY2024.**

As of July 8, 2024, the Board had initiated 24 enforcement case violations related to groundwater management (i.e., permitting) since October 1, 2023.

As of July 8, 2024, staff had 9 unresolved enforcement cases related to groundwater management (i.e., permitting).

**Board Action:** None.

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## 3.1 – Production Permit Renewals for FY2024

**Meeting Discussion:** Mr. Andruss explained as of July 8, 2024, staff had received administratively complete application seeking the renewal of production permit scheduled to expire in July 2024:

1. ARP-20240326-01 - Victoria County Pct. 2 - Administratively Complete
2. ARP-20240326-02 - Victoria County Pct. 2 - Administratively Complete
3. ARP-20240326-03 - Victoria R/E Venture - Administratively Complete
4. ARP-20240326-04 - Vulcan Material - Administratively Complete
5. ARP-20240326-05 - Faciliflow Services LLC - Administratively Complete
6. ARP-20240401-01 - Chris M. and Jacob Boyd - Administratively Complete
7. ARP-20240408-01 - USA Compression Partners LLC. - Administratively Complete

## RULE 4.4: GENERAL PROCEDURES RELATED TO RENEWAL AND AMENDMENT OF PERMITS

1. The district shall not renew a permit that has expired before an administratively complete application requesting the renewal of the permit has been submitted to the district.
2. The well owner, authorized agent, or the authorized operator of a permit shall submit an application requesting the renewal of the permit at least ninety days (90 days) prior to the permit expiration date.
3. The general manager may authorize an authorized operator of a permit for which an administratively complete application requesting the renewal of the permit has been submitted to the district to continue authorized activities of the permit under the conditions of the permit, subject to any changes necessary under the rules of the district, or the Management Plan of the district, for the period of time during which the application requesting the renewal of the permit is the subject of a contested case hearing.
4. The district shall, without a hearing, consider an application to renew a permit submitted to the district provided that:
  1. the application, if required by the district, is submitted in a timely manner and accompanied by any required fees in accordance with rules of the district; and
  2. the authorized operator is not requesting an amendment to the permit in conjunction with the request to renew the permit.
5. The district shall not renew a permit if the owner of groundwater resources or authorized operator:
  1. is delinquent in paying a fee required by the district;
  2. is subject to a pending enforcement action for a substantive violation of a permit, order, or rule of the district that has not been settled by agreement with the district or a final adjudication; or

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3. has not paid a civil penalty or has otherwise failed to comply with an order resulting from a final adjudication of a violation of a permit, order, or rule of the district.
6. The district shall consider a permit that the district did not renew because the applicant or authorized operator of the is subject to a pending enforcement action for a substantive violation of a permit, order, or rule of the district, which has not been settled by agreement with the district or a final adjudication, to be in effect until the final settlement or adjudication on the matter of the substantive violation.
7. The district shall consider a request to renew a permit, as it existed prior to the initiation of an amendment process, without penalty if the amendment process results in a denial of the amendment unless the applicant or authorized operator of the permit:
  1. is delinquent in paying a fee required by the district;
  2. is subject to a pending enforcement action for a substantive violation of a permit, order, or rule of the district that has not been settled by agreement with the district or a final adjudication; or
  3. has not paid a civil penalty or has otherwise failed to comply with an order resulting from a final adjudication of a violation of a permit, order, or rule of the district.
8. The well owner, well field owner, or well system owner of a non-exempt-use well, a non-exempt-use well field, or a non-exempt-use well system shall submit to the district an application to amend any registrations or permits within ninety days (90 days) of acquiring the non-exempt-use well, the non-exempt-use well field, or the non-exempt-use well system.
9. The district shall consider the permit associated with an application requesting an amendment to the permit as being in effect as the permit existed before the submittal of the administratively complete application requesting an amendment to the permit until the later of:
  1. the conclusion of the permit amendment or renewal process, as applicable; or
  2. final settlement or adjudication on the matter of whether the change to the permit requires a permit amendment.
10. The district may initiate the process for amending a permit in connection with the renewal of a permit.
11. The district shall consider the permit associated with an amendment process initiated by the district as being in effect as the permit existed before the district initiated the amendment process until the conclusion of the permit amendment process.

Upon reflection on the requirements associated with permit renewals, staff will propose a revision to the rules as follows:

The well owner, authorized agent, or the authorized operator of a permit shall submit an administratively complete application requesting the renewal of the

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permit at least ninety days (90 days) prior to the permit expiration date. See: MFC-20240719-8.1 - Proposed Rule Revisions.

**Board Action:** Mr. Clements moved to approve the following production permit renewals and authorize the general manager to issue production permit renewals for the permits associated with the following renewal requests in accordance with the Rules of the District: ARP-20240326-01, ARP-20240326-02, ARP-20240326-03, ARP-20240326-04, ARP-20240326-05, ARP-20240401-01, and ARP-20240408-01. Mr. Eller seconded the motion. The motion passed unanimously.

## 3.2 – Investigation – INV-20231115.1326 – Failure to Report Groundwater Production

**Meeting Discussion:** Mr. Andruss explained on April 19, 2024, the Board found the follow well owners, as of December 31, 2023, violated RULE 4.2: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District

1. Registered Well Owner: Dennis Leita; VCAD Landowner: Dennis E. & Terri H. Leita related to well(s) GW-000475, GW-000477 and GW-00478;
2. Registered Well Owner: LS Tavern LLC.; VCAD Landowner: LS Tavern LLC. related to well GW-001009;
3. Registered Well Owner: Buhler-Telferner Partnership; VCAD Landowner: Buhler-Telferner Partnership related to well(s) GW-001028, GW-001029 and GW-001030;
4. Registered Well Owner: Smity's Food Mart; VCAD Landowner: Inez Convenience Services LLC. related to well GW-001065;
5. Registered Well Owner: Millennium Estate MGMT. LLC.; VCAD Landowner: Kam Enterprises LTD. related to well NW-000609;
6. Registered Well Owner: Mark R. Mize; VCAD Landowner: Mark R. Mize related to well NW-000869;
7. Registered Well Owner: Murphy Testamentary Trust; VCAD Landowner: Murphy William Jr. Trust related to well(s) GW-000340 and GW-000341;
8. Registered Well Owner: Marvin C. Franz et al; VCAD Landowner:Marvin Franz related to well(s) GW-000464, GW-000466 and R1GW-000465;
9. Registered Well Owner: Central States Water Resources Texas; VCAD Landowner: CSWR-Texas Utility Operating Company LLC. related to well(s) GW-000984 and GW-001055;
10. Registered Well Owner: The Dam Company LLC.; VCAD Landowner: The Dam Company LLC. related to well GW-000557;
11. Registered Well Owner: Oakwood Outlook LLC.; VCAD Landowner: Keep Bloomington Beautiful related to well GW-000720;
12. Registered Well Owner: Jose G. Celedon; VCAD Landowner: Jose G. Celedon related to well GW-000750;
13. Registered Well Owner: RSBR Investments LLC.; VCAD Landowner: Freedom Ventures of Victoria LLC. related to well NW-000824;

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14. Registered Well Owner: Millennium Estate Management LLC.; VCAD Landowner: VICTTEC LLC. related to well NW-001296; and
15. Registered Well Owner: James R. Cook; VCAD Landowner: James Randall Cook related to well NW-001343.

The following enforcement case violations developed in response to the action of the Board of Directors were resolved in accordance with the associated settlement offer:

1. ECV-20240429-01 - Dennis Leita - Failure to Report Groundwater Production CY2023 for Well(s) - GW-000475 - GW-000477 - GW-000478 - Resolved
2. ECV-20240429-04 - Smittys Food Mart - Failure to Report Groundwater Production CY2023 for Well - GW-001065 - Resolved
3. ECV-20240429-05 - Millennium Estate MGMT LLC.- Failure to Report Groundwater Production CY2023 for Well - NW-000609 - Resolved
4. ECV-20240429-06 - Mark R. Mize - Failure to Report Groundwater Production CY2023 for Well - NW-000869 - Resolved
5. ECV-20240429-07 - Murphy Testamentary Trust - Failure to Report Groundwater Production CY2023 for Well(s) - GW-000340 and GW-000341 - Resolved
6. ECV-20240429-08 - Marvin C. Franz - Failure to Report Groundwater Production CY2023 for Well(s) - GW-000464, GW-000466 and R1GW-000465 - Resolved
7. ECV-20240429-10 - The Dam Company - Failure to Report Groundwater Production CY2023 for Well - GW-000557 - Resolved
8. ECV-20240429-11 - Oakwood Outlook LLC.- Failure to Report Groundwater Production CY2023 for Well - GW-000720 - Resolved
9. ECV-20240429-12 - Jose G. Celedon - Failure to Report Groundwater Production CY2023 for Well - NW-000750 - Resolved
10. ECV-20240429-15 - James R. Cook - Failure to Report Groundwater Production CY2023 for Well - NW-001343 – Resolved

**Board Action:** None.

### **3.3 – Enforcement Hearing re ECV-20240429-02**

**Meeting Discussion:** Mr. Andruss explained on April 19, 2024, the Board passed a motion to:

1. find that the well owner as of December 31, 2023, (Registered Well Owner: LS Tavern LLC.; VCAD Landowner: LS Tavern LLC.) violated RULE 4.2: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District related to well GW-001009 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;

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3. set a \$100.00 penalty for the violation per RULE 11.5: Rule Enforcement of the Rules of the District; and
4. offer to settle the violation if (Registered Well Owner: LS Tavern LLC.; VCAD Landowner: LS Tavern LLC.) consents to the following conditions:
  1. acknowledges the violation by June 30, 2024;
  2. pays a settlement fee of \$0.00 by June 30, 2024; and
  3. submits a administratively complete groundwater production report for calendar year 2023 by June 30, 2024.

In response to the action taken by the Board, staff recorded violation Enforcement Case Violation - ECV-20240429-02 - LS Tavern LLC. - Failure to Report Groundwater Production CY2023 for Well - GW-001009 - Active

On May 3, 2024, staff attempted to provide notice of violation ECV-20240429-02 to LS-Tavern by certified mail (CMRRR 7022 1670 0003 4383 1485).

On June 3, 2024, staff attempted to provide notice of violation ECV-20240429-02 to LS-Tavern by certified mail (CMRRR 7022 1670 0003 4383 1942).

On June 6, 2024, staff hand delivered notice of violation ECV-20240429-02 to employee with LS-Tavern.

On June 27, 2024, Mr. Charles Hauboldt provided the following response to the district regarding the 2nd NOV Letter for violation ECV-20240429-02.

On July 1, 2024, the staff attempted to provide notice of this enforcement hearing and staff's intent to seek authorization to pursue enforcement of the rules by filing a civil suit against LS-Tavern at the next regularly scheduled meeting of the board of directors to LS-Tavern by certified mail (CMRRR 7022 1670 0003 4383 2093).

On July 1, 2024, Mr. Eddie Deckard provided the following response to the district regarding the 2nd NOV Letter for violation ECV-20240429-02.

On July 2, 2024, staff of the district processed groundwater production report for CY2023.

As of July 8, 2024, the violator has satisfied each element of the settlement offers extended by the Board of Directors regarding this violation albeit not by the deadline of June 30, 2024.

**Board Action:** Mr. Eller moved to cancel the enforcement hearing regarding violation ECV-20240429-02 and designate the violation resolved. Mr. Clements seconded the motion. The motion passed unanimously.

## 3.4 – Enforcement Hearing re ECV-20240429-03

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**Management Discussion:** Mr. Andruss explained on April 19, 2024, the Board passed a motion to:

1. find that the well owner as of December 31, 2023, (Registered Well Owner: Buhler-Telferner Partnership; VCAD Landowner: Buhler-Telferner Partnership) violated RULE 4.2: REPORTING REQUIREMENT RELATED TO NON-EXEMPT USE WELLS of the Rules of the District related to well(s) GW-001028, GW-001029 and GW-001030 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 11.5: Rule Enforcement of the Rules of the District; and
4. offer to settle the violation if (Registered Well Owner: Buhler-Telferner Partnership; VCAD Landowner: Buhler-Telferner Partnership) consents to the following conditions:
  1. acknowledges the violation by June 30, 2024;
  2. pays a settlement fee of \$0.00 by June 30, 2024; and
  3. submits a administratively complete groundwater production report for calendar year 2023 by June 30, 2024.

In response to the action taken by the Board, staff recorded violation Enforcement Case Violation - ECV-20240429-03 - Buhler-Telferner Partnership - Failure to Report Groundwater Production CY2023 for Well(s) - GW-001028, GW-001029 and GW-001030 - Active

On May 3, 2024, staff attempted to provide notice of violation ECV-20240429-03 to Buhler-Telferner Partnership by certified mail (CMRRR 7022 1670 0003 4383 1492).

On June 3, 2024, staff attempted to provide notice of violation ECV-20240429-02 to LS-Tavern by certified mail (CMRRR 7022 1670 0003 4383 1959).

On June 6, 2024, staff attempted to hand delivered notice of violation ECV-20240429-03.

On July 1, 2024, the staff attempted to provide notice of this enforcement hearing and staff's intent to seek authorization to pursue enforcement of the rules by filing a civil suit against Buhler-Telferner Partnership at the next regularly scheduled meeting of the board of directors to Buhler-Telferner Partnership by certified mail (CMRRR 7022 1670 0003 4383 2109).

As of July 8, 2024, the violator has satisfied each element of the settlement offers extended by the Board of Directors.



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**Board Action:** Mr. Eller moved to cancel the hearing regarding violation ECV-20240429-03. Mr. Clements seconded the motion. The motion passed unanimously.

## 3.5 – Enforcement Hearing re ECV-20240429-04

**Meeting Discussion:** Mr. Andruss explained on April 19, 2024, the Board of Directors of the District approved the following settlement offer for the violation. The Board of Directors of the Victoria County Groundwater Conservation District offers to settle violation ECV-20240429-04 if (Registered Well Owner: Smity's Food Mart; VCAD Landowner: Inez Convenience Services LLC.) consents to the following:

1. find that the well owner as of December 31, 2023, (Registered Well Owner: Smity's Food Mart; VCAD Landowner: Inez Convenience Services LLC.) violated RULE 4.2: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District related to well GW-001065 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 11.5: Rule Enforcement of the Rules of the District; and
4. offer to settle the violation if (Registered Well Owner: Smity's Food Mart; VCAD Landowner: Inez Convenience Services LLC.) consents to the following conditions:
  1. acknowledges the violation by June 30, 2024;
  2. pays a settlement fee of \$0.00 by June 30, 2024; and
  3. submits a administratively complete groundwater production report for calendar year 2023 by June 30, 2024.

On June 28, 2024, the violator has satisfied each element of the settlement offers extended by the Board of Directors regarding this violation albeit after the staff had posted the enforcement case notice. Staff designated violation ECV-20240429-04 resolved.

**Board Action:** Mr. Eller moved to cancel the enforcement hearing regarding violation ECV-20240429-04. Mr. Clements seconded the motion. The motion passed unanimously.

## 3.6 – Enforcement Hearing re ECV-20240429-09

**Meeting Discussion:** Mr. Andruss explained on April 19, 2024, the Board passed a motion to:

1. find that the well owner as of December 31, 2023, (Registered Well Owner: Central States Water Resources Texas; VCAD Landowner: CSWR-Texas Utility Operating Company LLC.) violated RULE 4.2: REPORTING

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REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District related to well(s) GW-000984 and GW-001055 unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;

2. authorize the General Manager to initiate an enforcement case regarding the violation;

3. set a \$250.00 penalty for the violation per RULE 11.5: Rule Enforcement of the Rules of the District; and

4. offer to settle the violation if (Registered Well Owner: Central States Water Resources Texas; VCAD Landowner: CSWR-Texas Utility Operating Company LLC.) consents to the following conditions:

1. acknowledges the violation by June 30, 2024;

2. pays a settlement fee of \$20.00 by June 30, 2024; and

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

In response to the action taken by the Board, staff recorded violation Enforcement Case Violation - ECV-20240429-09 - CSWR-Texas Utility Operating Company LLC. - Failure to Report Groundwater Production CY2023 for Well - GW-000984 and GW-001055 - Active

On May 3, 2024, staff attempted to provide notice of violation ECV-20240429-09 to CSWR-Texas Utility Operating Company by certified mail (CMRRR 7022 1670 0003 4383 1553).

On May 13, 2024, Mr. Ben Glyn provided the following response to the district regarding the 1st NOV Letter for violation ECV-20240429-09.

On June 3, 2024, staff attempted to provide notice of violation ECV-20240429-09 to CSWR-Texas Utility Operating Company by certified mail (CMRRR 7022 1670 0003 4383 2017).

On June 6, 2024, staff attempted to hand delivered notice of violation ECV-20240429-09.

On July 1, 2024, the staff attempted to provide notice of this enforcement hearing and staff's intent to seek authorization to pursue enforcement of the rules by filing a civil suit against CSWR-Texas Utility Operating Company at the next regularly scheduled meeting of the board of directors to CSWR-Texas Utility Operating Company by certified mail (CMRRR 7022 1670 0003 4383 2123).

As of July 8, 2024, the violator has satisfied each element of the settlement offers extended by the Board of Directors.

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**Board Action:** Mr. Eller moved to open and record the enforcement hearing regarding violation ECV-20240429-09. Mr. Clements seconded the motion. The motion passed unanimously.

1. Date and time the hearing was opened: July 19, 2024 at 9:28 AM
2. Enforcement case ID: ECV-20240429-09
3. Alleged violator: CSWR
4. Alleged violation: Rule 4.2
5. General Manager was sworn in

Mr. Clements moved to recess the enforcement hearing after no public comments were given. Mr. Eller seconded the motion. The motion passed unanimously.

## **3.7 – Enforcement Hearing re ECV-20240429-13**

**Meeting Discussion:** Mr. Andruss explained on April 19, 2024, the Board passed a motion to:

1. find that the well owner as of December 31, 2023, (Registered Well Owner: RSBR Investments LLC.; VCAD Landowner: Freedom Ventures of Victoria LLC.) violated RULE 4.2: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District related to well NW-000824 unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;
2. authorize the General Manager to initiate an enforcement case regarding the violation;
3. set a \$250.00 penalty for the violation per RULE 11.5: Rule Enforcement of the Rules of the District; and
4. offer to settle the violation if (Registered Well Owner: RSBR Investments LLC.; VCAD Landowner: Freedom Ventures of Victoria LLC.) consents to the following conditions:
  1. acknowledges the violation by June 30, 2024;
  2. pays a settlement fee of \$20.00 by June 30, 2024; and
  3. submits a administratively complete groundwater production report for calendar year 2023 by June 30, 2024.

In response to the action taken by the Board, staff recorded violation Enforcement Case Violation - ECV-20240429-13 - RSBR Investments LLC. - Failure to Report Groundwater Production CY2023 for Well - NW-000824 - Active

On May 3, 2024, staff attempted to provide notice of violation ECV-20240429-13 to RSBR Investments LLC. by certified mail (CMRRR 7022 1670 0003 4383 1591).

On June 3, 2024, staff attempted to provide notice of violation ECV-20240429-13 to RSBR Investments LLC. by certified mail (CMRRR 7022 1670 0003 4383 2031).

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On June 6, 2024, staff hand delivered notice of violation ECV-20240429-13 to the Manager of Dollar General located at FM 236 in Victoria County, Victoria Texas.

On July 1, 2024, the staff attempted to provide notice of this enforcement hearing and staff's intent to seek authorization to pursue enforcement of the rules by filing a civil suit against Freedom Ventures of Victoria at the next regularly scheduled meeting of the board of directors to Freedom Ventures of Victoria by certified mail (CMRRR 7022 1670 0003 4383 2147).

As of July 8, 2024, the violator has satisfied each element of the settlement offers extended by the Board of Directors.

**Board Action:** None.

## **3.8 – Enforcement Hearing re ECV-20240429-14**

**Meeting Discussion:** Mr. Andruss explained on April 19, 2024, the Board passed a motion to:

1. find that the well owner as of December 31, 2023, (Registered Well Owner: Millennium Estate Management LLC.; VCAD Landowner: VICTTEC LLC.) violated RULE 4.2: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District related to well NW-001296 unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;
2. authorize the General Manager to initiate an enforcement case regarding the violation;
3. set a \$250.00 penalty for the violation per RULE 11.5: Rule Enforcement of the Rules of the District; and
4. offer to settle the violation if (Registered Well Owner: Millennium Estate Management LLC.; VCAD Landowner: VICTTEC LLC.) consents to the following conditions:
  1. acknowledges the violation by June 30, 2024;
  2. pays a settlement fee of \$20.00 by June 30, 2024; and
  3. submits a administratively complete groundwater production report for calendar year 2023 by June 30, 2024.

In response to the action taken by the Board, staff recorded violation VCGCD - GMa - CIE - Enforcement Case Violation - ECV-20240429-14 - Millennium Estate Management LLC. - Failure to Report Groundwater Production CY2023 for Well - NW-001296 - Active

On May 3, 2024, staff attempted to provide notice of violation ECV-20240429-14 to Millennium Estates MGMT by certified mail (CMRRR 7022 1670 0003 4383 1607).

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On June 3, 2024, staff attempted to provide notice of violation ECV-20240429-14 to Millennium Estates MGMT by certified mail (CMRRR 7022 1670 0003 4383 2048).

On June 5, 2024, staff hand delivered notice of violation ECV-20240429-14 to employee with VICTTECH located at 182 Starship Rd. in Victoria County, Victoria Texas.

On June 27, 2024, Mr. Li provided the following response to the district regarding the 2nd NOV Letter for violation ECV-20240429-14.

On July 1, 2024, the staff attempted to provide notice of this enforcement hearing and staff's intent to seek authorization to pursue enforcement of the rules by filing a civil suit against VICTTECH at the next regularly scheduled meeting of the board of directors to VICTTECH by certified mail (CMRRR 7022 1670 0003 4383 2130).

As of July 11, 2024, the violator has satisfied each element of the settlement offers extended by the Board of Directors regarding this violation albeit not by the deadline of June 30, 2024.

**Board Action:** Mr. Eller moved to cancel the enforcement hearing regarding violation ECV-20240429-14 and designate the violation resolved. Mr. Clements seconded the motion. The motion passed unanimously.

## 3.9 – Violations ECV-20231105-03 and ECV-20231105-06 – CSWR

**Meeting Discussion:** Mr. Andruss explained on April 19, 2024, the Board of Directors issued Enforcement Order ECV-20231105-03 and Enforcement Order ECV-20231105-06.

On April 30, 2024, the enforcement orders and associated testimony packets were forwarded to Mr. Allison.

In May 2024, Mr. Ben Glynn, a representatives for CSWR, resumed communications with the District.

On June 21, 2024, Mr. Allison provided draft petitions regarding the violations.

On June 24, 2024, Ms. April Dobbins inquired regarding the outstanding information needed by the District regarding CSWR's applications for production permits.

On June 25, 2024, Mr. Allison agreed to transmit the draft petitions to CSWR.

On July 2, 2024, Ms. Dobbins inquired regarding the outstanding information needed by the District regarding CSWR's applications for production permits again.

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On July 8, 2024, staff responded to Ms. Dobbins' inquiry.

As of July 8, 2024, violations ECV-20231105-03 and ECV-20231105-06 remain unresolved.

**Board Action:** None.

## **3.10 – Violations ECV-20231105-04 and ECV-20231105-05 – 7-Eleven**

**Meeting Discussion:** Mr. Andruss explained on April 19, 2024, staff held a conference call with Mr. Tobias Smith, legal counsel for 7-Eleven, regarding violations ECV-20231105-04 and ECV-20231105-05. Mr. Smith committed to immediately providing an affidavit testifying to the extenuating circumstances that caused the delay in responding in a timely fashion to the settlement offers extended by the Board of Directors related to the violations.

In response to receiving the report regarding the conference call with Mr. Smith during the meeting held on April 19, 2024, the Board of Directors passed the following motion to 1) authorize the General Manager to approve permit SCPPW-20240401-01 and permit SCPPW-20240401-02, 2) assess a total penalty of \$2,500.00 for violation ECV-20231105-04 and violation ECV-20231105-05, and 3) designate the violations resolved contingent upon the violator submitting check for payment of the total penalty amount and the executed production permit (permit SCPPW-20240401-01 and permit SCPPW-20240401-02) to the district on or before May 19, 2024.

On May 13, 2024, Mr. Smith submitted the affidavit testifying to the extenuating circumstances that caused the delay in responding in a timely fashion to the settlement offers extended by the Board of Directors related to the violations.

On May 13, 2024, Mr. Andruss forwarded the message and affidavit submitted by Mr. Smith to Mr. Allison for review and comment.

On June 18, 2024, Mr. Andruss notified Mr. Smith of the action taken by the Board on April 19, 2024, and suggest 7-Eleven submit a check for payment of the \$2,500.00 penalty and the executed permits by July 12, 2024.

On July 2, 2024, in response to Mr. Allison's inquiry, Mr. Andruss explained that "7-Eleven has not 1) submitted a check for payment of the total penalty amount, nor 2) submitted the executed production permits to the district on or before May 19, 2024. Other than satisfying the deadline, the settlement offer of the board could be met with the payment of the penalty and submittal of the executed production permits."

On July 2, 2024, Mr. Allison notified Mr. Andruss that he would "submit a settlement agreement for their signature to be returned with the signed permits and \$2500. "

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As of July 8, 2024, violations ECV-20231105-04 and ECV-20231105-05 remain unresolved.

**Board Action:** Mr. Clements moved to designate violations ECV-20231105-04 and ECV-20231105-05 resolved upon receipt of payment. Mr. Eller seconded the motion. The motion passed unanimously.

## **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 provided the following report:

#### **Regarding Well Inspections for FY2024.**

As of July 9, 2024, staff had recorded 33 well inspection forms (WIFs) since October 1, 2023.

#### **Regarding Manage Investigations related to Groundwater Protection for FY2024.**

On or about June 21, 2024, staff of the district attempted to assist a member of the public wanting to request the district investigate illegal dumping of waste in surface water bodies in Victoria. The man, who had visited the office on several other occasions regarding other alleged violations, became irate and angry with staff, in particular Mr. Andruss due to his continued insistence that the man complete either a complaint form or an application to request an investigation to record the details of the alleged violation. The man left the office frustrated that Mr. Andruss would not accept or act upon his verbal allegation and without providing any meaningful details or evidence of the alleged violation.

The board of the district has not adopted a formal policy regarding investigations. However, management has developed, published (see: <https://www.vcgcd.org/groundwater-protection>), and used forms to receive requests for the public to request an investigation or submit a complaint. Unless the board of directors instructs otherwise, management will continue to employ the use of the complaint form and application to request an investigation for the purpose of accepting requests from the public to investigate alleged violations.

As of July 9, 2024, staff had initiated 0 investigations related to Groundwater Protection since October 1, 2023.

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As of July 9, 2024, staff had 2 active investigation related to Groundwater Protection.

## **Regarding Manage Enforcement Cases related to Groundwater Protection for FY2024.**

As of July 9, 2024, the Board had initiated 0 enforcement case violations related to Groundwater Protection since October 1, 2023.

As of July 9, 2024, staff had 0 unresolved enforcement case violations related to Groundwater Protection.

**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 provided the following report:

#### **Regarding Monitor Drought Conditions for FY2024.**

As of July 9, 2024, the U.S. Drought Monitor indicates that 0% of Victoria County was experiencing drought conditions.

As of July 9, 2024, drought condition information related to the district and the surrounding region of Texas collected from the Water Data for Texas website (<https://www.waterdatafortexas.org/drought/>) indicates that no portion of Victoria County are experiencing abnormally dry conditions or drought conditions.

#### **Regarding Synoptic Aquifer Monitoring for FY2024.**

As of July 9, 2024, staff had collected 34 water level measurements since October 1, 2023.

#### **Regarding Advanced Aquifer Monitoring for FY2024.**

On June 6, 2024, staff published real-time aquifer monitoring charts on the website of the district at <https://www.vcgcd.org/real-time-aquifer-monitoring-charts>. The charts display groundwater levels and groundwater conductivity measurements from well NW-000426. On April 15, 2024, staff ordered the equipment for an additional monitoring well for the pilot project for the WellIntel System. On June 19, 2024, staff inventoried the equipment ordered and received with WellIntell. Staff anticipates the installation of the equipment at the monitoring well before August 1, 2024.

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## **Regarding Baseline Water Quality Aquifer Monitoring for FY2024.**

No report.

## **Regarding Ad-Hoc Baseline Water Quality Sampling for FY2024.**

As of July 9, 2024, staff had collected 3 water quality field measurements since October 1, 2023.

As of July 9, 2024, staff had collected 2 water quality samples since October 1, 2023.

As of July 9, 2024, staff had received 1 water quality lab reports since October 1, 2023.

## **Regarding Annual Water Level Assessment for FY2024.**

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

## **Regarding Annual Water Quality Assessment for FY2024.**

No report.

## **Regarding Monitoring Network Assessment and Improvement Project for FY2024.**

No report.

## **Regarding Synoptic Aquifer Monitoring for PVGCD for FY2024.**

As of July 9, 2024, staff had collected 29 water level measurements for Pecan Valley GCD since October 1, 2023.

**Board Action:** None.

## **5.1 – Intera Proposal for Update of Water Level Assessment Report**

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

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

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

## 6. Consideration of and possible action on matters related to groundwater conservation.

### 6.0 – Report regarding Groundwater Conservation

**Meeting Discussion:** Mr. Andruss provided the following reports:

#### Regarding Promote Conservation for FY2024.

On March 22, 2024, Mr. Andruss participated in the Chandler Elementary Career Day and presented information and demonstrations regarding groundwater conservation to students.

On April 29, 2024, Director Eller and Mr. Andruss attended the meeting of Kiwanis Club of Victoria to speak about goals and objectives of the district (including groundwater conservation) and the status of groundwater resource management in Victoria County and Texas.

#### Regarding Conservation Education and Teacher Professional Development for FY2024.

The district did not participate in the professional development mini-conference organized by VISD as the teachers scheduled to participate were also registered to be participants in the teacher professional development workshops hosted by UHV, VISD/INVISTA Wetland, and VCGCD in June 2024. The classroom aquifer kits purchase for the mini-conference were used as part of the teacher professional development workshops.

The district, in cooperation with the University of Houston-Victoria, Victoria ISD, and INVISTA, conducted teacher professional develop workshops on June 26 and June 27, 2024.

**Board Action:** None.

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## 6.1 – Conservation Education and Teacher Professional Development

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

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

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

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

**Board Action:** None.

## 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 provided the following report:

#### **Regarding Regional Water Planning Participation for FY2024.**

The South Central Texas Regional Water Planning Group (Region L) met on May 2, 2024. During the meeting, the planning group continued its efforts to develop the 2026 regional water plan for the region, considered a proposed amendment to the 2021 SCTRWPG regional plan to add GBRA's planned pipeline from Calhoun County to Gonzales County. During the meeting the planning group members elected new officers.

The planning group has created several workgroups to work on certain aspects of the developing plan including a Policy and Legislative Recommendation Workgroup

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and a Rural Community Outreach Workgroup. Staff of the district have been participating in those workgroups.

The next meeting of the group is scheduled to meet on August 1, 2024.

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

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

**Board Action:** None.

## **7.1 – GMA 15 Joint Planning**

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

Staff resumed efforts to negotiate terms of an agreement with Intera for providing the proposed technical services to the GMA-15 Committee because 1) the majority of the member districts of GMA 15 have adopted the by-laws and cost-sharing agreement, 2) the majority of the member district the GMA-15 Committee have submitted their contributions to the fund for the the technical services for the 4th cycle of joint planning, and 3) the TWDB agreed to allow the use of the "GAM for the central portion of the Gulf Coast Aquifer System" by GMA 15.

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

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

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

Additional contributions could be available for additional GAM simulations, updates to historic pumping in the CGC-GAM, improvements to the explanatory report, or addendums to the GMA 15 explanatory report. Additional predictive simulations with pumping simulated 1) at total permitted production (99,163.10 acre-feet in Victoria County) and 2) deep saline production scenarios (e.g., 20,000 AFY of slightly saline groundwater in deep-saline management zones, 15,000 AFY of moderately saline groundwater in deep-saline management zones).

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

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

### 8.0 – Report regarding Groundwater Policy

**Meeting Discussion:** Mr. Andruss provided the following report:

#### Regarding Management Plan Revisions for FY2024.

No report.

#### Regarding Rule Amendments for FY2024.

Staff have developed draft revisions to the rules of the district to address the following aspects of the rules of the district:

1. appropriate requirements and procedures related to amendment requests of waivers associated with production permits,
2. appropriate requirements and procedures related to amendment requests of production permits, and
3. appropriate requirements and procedures regarding renewal and expiration of production permits associated with proposed wells.

#### Regarding Legislative Support and Lobbying for FY2024.

No report.

**Board Action:** None.

### 8.1 – Proposed Rule Revisions

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**Meeting Discussion:** Mr. Andruss explained on April 19, 2024, the Board of Directors was notified of several aspects of the rules of the district that would benefit from revision. Staff developed draft revision to address the concerns with the requirements and procedures related to 1) well spacing requirements, 2) amendment requests of production permits, 3) renewal and expiration of production permits associated with proposed wells, and 4) enforcement notice requirements.

## Well Spacing Issue:

Issue Description: applicants could request the renewal of a production permit for non-historic uses (and possibly applicants for production permits for non-historic uses related to an existing non-grandfathered well) for which:

1. the boundary of ownership or control of groundwater resources associated with the request is closer than 1 foot per GPM of separation from the nearest point along the boundary of the subject boundary of ownership of land,
2. the request is compliant with the rules of the district, but
3. the request is inconsistent with the long-standing policy of the board requiring 1 foot of separation per 1 GPM of production rate of a well.

The rules of the district only address production rates and spacing limitations, under item 2 of RULE 2.2: WELL SPACING REQUIREMENTS OF WELLS, with the following provision: "A person drilling or having drilled a non-grandfathered well or a replacement well for a non-grandfathered well that is not a deep-saline well shall locate the non-grandfathered well in a position that is offset from the boundary of the subject tracts of contiguous ownership of land by at least one foot (1 foot) of separation per one gallon per minute of production capacity of the non-grandfathered well."

Staff suggests that the Board of VCGCD consider the amendment of the rules of the district to include the following provisions:

- under RULE 2.2: WELL SPACING REQUIREMENTS OF WELLS:
  - A person shall not produce groundwater from a well for non-historic uses, except wells operated solely to produce groundwater under a production permit for deep-saline non-historic use, at a rate exceeding a ratio of one gallon per minute per foot (1 GPM / 1 foot) of separation between the well and the nearest point along the boundary of ownership of land containing with the well.
- under RULE 6.1.1: GROUNDWATER PRODUCTION LIMITATIONS OF NON-GRANDFATHERED NON-EXEMPT-USE WELLS:
  - The district shall limit the authorized groundwater production rate of a production permit for non-historic use of a non-exempt-use well, except wells operated solely to produce groundwater under a production permit for deep-saline non-historic use, to a rate not exceeding a ratio of one gallon per minute per foot (1 GPM / 1 foot) of separation between the well and the nearest point along the boundary of ownership of land containing the well.

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- under RULE 6.1.2: GROUNDWATER PRODUCTION LIMITATIONS OF NON- GRANDFATHERED NON-EXEMPT-USE WELLS FIELDS:

- The district shall limit the authorized groundwater production rate of a production permit for non-historic use for each well of a non-exempt-use well field, except wells operated solely to produce groundwater under a production permit for deep-saline non-historic use, to a rate not exceeding a ratio of one gallon per minute per foot (1 GPM / 1 foot) of separation between the well and the nearest point along the boundary of ownership of land containing the well.

- under RULE 6.1.3: GROUNDWATER PRODUCTION LIMITATIONS OF NON- GRANDFATHERED NON-EXEMPT-USE WELL SYSTEMS:

- The district shall limit the authorized groundwater production rate of a production permit for non-historic use for each well of a non-exempt-use well system, except wells operated solely to produce groundwater under a production permit for deep-saline non-historic use, to a rate not exceeding a ratio of one gallon per minute per foot (1 GPM / 1 foot) of separation between the well of the well system and the nearest point along the boundary of ownership of land containing the well.

## Permit and Waiver Amendment Issue:

Issue Description: The rules of the district lack explicit specification of the policies and procedures of the board regarding amendment requests for permits and waivers that are solely administrative in nature such as changes to name and address information as compared to amendment requests for permits and waivers that are substantive such as changes to production areas, monitoring and reporting requirements, and production amounts and rates.

Issue Description: The rules of the district fail to address how, if at all, a production permit approved for a proposed well is eligible for renewal potentially creating the unintended consequence of perpetual renewal of speculative production permits.

Staff suggests that the Board of VCGCD consider the amendment of the rules of the district to include the following provisions:

- under RULE 4.4: GENERAL PROCEDURES RELATED TO RENEWAL AND AMENDMENT OF PERMITS:

- The board of directors shall consider administratively complete applications to amend a permit or waiver requested by the well owner, authorized agent, or the authorized operator of a permit or waiver that involve the substantive provisions of the related permit or waiver such as production rates, production amounts, purposes of use, or conditions of the permit.

- The general manager may process and issue amendments to permits and waivers associated with administratively complete applications to amend a permit requested by the well owner,

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authorized agent, or the authorized operator of a permit that are solely administrative in nature that do not involve the substantive provisions of the related permits or waivers such as production rates, production amounts, purposes of use, or conditions of the permit.

- under RULE 4.4: GENERAL PROCEDURES RELATED TO RENEWAL AND AMENDMENT OF PERMITS:

- The district shall not renew a permit associated with a proposed well.

## Enforcement Notice Issue:

Issue Description: in the course of pursuing compliance with the rules of the district through enforcement proceedings, staff have identified a procedural inconsistency related to certain notices provided to violators - the requirement to "include a draft copy of the petition to be filed."

Staff suggests removing item 2 of Rule 11.9 which reads "Any notice of need to file suit sent to the person who is alleged to have violated the rules of the district shall include a draft copy of the petition to be filed."

On July 12, 2024, Tim Andruss identified another aspect of the rules that may warrant revision. Rule 4.4 states the following:

1. The district shall not renew a permit that has expired before an administratively complete application requesting the renewal of the permit has been submitted to the district.
2. The well owner, authorized agent, or the authorized operator of a permit shall submit an application requesting the renewal of the permit at least ninety days (90 days) prior to the permit expiration date.

Upon reflection on the requirements associated with permit renewals and the past practices, staff proposes a revision to item 2 of Rule 4.4 as follows:

*The well owner, authorized agent, or the authorized operator of a permit shall submit an administratively complete application requesting the renewal of the permit at least ninety days (90 days) prior to the permit expiration date.*

**Board Action:** Mr. Eller moved to 1) designate the draft revisions developed by staff, including the proposed revision to item 2 of Rule 4.4, as the proposed rules of the district, 2) authorize the General Manager to complete the public notice requirements to hold a rulemaking hearing at the October 2024 meeting of the Board of Directors. Mr. Clements seconded the motion. The motion passed unanimously.

## **9. Consideration of and possible action on matters related to administration and management including the minutes of previous meetings, the annual budget of the district, financial reports of the district, bills and invoices of the district,**

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management goals and objectives of the district, administrative policies, staffing, consultant agreements, interlocal cooperation agreements, and support services provided to and from other groundwater conservation districts.

## 9.0 – Report regarding Administration and Management

**Meeting Discussion:** Mr. Andruss provided the following report:

### **Regarding Employment Management for FY2024.**

No report.

### **Regarding Employee Health Benefits Enrollment.**

No report.

### **Regarding Employee Retirement Plan Review.**

On June 25, 2024, staff reviewed the employee retirement plan with TCDRS. The district has no unfunded liability and therefore the required funding rate did not increase. The proposed budget for FY2025 will be developed using the current contribution rate.

### **Regarding Election Coordination for CY2024.**

On June 28, 2024, staff posted the Notice of Candidate Filing Deadline on the website of the district at <https://www.vcgcd.org/election-notices>.

### **Regarding Financial Audit for FY2023.**

No report.

### **Regarding Investment Management for FY2024.**

No report.

### **Regarding Financial Record Processing and Reporting for FY2024.**

No Report.

### **Regarding Budget Development for FY2025.**

Staff will develop and present preliminary budget information to the Board on July 19, 2024.

### **Regarding Asset Tracking for FY2024.**

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No report.

## **Regarding Public Funds Training for FY2024.**

No report.

## **Regarding Website Improvements.**

On June 6, 2024, staff published real-time aquifer monitoring charts on the website of the district at <https://www.vcgcd.org/real-time-aquifer-monitoring-charts>.

## **Regarding GIS Data Quality Control.**

No report.

## **Regarding Public Notice and Meeting Coordination for FY2024.**

The next meetings of the Board are scheduled for **August 16, 2024** (Budget and Tax Rate Matters), and **October 18, 2024**, with each meeting to convene at 9:00 AM. Regular meetings will be rescheduled as necessary and special meeting may be scheduled to address unforeseen issues.

## **Regarding Public Notice and GMA 15 Meeting Coordination for FY2024.**

the next meeting of GMA 15, scheduled for October 10, 2024, will be held at the office building of the Fayette County GCD.

## **Regarding Performance Audit for FY2023.**

No report.

## **Regarding Project Management for FY2024.**

No report.

## **Regarding Administrative Policy Review for FY2024.**

No report.

## **Regarding Transparency Reporting for FY2024.**

No report.

## **Regarding Cybersecurity Training for FY2024.**

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No report.

## **Regarding Consultant Review for FY2024.**

No report.

## **Regarding Open Government Training for FY2024.**

No report.

## **Regarding District Liability Insurance Review and Renewal.**

No report.

## **Regarding Emergency Management Training for FY2024.**

No report.

## **Regarding GCD Support for FY2024.**

No report

## **Regarding Digital Record Archiving for FY2024.**

Staff continue to create digital archives for the records of the district.

## **Regarding Physical Record Archiving for FY2024.**

Staff continue to create physical archives for select records of the district.

**Board Action:** None.

## **9.1 – Minutes of Previous Meeting**

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

**Board Action:** Mr. Clements moved to accept and approve the meeting minutes for April 19, 2024. Mr. Eller seconded the motion. The motion passed unanimously.

## **9.2 – Financial Reports of the District**

**Meeting Discussion:** Mr. Andruss explained the internal control review reports and internal financial reports for March, April and May 2024, have been compiled, reviewed and forwarded to the directors prior to the meeting.

# Victoria County Groundwater Conservation District

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

## 9.2.1 – Financial Transaction Review

**Meeting Discussion:** Mr. Andruss explained since April 20, 2024, as of July 5, 2024, there have been 80 accounts payable transactions and 52 accounts receivable transactions recorded.

**Board Action:** None.

## 9.3 – Investments of the District

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

**Board Action:** Mr. Clements moved to approve and accept the investment reports for March, April and May 2024. Mr. Eller seconded the motion. The motion passed unanimously.

## 9.4 – Unpaid Accounts Payable

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

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

1. ACCTP-20240719-01 - \$2,526.00 – Allison, Bass & Magee, LLP
2. ACCTP-20240719-02 - \$270.00 – Allison, Bass & Magee, LLP
3. ACCTP-20240719-03 - \$747.05 – Tim Andruss – Travel

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

## 9.5 – Annual Performance Report of the District

**Meeting Discussion:** Mr. Andruss explained on May 9, 2024, management compiled the annual performance report for the fiscal year ending September 30, 2023. Based on the review of the activities and projects of the Victoria County Groundwater Conservation District between October 1, 2022, and September 30, 2023, and an assessment of the performance standards, management has determined that all goals and associated objectives established within the Management Plan of the District have been fully achieved during the fiscal year ending September 30, 2023.

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The general manager acknowledged that the report was presented later than it should be and future reports would be submitted in the appropriate timeframe.

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

## 9.6 – Financial Audit for FY2023

**Meeting Discussion:** Mr. Andruss explained on October 20, 2023, the Board accepted the offer of Goldman, Hunt and Notz, LLP to perform the financial audit for the fiscal year ending September 30, 2023, and authorize the firm to begin the audit upon development of the internal financial reports for September 30, 2023.

Mr. Goldman was present and gave his report.

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

## 9.7 – Services Provided to Other GCDs

**Meeting Discussion:** Mr. Andruss explained the interlocal cooperation agreement between the District and Calhoun County GCD, Refugio GCD, Texana GCD will automatically extend for 1 year on September 30, 2024 unless either of the parties to an agreement provides at least a 60 day notice of their intent to not renew the agreement to the other party. The district must provide notice by August 1, 2024 to cooperating districts to prevent the automatic renewal of the agreement.

On April 19, 2024, the board instructed staff to develop administrative options for providing services to cooperating GCDs in the future in response to concerns raised by management regarding performance.

While many variables can be considered and addressed to suit the preferences of Board and the cooperating districts, three main options regarding support provided to cooperating districts have been developed with a focus on the budgetary aspects of each option from the perspective of the VCGCD:

- Termination of Support to Cooperating Districts
  - Goal: cooperating district self-sufficiency and independence from the VCGCD by staffing the cooperating districts for FY2025.
- Short-Term Transition to Independent GCDs
  - Goal: cooperating district self-sufficiency and independence from the VCGCD by staffing the cooperating districts and reducing VCGCD staffing during a 2-year period.
- Long-Term Cooperation of GCDs

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- Goal: improvement of performance of VCGCD staff in providing services to the boards of the VCGCD and cooperating district by increasing VCGCD staffing to 7 full-time employees at a consolidated office for at least a 5-year period.

The budgetary summaries for option 2 and 3 were developed on the presumption that all cooperating district would agree to the arrangement if proposed by the VCGCD.

**Board Action:** Mr. Eller moved to instruct the general manager to inform the other Districts that VCGCD will withdraw the current interlocal agreement and prepare the new 5-year agreement to be presented. Mr. Clements seconded the motion. The motion passed unanimously.

## 9.8 – Preliminary Budget Information for FY2025

**Meeting Discussion:** Mr. Andruss explained that staff will develop and present a budget for the fiscal year ending September 30, 2025, at the meeting scheduled for August 16, 2024, that attempts to fund the operations of the District in a manner that provides for 1) the accomplishment of the management plan goals and objectives and 2) the completion of certain projects and tasks associated with the administration of the district, groundwater conservation, groundwater management and permitting, groundwater monitoring, groundwater policy development, groundwater protection, groundwater research, and groundwater resource planning, and 3) the avoidance of a budget deficit in Fiscal Year 2024-2025.

Staff will develop the proposed budget anticipating the continued cooperation with and support of the cooperating district in accordance with guidance provided by the board under Matter For Consideration - MFC-20240719-9.7 - Services Provided to Other GCDs.

The anticipated balance of the Operating Fund at the end of the fiscal year is \$341,562. The anticipated balance of the Reserve Fund at the end of the fiscal year is \$2,088,904. The GMA 15 Joint Planning Fund anticipated at the end of the fiscal year is \$70,832.

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

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

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# Victoria County Groundwater Conservation District

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

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

## 9.9 – Cyber Liability and Data Breach Response Coverage

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

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

## 10. Consideration of and possible action on matters related to legal counsel report.

### 10.0 – Legal Counsel Report

**Meeting Discussion:** Mr. Allison provided a verbal report regarding legal matters.

**Board Action:** None.

## 11. Adjourn.

### 11.0 – Adjourn Meeting

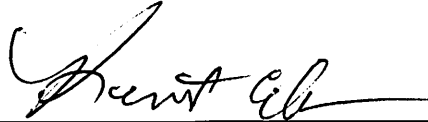
**Meeting Discussion:** None.

**Board Action:** Mr. Eller moved to adjourn the meeting at 11:20 AM after concluding all business of the District. Mr. Clements seconded the motion. The motion passed unanimously.

# Victoria County Groundwater Conservation District

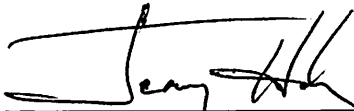
THE ABOVE AND FOREGOING MINUTES WERE READ AND APPROVED ON THIS

THE 18 DAY OF October A.D. 2024.



\_\_\_\_\_  
Director of the Victoria County Groundwater Conservation District

ATTEST:



\_\_\_\_\_  
Director of the Victoria County Groundwater Conservation District