

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 October 20, 2023, at 9:00 AM.

Meeting Attendance:

Precinct 1:	Mr. Jerry Hroch, Vice President	Present
Precinct 2:	Mr. Thurman Clements, Jr., Director	Present
Precinct 3:	Mrs. Barbara Dietzel, Secretary	Present
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	Absent

Agenda Items -

1. Call the meeting to order and welcome guests.

Meeting Discussion: Mr. Meek called the meeting to order at 9:00 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 explained in FY2024, staff will continue efforts to investigate potential failures to obtain permits for the production of groundwater for non-exempt uses and assist those individuals with achieving voluntary compliance. In an attempt to systematically approach the problem, staff will conduct "windshield surveys" throughout the county to identify potential violations.

As of October 18, 2023, staff had received 182 well registration applications (ARWs) since October 1, 2022.

2805 N. Navarro St. Suite 210, Victoria, TX 77901, Phone (361) 579-6863, FAX (361) 579-0041
VCGCD Minutes – October 20, 2023 | Page 1 of 19

Victoria County Groundwater Conservation District

As of October 18, 2023, staff had initiated 169 permitting request cases (PRCs) since October 1, 2022.

As of October 17, 2023, staff had 22 permitting request cases pending.

As of October 18, 2023, staff had processed 230 groundwater production reports since October 1, 2022.

As of October 18, 2023, staff had initiated 9 investigations related to groundwater management (i.e., permitting) since October 1, 2022.

As of October 18, 2023, staff had 1 active investigation related to groundwater management (i.e., permitting).

As of October 18, 2023, the Board had initiated 24 enforcement case violations related to groundwater management (i.e., permitting) since October 1, 2022.

As of October 18, 2023, staff had 0 unresolved enforcement cases related to groundwater management (i.e., permitting).

Board Action: None.

3.1 – Investigation related to Failures to Obtain Production Permits

Meeting Discussion: Mr. Andruss explained on October 12, 2022, staff initiated an investigation to gather information regarding active utilities within Victoria County that obtain water from groundwater-based public water systems that do not have valid groundwater production permits issued by the District.

As of October 13, 2023, staff had an open investigation related to groundwater management associated with 9 entities that had not submitted administratively complete permitting applications. The entities are:

1. Devereux Foundation
2. Linden Hill Motel
3. Coletto Water
4. 7-Eleven Stores 36525
5. 7-Eleven Store 36551H
6. North Victoria Utilities
7. Dollar General Store 16658
8. The Barn
9. Smitty's Foodmart

The relevant provisions of the rules of the district associated with the investigations are:

- RULE 3.1: GENERAL POLICIES RELATED TO REGISTRATION OF WELLS, WELL FIELDS, AND WELL SYSTEMS

2805 N. Navarro St. Suite 210, Victoria, TX 77901, Phone (361) 579-6863, FAX (361) 579-0041
VCGCD Minutes – October 20, 2023 | Page 2 of 19

Victoria County Groundwater Conservation District

3. The well owner or authorized agent of a grandfathered non-exempt-use well within the boundary of the district shall apply for the registration of the grandfathered non-exempt-use well prior to operating the subject well for non-exempt use.

- RULE 4.1: GENERAL POLICIES RELATED TO PERMITS

15. No person shall operate a well to produce groundwater to be used for any purpose other than those uses defined as exempt use prior to obtaining a production permit from the district unless the subject well satisfies the definition of an original exempt-use grandfathered well or an original exempt-use non-grandfathered well.

- RULE 11.2: GENERAL POLICIES RELATED VIOLATIONS

5. Any person that produces groundwater from a well for non-exempt uses in any amount without a valid production permit authorizing the groundwater production violates the rules of the district.

6. Any person that produces groundwater from a well for non-exempt uses for any purpose of use not authorized by production permits associated with well violates the rules of the district.

10. Any person that engages in an activity that requires a permit from the district under the rules of the district prior to receiving such permit violates the rules of the district.

If the boards find that violations have occurred in the instances identified for Potential Failure to Obtain Production Permits and instruct staff to proceed with enforcement efforts, staff will:

- a) mail and attempt hand-delivery of 1st notice of violation and any approved settlement offer to the landowner associated with the appraisal district tax parcel by CMRRR and to the registered well owner by regular mail by November 1, 2023;
- b) mail and attempt hand-delivery of the 2nd notice of violation and any approved settlement offer to the landowner associated with the appraisal district tax parcel by CMRRR and to the registered well owner by regular mail by December 1, 2023,
- c) mail and attempt hand-delivery of the notice of need to file suit and any approved settlement offer to the landowner associated with the appraisal district tax parcel by CMRRR and to the registered well owner by regular mail by January 1, 2024,
- d) publish an enforcement hearing notice for any unresolved violations for the January 19, 2024 board meeting by January 3, 2024, and
- e) present any unresolved violations to the board at the January 19, 2024, meeting with a recommendation that board: 1) confirm the findings of violation and penalties and 2) referred to the violations to legal counsel for filing suit before the meeting scheduled for January 19, 2024.

Board Action: Mr. Clements moved to:

1. find that the Devereux Foundation violated RULE 4.1: GENERAL POLICIES RELATED TO PERMITS of the Rules of the District related to

2805 N. Navarro St. Suite 210, Victoria, TX 77901, Phone (361) 579-6863, FAX (361) 579-0041
VCGCD Minutes – October 20, 2023 | Page 3 of 19

Victoria County Groundwater Conservation District

water well(s) owned by the Devereux Foundation used to produce groundwater for public water system uses unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;

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

3. set a \$2,000.00 penalty to be paid by the Devereux Foundation for each violation per per Rule 11.10: Penalties of the Rules of the District as restricted under Section 36.102(e) of the Texas Water Code; and

4. offer to settle the violation without payment of the penalties if the Devereux Foundation consents to the following conditions by December 31, 2023:

1. acknowledges the violation by December 31, 2023;

2. pays a settlement fee of \$0.00 by December 31, 2023; and

3. submits a administratively complete production permit application to the District.

1. find that the Linden Hill Motel violated RULE 4.1: GENERAL POLICIES RELATED TO PERMITS of the Rules of the District related to water well(s) owned by the Linden Hill Motel used to produce groundwater for public water system uses unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;

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

3. set a \$2,000.00 penalty to be paid by the Linden Hill Motel for each violation per per Rule 11.10: Penalties of the Rules of the District as restricted under Section 36.102(e) of the Texas Water Code; and

4. offer to settle the violation without payment of the penalties if the Linden Hill Motel consents to the following conditions by December 31, 2023:

1. acknowledges the violation by December 31, 2023;

2. pays a settlement fee of \$0.00 by December 31, 2023; and

3. submits a administratively complete production permit application to the District.

1. find that the Coeto Water violated RULE 4.1: GENERAL POLICIES RELATED TO PERMITS of the Rules of the District related to water well(s) owned by the Coeto Water used to produce groundwater for public water system uses unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;

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

3. set a \$2,000.00 penalty to be paid by the Coeto Water for each violation per per Rule 11.10: Penalties of the Rules of the District as restricted under Section 36.102(e) of the Texas Water Code; and

4. offer to settle the violation without payment of the penalties if the Coeto Water consents to the following conditions by December 31, 2023:

1. acknowledges the violation by December 31, 2023;

2. pays a settlement fee of \$0.00 by December 31, 2023; and

Victoria County Groundwater Conservation District

3. submits a administratively complete production permit application to the District.

1. find that the 7-Eleven Store 36525 violated RULE 4.1: GENERAL POLICIES RELATED TO PERMITS of the Rules of the District related to water well(s) owned by the 7-Eleven Store 36525 used to produce groundwater for public water system uses unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;
2. authorize the General Manager to initiate an enforcement case regarding the violation;
3. set a \$2,000.00 penalty to be paid by the 7-Eleven Store 36525 for each violation per per Rule 11.10: Penalties of the Rules of the District as restricted under Section 36.102(e) of the Texas Water Code; and
4. offer to settle the violation without payment of the penalties if the 7-Eleven Store 36525 consents to the following conditions by December 31, 2023:
 1. acknowledges the violation by December 31, 2023;
 2. pays a settlement fee of \$0.00 by December 31, 2023; and
 3. submits a administratively complete production permit application to the District.

1. find that the 7-Eleven Store 36551H violated RULE 4.1: GENERAL POLICIES RELATED TO PERMITS of the Rules of the District related to water well(s) owned by the 7-Eleven Store 36551H used to produce groundwater for public water system uses unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;
2. authorize the General Manager to initiate an enforcement case regarding the violation;
3. set a \$2,000.00 penalty to be paid by the 7-Eleven Store 36551H for each violation per per Rule 11.10: Penalties of the Rules of the District as restricted under Section 36.102(e) of the Texas Water Code; and
4. offer to settle the violation without payment of the penalties if the 7-Eleven Store 36551H consents to the following conditions by December 31, 2023:
 1. acknowledges the violation by December 31, 2023;
 2. pays a settlement fee of \$0.00 by December 31, 2023; and
 3. submits a administratively complete production permit application to the District.

1. find that the North Victoria Utilities violated RULE 4.1: GENERAL POLICIES RELATED TO PERMITS of the Rules of the District related to water well(s) owned by the North Victoria Utilities used to produce groundwater for public water system uses unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;
2. authorize the General Manager to initiate an enforcement case regarding the violation;

Victoria County Groundwater Conservation District

3. set a \$2,000.00 penalty to be paid by the North Victoria Utilities for each violation per per Rule 11.10: Penalties of the Rules of the District as restricted under Section 36.102(e) of the Texas Water Code; and
4. offer to settle the violation without payment of the penalties if the North Victoria Utilities consents to the following conditions by December 31, 2023:
 1. acknowledges the violation by December 31, 2023;
 2. pays a settlement fee of \$0.00 by December 31, 2023; and
 3. submits a administratively complete production permit application to the District.

1. find that Dollar General Store 16658 violated RULE 4.1: GENERAL POLICIES RELATED TO PERMITS of the Rules of the District related to water well(s) owned by Dollar General Store 16658 used to produce groundwater for public water system uses unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;
2. authorize the General Manager to initiate an enforcement case regarding the violation;
3. set a \$2,000.00 penalty to be paid by Dollar General Store 16658 for each violation per per Rule 11.10: Penalties of the Rules of the District as restricted under Section 36.102(e) of the Texas Water Code; and
4. offer to settle the violation without payment of the penalties if Dollar General Store 16658 consents to the following conditions by December 31, 2023:
 1. acknowledges the violation by December 31, 2023;
 2. pays a settlement fee of \$0.00 by December 31, 2023; and
 3. submits a administratively complete production permit application to the District.

1. find that the The Barn violated RULE 4.1: GENERAL POLICIES RELATED TO PERMITS of the Rules of the District related to water well(s) owned by the The Barn used to produce groundwater for public water system uses unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;
2. authorize the General Manager to initiate an enforcement case regarding the violation;
3. set a \$2,000.00 penalty to be paid by the The Barn for each violation per per Rule 11.10: Penalties of the Rules of the District as restricted under Section 36.102(e) of the Texas Water Code; and
4. offer to settle the violation without payment of the penalties if the The Barn consents to the following conditions by December 31, 2023:
 1. acknowledges the violation by December 31, 2023;
 2. pays a settlement fee of \$0.00 by December 31, 2023; and
 3. submits a administratively complete production permit application to the District.

Victoria County Groundwater Conservation District

1. find that the Smitty's Foodmart violated RULE 4.1: GENERAL POLICIES RELATED TO PERMITS of the Rules of the District related to water well(s) owned by the Smitty's Foodmart used to produce groundwater for public water system uses unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;
2. authorize the General Manager to initiate an enforcement case regarding the violation;
3. set a \$2,000.00 penalty to be paid by the Smitty's Foodmart for each violation per per Rule 11.10: Penalties of the Rules of the District as restricted under Section 36.102(e) of the Texas Water Code; and
4. offer to settle the violation without payment of the penalties if the Smitty's Foodmart consents to the following conditions by December 31, 2023:
 1. acknowledges the violation by December 31, 2023;
 2. pays a settlement fee of \$0.00 by December 31, 2023; and
 3. submits a administratively complete production permit application to the District.

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 explained on October 25, 2023, staff will participate in a local emergency management training course titled Rail Car Incidents Response for Crude, Ethanol, and Other Flammable Liquids hosted by the Victoria Office of Emergency Management. This training will better prepare the District for responding to potential groundwater contamination events in the future such as the diesel spill at Dry Creek.

On September 15, 2023, the District received notice of a proposed expansion of the City of Victoria Landfill on FM 1686 in Victoria County.

As of October 18, 2023, staff had recorded 72 well inspection forms (WIFs) since October 1, 2022.

As of October 13, 2023, staff had initiated 0 investigations related to Groundwater Protection since October 1, 2022.

As of October 13, 2023, staff had 1 active investigation related to Groundwater Protection.

As of October 10, 2023, the Board had initiated 0 enforcement cases related to Groundwater Protection since October 1, 2022.

2805 N. Navarro St. Suite 210, Victoria, TX 77901, Phone (361) 579-6863, FAX (361) 579-0041
VCGCD Minutes – October 20, 2023 | Page 7 of 19

Victoria County Groundwater Conservation District

As of October 13, 2023, 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 explained as of October 18, 2023, the U.S. Drought Monitor (<https://www.drought.gov/states/texas/county/victoria>) indicates that 100% of Victoria County was experiencing extreme drought conditions.

As of October 18, 2023, 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 the entire area of Victoria County was experiencing extreme drought conditions.

As of October 18, 2023, staff had collected 60 water level measurements since October 1, 2022.

As of October 10, 2023, staff had collected 30 water quality field measurements since October 1, 2022.

As of October 10, 2023, staff had collected 7 water quality samples since October 1, 2022.

As of October 10, 2023, staff had received 5 water quality lab reports since October 1, 2022.

As of October 10, 2023, staff had been informed by Dr. Young of Intera that his firm had begun the analysis of CY2022 water levels using the geostatistical approach.

During FY2023, staff have attempted to improve the network of wells used to monitor aquifer conditions with the county. The district has attempted to contact owners of wells that had previously cooperated with the district on monitoring effort to regain access to those wells. In addition, staff have attempted to gain access to those wells identified by Dr. Young as preferred additions to the monitoring network. Staff have attempted to make contact via mail (53 letters), email messages, and phone calls. This effort resulted in a response from three well owner, one of which was Director Clements.

Board Action: None.

Victoria County Groundwater Conservation District

5.1 – Incentivizing Aquifer Monitoring Cooperation

Meeting Discussion: Mr. Andruss explained the purpose of the groundwater monitoring program is to facilitate the coordination of activities and tasks completed by staff, consultants, and contractors to evaluate the condition of the groundwater resources within the county.

The management plan of the district establishes the following objectives to be achieved through the implementation of the groundwater monitoring program:

Management Plan Goal 4 - Addressing Natural Resource Issues

Objective 1: Develop and maintain a program to monitor the water quality of at least twelve (12) water wells within the district per year.

Management Plan Goal 7 - Addressing the Desired Future Conditions

Objective 1: Develop and maintain a program to monitor the water level of at least twelve (12) water wells within the district per year.

Objective 2: Analyze aquifer monitoring information to evaluate achievement of the desired future conditions of the district based on information available during the fiscal year.

During FY2023, staff have attempted to improve the network of wells used to monitor aquifer conditions with the county. The district has attempted to contact owners of wells that had previously cooperated with the district on monitoring effort to regain access to those wells. In addition, staff have attempted to gain access to those wells identified by Dr. Young as preferred additions to the monitoring network. Staff have attempted to make contact via mail (53 letters), email messages, and phone calls. This effort resulted in a response from three well owner, one of which was Director Clements.

During FY2023, staff were able to collect only 6 water quality samples although only 3 of those samples resulted from the District's attempts to recruit new cooperators.

Board Action: Mr. Clements moved to authorize the General Manager to implement a project to incentivize cooperation with the district regarding aquifer monitoring limiting financial incentives to \$50.00 per monitoring event at a well and \$5,000.00 during the fiscal year. Mr. Eller 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 explained on September 11, 2023, the staff of the district reviewed and updated the webpage on website of the district related to promotion of groundwater conservation.

2805 N. Navarro St. Suite 210, Victoria, TX 77901, Phone (361) 579-6863, FAX (361) 579-0041
VCGCD Minutes – October 20, 2023 | Page 9 of 19

Victoria County Groundwater Conservation District

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

On May 10, 2023, the District awarded a \$1,000.00 sponsorship to Ms. Kaylee Armstrong of VISD for 141 4th and 5th grade students from Schorlemmer Elementary to participate in a field trip to Invista Victoria Plant Wetlands on September 7 and 8, 2023.

On May 23, 2023, the District awarded a \$1,000.00 sponsorship to Ms. Jennifer Wheeler of VISD for 75 5th grade students from Smith STEM Academy to participate in a field trip to Invista Victoria Plant Wetlands on September 14, 2023.

On May 24, 2023, the District received an application requesting \$337.50 sponsorship for 35 elementary students from Nursery Elementary School to participate in a field trip to Invista Victoria Plant Wetlands during September 20, 2023.

On June 1, 2023, the District awarded a \$871.52 sponsorship to Ms. Brook Miller of VISD for 132 elementary students from Torres Elementary School to participate in a field trip to Invista Victoria Plant Wetlands on September 28 and 29, 2023.

On October 16, 2023, the District received the report from Ms. Mills of Torres Elementary School regarding the trip to the Invista Victoria Plant Wetlands sponsored by the District. In the report, Ms. Mills expresses the schools "deepest gratitude for your generous sponsorship of our recent field trips." A total of 109 students participated in the field trip and "engaged in a series of activities aligned to the TEKS related to water conservation."

On October 18, 2023, the District received the summary report from Ms. Armstrong of Schorlemmer Elementary School.

With the adoption of the budget for FY2024, staff published a notice on the website of the district to inform entities wishing to seek sponsorship from the district of a project intended to promote water conservation, especially through rainwater harvesting or brush control within Refugio County, could submit an application for sponsorship.

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.

Victoria County Groundwater Conservation District

7.0 – Report regarding Groundwater Resource Planning

Meeting Discussion: Mr. Andruss explained representatives of the district participated in the meeting of the South Central Texas Regional Planning Group (Region L) held on August 3, 2023, to continue efforts to develop the 2026 Regional Water Plan. The next meeting of Region P is scheduled for November 2, 2023. At the meeting the group will begin the process of evaluating water management strategies to be included in the regional water plan. This effort will include review of existing strategies sponsored by City of Victoria for aquifer storage and recovery (ASR), City of Victoria the groundwater surface water exchange program, and GBRA's lower basin and mid basin projects.

Representatives of the district participated in the meeting of the representatives of Groundwater Management Area 15 on October 12, 2023 to continue joint planning efforts. During the meeting the members received a report from TWDB stating that the report comparing GAM pumping scenario processed using the previous GAM to the new GAM will be delivered in December 2023 and identified Intera as the preferred respondent the the RFP issued by the District on behalf of GMA 15. The next meeting of the representatives of Groundwater Management Area 15 is scheduled for January 11, 2024.

Board Action: None.

7.1 – Bank Account and Technical Consultant for Joint Planning

Meeting Discussion: Mr. Andruss explained on April 21, 2023, the board agreed to serve as the GMA 15 Administrator for the purposes of a) holding the GMA 15 Joint Planning Funds, b) soliciting proposals from qualified entities to provide technical services to GMA 15 to support the development and adoption of desired future conditions and associated explanatory report for the 4th Joint Planning Cycle, and c) negotiating terms of an agreement for consulting services from the preferred respondent(s) identified by the GMA-15 Committee Members.

On July 21, 2023, the board accepted and approved the the GMA 15 - By-Laws of the GMA-15 Committee - Rev 2023041, and the GMA 15 - Interlocal Agreement for Cost-Sharing - Rev 20230413a, by resolution, and the VCGCD - RFP for Technical Services for GMA 15 - 20230627, without revision.

The GMA 15 Interlocal Agreement for Cost-Sharing specifies that "All payments from a member district shall be made by January 9, 2024, by check addressed to the Treasurer of the GMA 15 Committee and shall be deposited in a separate bank account for the GMA-15 Committee Joint Planning Fund. The deposited funds shall be designated for the purposes described in this agreement. Professional consultants may be engaged even if one or more of the member districts have not paid the amounts provided in paragraph 3.01. The total amount to be paid to all

Victoria County Groundwater Conservation District

professional consultants shall be limited to the actual amount funded by member districts to the GMA-15 Committee Joint Planning Fund."

On August 1, 2023, the Victoria County GCD posted on its website the RFQ/RFP for Technical Services for GMA 15 soliciting detailed proposals from qualified parties (respondents) regarding their recommended approach to and qualifications for supporting the GMA-15 Committee (Committee) in its efforts to conduct all necessary and appropriate activities to develop and adopt desired future conditions (DFCs) for the relevant aquifers within Groundwater Management Area 15 (GMA 15) during the 4th Joint Planning Cycle.

On September 14, 2023, the District received the following submittal to the RFP/RFQ for Technical Services for GMA 15 from Intera, Inc.

The deadline for submitting a response to the solicitation was September 15, 2023, at 3:00 PM. The submittal from Intera, Inc. is considered responsive and is the only submittal received by the district.

On October 12, 2023, the representatives of GMA 15 identified Intera as the preferred respondent the the RFP issued by the District on behalf of GMA 15.

Board Action: Mr. Clements moved to:

1. authorize the General Manager to open a bank account at Prosperity Bank for the purposes receiving and dispersing GMA 15 joint planning funds for authorized expenditures in accordance with the GMA 15 Interlocal Agreement for Cost-Sharing;
2. accept and approve the proposal submitted by Intera, Inc. as a responsive to the RFP issued by the District on behalf of GMA 15;
3. designate Intera Inc as the preferred respondent the the RFQ/RFP for Technical Services for GMA 15 issued by the District on behalf of GMA 15;
4. authorize the Board President to execute an agreement with Intera, Inc. for the provision of the services described within the submittal to the RFP/RFQ for Technical Services for GMA 15 from Intera, Inc. in accordance with the GMA 15 Interlocal Agreement for Cost-Sharing upon approval by legal counsel.

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 explained on July 14, 2023, the Texas Water Development Board designated the management plan for the district, adopted on April 21, 2023, administratively complete.

2805 N. Navarro St. Suite 210, Victoria, TX 77901, Phone (361) 579-6863, FAX (361) 579-0041
VCGCD Minutes – October 20, 2023 | Page 12 of 19

Victoria County Groundwater Conservation District

Staff will review the passed legislation of the previous legislative session, coordinate with legal counsel to develop proposed rule revisions, and post the required rulemaking hearing notice for the meeting scheduled for January 19, 2023.

Board Action: None.

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

1. TxDIR Cyber Security Training YouTube Video (28 minutes):
https://www.youtube.com/watch?v=YFRK_slmKkQ&t=5s
2. TMLIRP Cyber Security Training Youtube Video (17 minutes):
https://www.youtube.com/watch?v=pCRbR2ka_0o

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

The next meetings of the Board are scheduled for January 19, 2024, April 19, 2024, July 19, 2024, August 16, 2024 (Budget and Tax Rate Matters), and October 18, 2024, with each meeting to convene at 6:00 PM. Regular meetings will be rescheduled as necessary and special meeting may be scheduled to address unforeseen issues.

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 July 21, 2023, and August 18, 2023. Mr. Eller seconded the motion. The motion passed unanimously.

Victoria County Groundwater Conservation District

9.2 – Financial Reports of the District

Meeting Discussion: Mr. Andruss explained the internal control review and internal financial reports for June and July, have been compiled, reviewed, and forwarded to the directors prior to the meeting.

Staff have identified potential transaction coding errors in the internal financial reports for the 4th quarter reports for FY2023 which affect the calculations for budget performance. The reports will be submitted to the directors after the issues have been fully investigated and addressed.

Board Action: Mr. Clements moved to accept and approve the financial reports for June and July 2023. Mr. Eller seconded the motion. The motion passed unanimously.

9.2.1 – Financial Transaction Review

Meeting Discussion: Mr. Andruss explained since July 20, 2023, as of October 17, 2023, there have been 23 accounts payable transactions and 29 accounts receivable transactions recorded.

Board Action: None.

9.3 – Investments of the District

Meeting Discussion: Mr. Andruss explained the investment reports for June and July 2023 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 June and July 2023. Mr. Eller seconded the motion. The motion passed unanimously.

9.4 – Investment Policy and TexPool

Meeting Discussion: Mr. Andruss explained the District has historically invested funds in certificates of deposit at those institutions identified within the Investment Policy. The CDs have varied in terms of maturity periods ranging from 1 to 2 years. While considered liquid assets, the liquidation of a CD before maturity may result in loss of some or all interest earned on the investment. The District has not nor does it anticipate needing to liquidate current CDs. The use of CDs as investment vehicles complicates recordkeeping efforts as each CD represents an account that must be reconciled with the internal financial reports and accounted for in the investment reports of the district.

Victoria County Groundwater Conservation District

The use of investment pools, in particular TexPool (www.texpool.com), would reduce the recordkeeping efforts and improve liquidity of invested funds while receiving competitive interest rates. According to information provided by TexPool, "TexPool is the oldest and largest local government investment pool in the State of Texas. TexPool seeks to preserve principal, liquidity, and yield of capital investment consistent with the Texas Public funds Investment Act. This local government investment pool is managed and serviced by Federated Hermes, Inc., one of the nation's leading investment managers. Thirty seven states rely on Federated Hermes for some form of liquidity management."

An important consideration of a decision to authorize the investment of funds into TexPool is not insured or guaranteed by any government or government agency such as FDIC.

On January 20, 2023, the Board re-adopted the Investment Policy of the District as originally adopted on March 15, 2012. See: Matter For Consideration - MFC-20230120-11.2 - Review of Administrative Policies and Investment Policy. The policy authorizes the investment of funds in pools as authorized under Chapter 2256, Texas Government Code but does not specifically authorize the investment of funds in Texas Local Government Investment Pools ("TexPool/TexPool Prime"). A draft revision of the investment policy of the district was developed that identifies Texas Local Government Investment Pools ("TexPool/TexPool Prime") as a qualified broker/dealer with whom the District may engage in investment transactions (page 5).

Board Action: None.

9.5 – 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-20230807-07 - \$1,193.25 - Allison, Bass & Magee
2. ACCTP-20230817-03 - \$18,638.88 - Victoria County - Rent
3. ACCTP-20230831-01 - \$68.12 - TEC-20230831-01
4. ACCTP-20230907-01 - \$648.27 - TEC-20230828-01
5. ACCTP-20231017-01 - \$316.63 - TEC-20230930-01
6. ACCTP-20231017-02 - \$14,275.00 - Goldman, Hunt & Notz, LLP
7. ACCTP-20231017-03 - \$4,748.10 - TML IRP
8. ACCTP-20231017-04 - \$47,272.81 - VTAC
9. ACCTP-20231017-05 - \$1,020.50 - Allison, Bass & Magee, LLP

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

2805 N. Navarro St. Suite 210, Victoria, TX 77901, Phone (361) 579-6863, FAX (361) 579-0041
VCGCD Minutes – October 20, 2023 | Page 15 of 19

Victoria County Groundwater Conservation District

9.6 – Financial Audit for the Previous Fiscal Year

Meeting Discussion: Mr. Andruss explained Mr. Goldman of Goldman, Hunt, and Notz LLP has submitted an engagement letter related the performance of a financial audit of the District for FY2023.

Board Action: Mr. Clements moved to accept 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.

9.7 – Records Management

Meeting Discussion: Mr. Andruss explained the District presently creates, maintains, and stores the records of the district within the Evernote System. The records of the district are electronically archived to the Dropbox System after processing of the records are complete.

Email messages including associated attachments received by staff that essential to the fulfilment of statutory obligations or the documentation of agency functions of the District are imported from the iPower and Microsoft Exchange Email System into the Evernote System as records of on-going record series an ultimately archived to the Dropbox System. The District has amassed many emails since its existence and increased to a significant cumulative file size. The size of the mailboxes has resulted in a system that is difficult to maintain.

Board Action: Mr. Clements moved to designate, as part of the records management policy of the District, email messages received by the District that not essential to the fulfillment of statutory obligations or to the documentation of agency functions as transitory information of temporary usefulness which may be deleted when determined to be no longer useful. Mr. Eller seconded the motion. The motion passed unanimously.

9.8 – Web Maps and GPR Application

Meeting Discussion: Mr. Andruss explained on January 20, 2023, the Board authorize the General Manager to subscribe the GISCloud Map Portal service and publish maps related to groundwater management such as well registrations, groundwater production permits and waivers, and reported groundwater production.

On September 28, 2023, staff completed the project to configure and publish interactive web maps. The resulting maps have been published as a map portal using the mapping system offered by GISCloud. The map portal can be accessed for the following link: https://vcgcd_map_portal.giscloud.com/. The District

2805 N. Navarro St. Suite 210, Victoria, TX 77901, Phone (361) 579-6863, FAX (361) 579-0041
VCGCD Minutes – October 20, 2023 | Page 16 of 19

Victoria County Groundwater Conservation District

subscribed to the Map Editor and Map Portal services offered by GISCloud at a monthly cost of \$169.00 (\$2,040.00 per year). If the District opts for annual billing for services, a 20% discount will be received.

The portal enables users to investigate and view permitting and monitoring data maintained by the District using the following maps: Groundwater Permitting, Reported Groundwater Production, Recorded Water Levels, and Recorded Water Quality Measurements.

Staff have investigated the development of a custom web application using the GISCloud Crowdsourcing service to facilitate the online submittal of groundwater production reports for CY2023 in January 2024. Initial estimates for the custom application range between \$2,000 to \$4,000 annually for the customization.

Board Action: Mr. Clements moved to authorize the General Manager to develop a custom web application using the GISCloud Crowdsourcing service to facilitate the online submittal of groundwater production reports for CY2023 in January 2024 at a cost not to exceed \$4,000.00, while still sending paper copies. Mr. Eller seconded the motion. The motion passed unanimously.

9.9 – Review of Consultants

Meeting Discussion: Mr. Andruss explained the District has obtain services from Jim Allison of Allison, Bass and Magee, Steve Young of Intera, Inc., Matt Wickham of Golder Associates, and Dr. Venkatesh Uddameri in the past under approved agreements. The deliverables submitted through the services provided by each consultant have been considered acceptable by the District.

On August 18, 2023, the Board authorized staff to enter into negotiations with DBSA for a consulting contract. On September 19, 2023, Mr. Kirby of DBSA agreed to the terms of a consulting contract submitted by the District which includes billing rates. If the Board accepts and approves the agreement with DBSA, the cooperating districts of Calhoun County GCD, Refugio GCD, and Texana GCD would be able to obtain consulting services from DBSA through the interlocal cooperation agreements currently in effect.

Board Action: Mr. Clements moved to authorize 1) the General Manager to seek term extensions until September 30, 2024, to the existing agreements with Intera, Inc., Golder Associates, and Venkatesh Uddameri, 2) the Presiding Officer to approve the extensions to the respective service agreements, and 3) the Presiding Officer to execute the agreement with Daniel B. Stephens and Associates. Mr. Eller seconded the motion. The motion passed unanimously.

9.10 – Association Memberships

Victoria County Groundwater Conservation District

Meeting Discussion: Mr. Andruss explained Texas Water Conservation Association membership will expire on November 30, 2023. The District would be eligible for a 1-year, Level C membership based the size of the district at a cost of \$889.00.

Board Action: Mr. Clements moved to authorize the general manager to renew the TWCA membership. 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: None.

Board Action: None.

11. Adjourn.

11.0 – Adjourn Meeting

Meeting Discussion: None.

Board Action: Mr. Eller moved to adjourn the meeting at 10:09 AM after concluding all business of the District. Mr. Hroch seconded the motion. The motion passed unanimously.

THE ABOVE AND FOREGOING MINUTES WERE READ AND APPROVED ON THIS

THE 19th DAY OF January A.D. 2024.



Director of the Victoria County Groundwater Conservation District

Victoria County Groundwater Conservation District

ATTEST:



Director of the Victoria County Groundwater Conservation District