

Calhoun County Groundwater Conservation District

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

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

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

THE STATE OF TEXAS

CALHOUN COUNTY

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

Meeting Attendance:

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

Agenda Items -

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

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

Board Action: None.

Agenda Item 2: Receive public comments.

Meeting Discussion: None.

Board Action: None.

Agenda Item 3: Consideration of and possible action on matters related to groundwater management including the efforts and activities of the District regarding permitting, complaints, investigations, violations, and enforcement cases associated with permitting.

3.0 – Report regarding Groundwater Management

Meeting Discussion: Mr. Andruss explained as of July 23, staff had received 24 well registration applications, 1 production permit renewal request, initiated 37 permitting request cases, 4 permitting request cases pending, and processed 34 groundwater production reports.

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The staff also had 1 open investigation related to groundwater management associated with 4 different entities, and had 3 open enforcement cases related to groundwater management.

Board Action: None.

3.1 – Presentation regarding the Proposed Nuclear Reactors at the Dow Seadrift Plant.

Meeting Discussion: Mr. Andruss explained after learning of the proposed nuclear reactors at the DOW Seadrift Plant, staff contacted Mr. Daniel Womack and Mr. Sam Gammage of DOW Governmental Affairs for the purposes of arranging for a presentation on the proposed project and the impact, if any, on local water resources. On July 10, 2023, Mr. Womack confirmed that he had made the necessary arrangements for a presentation to be made at this meeting.

The following representatives were present, and gave their presentation:

- Sam Gammage – Dow
- Mark Feltner - Dow
- Marcy Sanderson – X-Energy
- Garrett McLead – Dow
- Milton Gorden – X-Energy
- Joe Smith - Dow

Board Action: None.

3.2 – Groundwater Production Reporting for CY2022

Meeting Discussion: Mr. Andruss explained as of July 23, 2023, staff have process 34 groundwater production reports for 62 wells for calendar year 2022 reporting 7,649 acre-feet of groundwater production.

Board Action: None.

3.3 – Production Permit Renewals for FY2023

Meeting Discussion: Mr. Andruss explained based on a query of the district's database, 1 production permit has been identified as candidates for renewal in FY2023: OPW-20190513-01.

Staff attempted to assist the permittee with the submittal of permit renewal requests before the expiration of the associated permits.

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As of July 21, 2023, staff had received administratively complete application seeking the renewal of production permit scheduled to expire in July 2023:

1. Permitting Request Cases - PRC-20230721-01 - ARP-20230510-01 - Trinity Shores Dr. LLC. - Pending.

The submitted production permit renewal application is administratively complete and satisfy the requirements related to production permit renewal established by RULE 4.4: GENERAL PROCEDURES RELATED TO RENEWAL AND AMENDMENT OF PERMITS of the rules of the district.

Board Action: Mr. Dierschke moved to 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:

1. Permitting Request Cases - PRC-20230721-01 - ARP-20230510-01 - Trinity Shores Dr. LLC. - Pending.

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

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

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

The applications and supplemental information associated with this permitting request case are considered administratively complete and contain sufficient information evaluate the request relative to the rules of the district. The applicant has not submitted a request for a district waiver in connection with the permitting request.

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

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2011. The survey indicates the subject well produced 9,765,400 gallons in year 2011 (29.96 acre-feet).

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

On May 19, 2023, staff completed the public notice requirements for the hearing.

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

Board Action: Mr. Johnson moved to 1) cancel the permit hearing and proceed with the permitting case as an uncontested matter; and 2) issue a production permit for historic use of a well to Farmers Transport for the subject well under permitting request case PRC-20230315-03 with the following parameters and conditions and the requirements established in the rules of the district now in effect:

Permit Identification Number: HUPPW-20230723-01

Associated Application Number: AVHUW-20230208-01

Subject Non-Grandfathered Wells: GW-00082

Authorized Groundwater Production Amount: 29.88 acre-feet per year

Authorized Groundwater Production Purpose: Commercial Uses

Well Owner: Farmers Transport

Owner of Groundwater Resources: Farmers Transport

Authorized Operator: Farmers Transport

Reporting Requirements: per RULE 4.2: REPORTING REQUIREMENT

RELATED TO NON-EXEMPT-USE WELLS

1. The authorized operator of a permit shall report to the district any monitoring data required under the permit within thirty days (30 days) of the close of the relevant reporting period unless specified otherwise within the rules of the district or the permit.

2. The well owner of a non-exempt-use well shall report the volume of groundwater produced from the non-exempt-use well to the district on an annual basis.

3. The well owner, authorized agent, or the authorized operator of a production permit shall measure the volume of produced groundwater from each of the subject wells using a device or method that is accurate within ten percent (10%) of the actual volume produced.

4. The well owner of a non-exempt-use well shall report the volume of groundwater produced from the non-exempt-use well that is accurate within ten percent (10%) of the actual volume of groundwater produced by the non-exempt use during the calendar year.

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5. The well owner of a non-exempt-use well shall report the volume of groundwater produced from the non-exempt-use well for the previous calendar year (January 1 to December 31) during January of the current calendar year.

6. The well owner of a non-exempt-use well shall report the volume of groundwater produced from the non-exempt-use well using a form provided by the district.

7. The well owner of a non-exempt-use well shall include the following information when reporting the volume of groundwater produced from a non-exempt-use well:

7.1. the well registration number assigned by the district;

7.2. the production permit identification number;

7.3. the reporting period;

7.4. the volume of groundwater produced during the reporting period in acre-foot;

7.5. the method used to determine the volumes of groundwater produced during the reporting period;

7.6. a statement certifying, under penalty of law, that the information reported on and attached to the report was prepared under the direction or supervision of the well owner and is, to the best of the knowledge and belief of the well owner, true, accurate and complete;

7.7. the printed name of the person submitting the report;

and

7.8. the dated signature of the person submitting the report.

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

3.5 – Permit Hearing – PRC-20230512-01 – Port Alto HOA District 1

Meeting Discussion: Mr. Andruss explained Mr. Harold Green for Port Alto HOA District 1 seeks, under permitting request case PRC-20230512-01, a historic-use production permit protecting the historic production of groundwater from a grandfathered well field comprised of grandfathered well GW-00080 and grandfathered well GW-00081 for Public Water Supply uses at rates not to exceed 68 gallons per minute or 13.350 acre-feet per year. The subject well field is located on a 0.18-acre tract of land near the intersection of Spur 159 and County Rd. 307 Calhoun County, Texas.

The applications and supplemental information associated with this permitting request case are considered administratively complete and contain sufficient information evaluate the request relative to the rules of the district. The applicant has not submitted a request for a district waiver in connection with the permitting request.

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The application includes an affidavit, executed by Mr. Harold Green, regarding the evidence of historic use submitted in the application that states "The evidence of historic use submitted to support the validation of the historic use of the well field located at: Latitude: 28.662789 N, Longitude: -96.41178 W is to the best of my knowledge and belief true and correct and that all available information concerning groundwater production of the subject well during the historic use validation year has been provided to the district with this application." The application includes supplemental documentation containing the TWDB Water Use Survey (Survey Number: 0690176) for the subject well field for calendar year 2009. The survey indicates the subject well produced 4,350,400 gallons in year 2009 (13.35 acre-feet).

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

On May 19, 2023, staff completed the public notice requirements for the hearing.

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

Board Action: Mr. Johnson moved to 1) cancel the permit hearing and proceed with the permitting case as an uncontested matter; and 2) issue a production permit for historic use of a well field to Port Alto HOA District 1 for the subject well field under permitting request case PRC-20230512-01 with the following parameters and conditions and the requirements established in the rules of the district now in effect:

Permit Identification Number: HUPPWF-20230723-02

Associated Application Number: AVHUWF-20230512-01

Subject Non-Grandfathered Wells: GW-00080, GW-00081

Authorized Groundwater Production Amount: 13.35 acre-feet per year

Authorized Groundwater Production Purpose: Public Water Supply Uses

Well Owner: Port Alto HOA District 1

Owner of Groundwater Resources: Port Alto HOA District 1

Authorized Operator: Port Alto HOA District 1

Reporting Requirements: per RULE 4.2: REPORTING REQUIREMENT

RELATED TO NON-EXEMPT-USE WELLS

1. The authorized operator of a permit shall report to the district any monitoring data required under the permit within thirty days (30 days) of the close of the relevant reporting period unless specified otherwise within the rules of the district or the permit.

2. The well owner of a non-exempt-use well shall report the volume of groundwater produced from the non-exempt-use well to the district on an annual basis.

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3. The well owner, authorized agent, or the authorized operator of a production permit shall measure the volume of produced groundwater from each of the subject wells using a device or method that is accurate within ten percent (10%) of the actual volume produced.

4. The well owner of a non-exempt-use well shall report the volume of groundwater produced from the non-exempt-use well that is accurate within ten percent (10%) of the actual volume of groundwater produced by the non-exempt use during the calendar year.

5. The well owner of a non-exempt-use well shall report the volume of groundwater produced from the non-exempt-use well for the previous calendar year (January 1 to December 31) during January of the current calendar year.

6. The well owner of a non-exempt-use well shall report the volume of groundwater produced from the non-exempt-use well using a form provided by the district.

7. The well owner of a non-exempt-use well shall include the following information when reporting the volume of groundwater produced from a non-exempt-use well:

7.1. the well registration number assigned by the district;

7.2. the production permit identification number;

7.3. the reporting period;

7.4. the volume of groundwater produced during the reporting period in acre-foot;

7.5. the method used to determine the volumes of groundwater produced during the reporting period;

7.6. a statement certifying, under penalty of law, that the information reported on and attached to the report was prepared under the direction or supervision of the well owner and is, to the best of the knowledge and belief of the well owner, true, accurate and complete;

7.7. the printed name of the person submitting the report;

and

7.8. the dated signature of the person submitting the report.

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

3.6 – Permit Hearing – PRC-20230626-01 – Port Alto WSC

Meeting Discussion: Mr. Andruss explained Mr. John Warren Schuhsler for Port Alto WSC seeks, under permitting request case PRC-20230626-01, a historic-use production permit protecting the historic production of groundwater from a grandfathered well field comprised of grandfathered well GW-00086 and grandfathered well GW-00087 for public water supply uses at rates not to exceed 50 gallons per minute or 10.10 acre-feet per year. The subject well field is located on a 27.55-acre tract of land near the intersection of Flamingo Street and County Road 307 in Calhoun County, Texas.

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The applications and supplemental information associated with this permitting request case are considered administratively complete and contain sufficient information evaluate the request relative to the rules of the district. The applicant has not submitted a request for a district waiver in connection with the permitting request.

The application includes an affidavit, executed by Mr. John Schuhsler, regarding the evidence of historic use submitted in the application that states "The evidence of historic use submitted to support the validation of the historic use of the well field with wells located at: Latitude: 28.662789 N, Longitude: -96.41178 W is to the best of my knowledge and belief true and correct and that all available information concerning groundwater production of the subject well during the historic use validation year has been provided to the district with this application." The application includes supplemental documentation containing the TWDB Water Use Survey (Survey Number: 0690177) for the subject well field for calendar year 2011. The survey indicates the subject well produced 3,291,400 gallons in year 2011 (10.10 acre-feet).

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

On June 30, 2023, staff completed the public notice requirements for the hearing.

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

Board Action: Mr. Dierschke moved to 1) cancel the permit hearing and proceed with the permitting case as an uncontested matter; and 2) issue a production permit for historic use of a well field to Port Alto WSC for the subject well field under permitting request case PRC-20230626-01 with the following parameters and conditions and the requirements established in the rules of the district now in effect:

Permit Identification Number: HUPPWF-20230723-03

Associated Application Number: AVHUWF-20230621-01

Subject Non-Grandfathered Wells: GW-00086, GW-00087

Authorized Groundwater Production Amount: 10.10 acre-feet per year

Authorized Groundwater Production Purpose: Public Water Supply Uses

Well Owner: Port Alto WSC

Owner of Groundwater Resources: Port Alto WSC

Authorized Operator: Port Alto WSC

Reporting Requirements: per RULE 4.2: REPORTING REQUIREMENT
RELATED TO NON-EXEMPT-USE WELLS

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1. The authorized operator of a permit shall report to the district any monitoring data required under the permit within thirty days (30 days) of the close of the relevant reporting period unless specified otherwise within the rules of the district or the permit.

2. The well owner of a non-exempt-use well shall report the volume of groundwater produced from the non-exempt-use well to the district on an annual basis.

3. The well owner, authorized agent, or the authorized operator of a production permit shall measure the volume of produced groundwater from each of the subject wells using a device or method that is accurate within ten percent (10%) of the actual volume produced.

4. The well owner of a non-exempt-use well shall report the volume of groundwater produced from the non-exempt-use well that is accurate within ten percent (10%) of the actual volume of groundwater produced by the non-exempt use during the calendar year.

5. The well owner of a non-exempt-use well shall report the volume of groundwater produced from the non-exempt-use well for the previous calendar year (January 1 to December 31) during January of the current calendar year.

6. The well owner of a non-exempt-use well shall report the volume of groundwater produced from the non-exempt-use well using a form provided by the district.

7. The well owner of a non-exempt-use well shall include the following information when reporting the volume of groundwater produced from a non-exempt-use well:

7.1. the well registration number assigned by the district;

7.2. the production permit identification number;

7.3. the reporting period;

7.4. the volume of groundwater produced during the reporting period in acre-foot;

7.5. the method used to determine the volumes of groundwater produced during the reporting period;

7.6. a statement certifying, under penalty of law, that the information reported on and attached to the report was prepared under the direction or supervision of the well owner and is, to the best of the knowledge and belief of the well owner, true, accurate and complete;

7.7. the printed name of the person submitting the report;

and

7.8. the dated signature of the person submitting the report.

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

3.7 – Enforcement Hearing re ECV-20230425-03 – Juan Cruz Cervantes – Failure to Report Groundwater Production CY2022

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Meeting Discussion: Mr. Andruss explained on April 24, 2023, the Board passed a motion to:

1. find that Juan Cruz Cervantes violated RULE 4.2: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District related to well NW-00087 unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;
2. authorize the General Manager to initiate an enforcement case regarding the violation;
3. set a \$100.00 penalty for the violation per RULE 11.10: PENALTIES of the Rules of the District; and
4. offer to settle the violation if Juan Cruz Cervantes consents to the following conditions:
 1. acknowledges the violation by June 30, 2023;
 2. pays a settlement fee of \$0.00 by June 30, 2023; and
 3. submits a administratively complete groundwater production report for calendar year 2022 by June 30, 2023.

In response to the action taken by the Board, staff recorded violation ECV-20230425-03

On May 2, 2023, staff attempted to provide notice of violation ECV-20230425-03 to Juan Cruz Cervantes by certified mail (CMRRR 7021 0350 0000 2790 7553).

On June 1, 2023, staff attempted to provide notice of violation ECV-20230425-03 to Juan Cruz Cervantes by certified mail (CMRRR 7021 0350 0000 2790 9083).

On July 6, 2023, the staff attempted to provide notice of this enforcement hearing and intent to seek authorization to pursue enforcement of the rules by filing a civil suit against Juan Cruz Cervantes at the next regularly scheduled meeting of the board of directors to Juan Cruz Cervantes by certified mail (CMRRR 7021 0350 0000 2790 9267).

On July 14, 2023, Mr. Allison, Legal Counsel for the District, provided a draft enforcement order regarding this matter. If adopted, the order would record the finds of the board including:

1. impose penalties established by the Board,
2. cancel any permits associated with the subject well,
3. prohibit production from the subject well until a production permit were reinstated,
4. order staff to seal the subject well to prevent further production, and
5. instruct Legal Counsel to file suit if necessary to enforce the order.

On July 13, 2023, the staff of the District attempted to deliver notice of need to file suit letter to Mr. Cervantes.

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Mr. Cervantes did not appear at the meeting.

Board Action: The enforcement hearing was opened and recessed at 6:27 PM by motion of Mr. Johnson. Mr. Dierschke seconded the motion. The motion passed unanimously.

Mr. Johnson moved to instruct the General Manager to attempt to notify Juan Cruz Cervantes that if the required groundwater production report for calendar year 2022 is not submitted September 30, 2023, by the District, the Board of Directors will consider entering a finding that:

1. Juan Cruz Cervantes has committed a violation of District Rule 4.2 REPORTING REQUIREMENT RELATED TO NON-EXEMPT USE WELLS by failing to report groundwater production for calendar year 2022 for non-exempt well NW-00087 and that such violation is continuing. Each day of continued failure to report the groundwater production for calendar year 2022 constitutes a separate violation.
2. The penalty for this violation is assessed at \$2,000.00. Additional penalties are assessed at \$50.00 per day for each day following adoption of this order until the groundwater production for 2022 is properly reported.
3. Further, any associated permit for well No. NW-00087 is hereby cancelled and further production is prohibited from the well until said permit is reinstated by the district. District staff is ordered to place a seal upon the well to prevent further production.
4. Legal Counsel is hereby instructed to file suit if necessary to enforce this order.

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

3.8 – Enforcement Hearing re ECV-20230425-04 – CBPB Partners, LLC. – Failure to Report Groundwater Production CY2022

Meeting Discussion: Mr. Andruss explained on April 24, 2023, the Board passed a motion to:

1. find that CBPB Partners, LLC violated RULE 4.2: REPORTING REQUIREMENT RELATED TO NON-EXEMPT USE WELLS of the Rules of the District related to well NW-00133 unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;
2. authorize the General Manager to initiate an enforcement case regarding the violation;
3. set a \$100.00 penalty for the violation per RULE 11.10: PENALTIES of the Rules of the District; and
4. offer to settle the violation if CBPB Partners, LLC consents to the following conditions:

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1. acknowledges the violation by June 30, 2023;
2. pays a settlement fee of \$0.00 by June 30, 2023; and
3. submits a administratively complete groundwater production report for calendar year 2022 by June 30, 2023.

In response to the action taken by the Board, staff recorded violation ECV-20230425-04.

On May 2, 2023, staff attempted to provide notice of violation ECV-20230425-04 to CBPB Partners, LLC by certified mail (CMRRR 7021 0350 0000 2790 7560).

On June 1, 2023, staff attempted to provide notice of violation ECV-20230425-04 to CBPB Partners, LLC by certified mail (CMRRR 7021 0350 0000 2790 9090).

On July 6, 2023, the staff attempted to provide notice of this enforcement hearing and intent to seek authorization to pursue enforcement of the rules by filing a civil suit against CBPB Partners, LLC at the next regularly scheduled meeting of the board of directors to CBPB Partners, LLC. by certified mail (CMRRR 7021 0350 0000 2790 9281).

Board Action: The enforcement hearing was opened and recessed at 6:28 PM by motion of Mr. Dierschke. Mr. Johnson seconded the motion. The motion passed unanimously.

Mr. Dierschke moved to instruct the General Manager to attempt to notify CBPB Partners, LLC that if the required groundwater production report for calendar year 2022 is not September 30, 2023 by the District, the Board of Directors will consider entering a finding that:

1. CBPB Partners, LLC has committed a violation of District Rule 4.2 REPORTING REQUIREMENT RELATED TO NON-EXEMPT USE WELLS by failing to report groundwater production for calendar year 2022 for non-exempt well NW-00133 and that such violation is continuing. Each day of continued failure to report the groundwater production for calendar year 2022 constitutes a separate violation.
2. The penalty for this violation is assessed at \$2,000.00. Additional penalties are assessed at \$50.00 per day for each day following adoption of this order until the groundwater production for 2022 is properly reported.
3. Further, any associated permit for well No. NW-00133 is hereby cancelled and further production is prohibited from the well until said permit is reinstated by the district. District staff is ordered to place a seal upon the well to prevent further production.
4. Legal Counsel is hereby instructed to file suit if necessary to enforce this order.

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

3.9 – Investigation INV-20221012.1455 related to Failure 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 July 21, 2023, staff had an open investigation related to groundwater management associated with 5 entities that had not submitted administratively complete permitting applications. The entities are:

1. City of Seadrift
2. Sea Port Lakes Water Systems LLC.
3. Shoalwater Flats Association
4. Port Alto Investments
5. Machaceks Rocking M. RV Park and Campground

See:

1. INV-20221012.1455 - Failure to Satisfy Rules of the District - Failure to Obtain a Production Permit - Machaceks Rockin M RV Park and Campground - Active
2. INV-20221012.1455 - Failure to Satisfy Rules of the District - Failure to Obtain a Production Permit - Sea Port Lakes Water Systems LLC - Active
3. INV-20221012.1455 - Failure to Satisfy Rules of the District - Failure to Obtain a Production Permit - Shoalwater Flats Association - Active
4. INV-20221012.1455 - Failure to Satisfy Rules of the District - Failure to Obtain a Production Permit - Port Alto Investments - Active
5. INV-20221012.1455 - Failure to Satisfy Rules of the District - Failure to Obtain a Production Permit - City of Seadrift - Active

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

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

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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.

In each instance, staff have attempted to contact representatives of the entities to notify the entity of the permitting requirements of the District and attempt to assist the entities with submitting production permit applications since January 2023.

Board Action: Mr. Johnson moved to instruct the General Manager to notify the 5 public supply entities operating a well for source water without a production permit granted by the district that if the necessary administratively complete production permit applications are not received by September 30, 2023, by the District, the Board of Directors will consider entering a finding that:

1. the entity violated RULE 4.1: GENERAL POLICIES RELATED TO PERMITS of the Rules of the District by producing groundwater from a well or wells owned by the entity unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;
2. authorize the General Manager to register a violation against the entity;
3. the penalty for the violation will be assessed at \$2,000.00;
4. the additional penalties for the violation will be assessed at \$50.00 per day for each day following adoption of the order until the necessary administratively complete production permit applications are received by the District; and
5. Legal Counsel is thereby instructed to file suit if necessary to enforce the order.

Agenda Item 4: Consideration of and possible action on matters related to groundwater protection including complaints, investigations, violations, and enforcement cases related to groundwater contamination and waste.

4.0 – Report regarding Groundwater Protection

Meeting Discussion: Mr. Andruss explained on May 31, 2023, staff received notice that Formosa Plastics applied for permit applications related to 21 injection wells to be operated to dispose of industrial waste as required by state law. The

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applications will be reviewed by TCEQ and a preliminary decision will be issued by the Executive Director.

Board Action: None.

Agenda Item 5: Consideration of and possible action on matters related to groundwater monitoring.

5.0 – Report regarding Groundwater Monitoring

Meeting Discussion: Mr. Andruss explained as of July 23, 2023, the U.S. Drought Monitor (<https://www.drought.gov/states/texas/county/calhoun>) indicates that 100% of Calhoun County is experiencing abnormally dry conditions with 0% experiencing moderate drought conditions or worse.

As of July 23, 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 all portions of Calhoun County are experiencing drought conditions.

As of July 23, 2023, staff had collected the following water level measurements since October 1, 2022: WLM-20230310-01 - GW-00003, WLM-20230310-02 - NW-00024, WLM-20230310-03 - GW-00005, WLM-20230310-04 - GW-00001, and WLM-20230310-05 - GW-00009.

On July 23, 2023, staff developed a chart and diagrams depicting water level data collected by the District. See: MFC-20230724-5.1 - Groundwater Level Measurements for Calendar Year 2022.

As of July 23, 2023, staff had collected the following water quality measurements since October 1, 2022: WQFM-20221006-02 - NW-00151; and WQFM-20221006.0816 - NW-00064.

On July 23, 2023, staff developed a chart and diagrams depicting water quality data (i.e., conductivity measurements) by the District. See: MFC-20230724-5.2 - Groundwater Quality Measurements for Calendar Year 2022.

On June 19, 2023, staff attempted to contact candidate well owners (of 18 candidate wells) regarding participation in the baseline water quality project. As of July 23, 2023, the District had been contacted by a well owner inquiring about the monitoring effort. Upon inspecting the candidate well, the well was determined to nonoperational and unable to be sampled by the District. Staff will randomly select 20 new candidate wells and attempt to contact the owners for

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inclusion in the baseline water quality monitoring project and provide a update on the project during the October 2023 meeting.

On June 21, 2023, staff participated in a virtual meeting with representatives of WellIntel (Dawna Urlakis, Director of Business Development and Charles Dunning) in for the purposes of learning more about aquifer monitoring products (water level sensor and telemetry equipment) and services (analytics dashboard) offered by WellIntel.

April 10, 2023, staff contacted Dr. Steve Young of Intera requesting a project proposal for updating the water level analysis report from previous years.

On May 5, 2023, staff transmitted interest letters to the landowners of 28 Chicot water wells seeking to gain access to candidate monitoring wells as recommended within the Intera Report.

As of July 23, 2023, staff had received a response to the interest letters.

Board Action: None.

5.1 – Groundwater Level Measurements for Calendar Year 2022

Meeting Discussion: Mr. Andruss explained staff have collected water level measurements from 7 wells during year 2022.

Generally, the depth to water in monitored wells has decreased from year 2021 to year 2022 by 0.3 feet and decreased from year 2000 to year 2022 by 1.8 feet.

Board Action: None.

5.2 – Groundwater Quality Measurements for Calendar Year 2022

Meeting Discussion: Mr. Andruss explained staff have collected water quality measurements from 6 wells during year 2022.

Generally, the conductivity measurement (a measure of the mineralization of the water) in monitored wells has decreased in year 2022 compared to the historic values for those wells with measurements collected before year 2022.

Board Action: None.

5.3 – WellIntell Service for Continuous Aquifer Monitoring

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Meeting Discussion: Mr. Andruss explained on June 21, 2023, staff participated in a virtual meeting with representatives of WellIntel (Dawna Urlakis, Director of Business Development and Charles Dunning) in connection with project PRJ-20234100.03 - Continuous Water Level Monitoring for FY2023 (MG7:O1) - Active for the purposes of learning more about products (water level sensor and telemetry equipment) and services (analytics dashboard) offered by WellIntel. The WellIntel offerings could potentially improve the monitoring program of the district by 1) increasing the amount of data collected regarding water levels and water quality in terms of measurement frequency (continuous measurements versus synoptic/ad hoc measurements) with the use of the WellIntel Water Level Sensor, 2) increasing operational efficiency by reducing data processing labor and transportation costs associated with monitoring efforts (e.g., eliminate post-processing of sensor data, reducing travel cost to well sites, etc.), and 3) increasing access and use of monitoring data for assessing aquifer conditions and regulatory compliance with permitting. A two-year pilot project with 4 monitoring wells is estimated to cost \$23,500 in Year 1 and \$2,500 in Year 2 for an estimated total of \$26,000. Integration of 3rd party instruments would result in additional costs.

Board Action: Mr. Johnson moved to authorize the general manager to budget for and execute a two-year pilot project in FY2024 with 4 monitoring wells within the district at a cost not to exceed \$35,000.00. Mr. Johnson seconded the motion. The motion passed unanimously.

5.4 – Intera Proposal for Update of Water Level Assessment Report

Meeting Discussion: Mr. Andruss explained on July 14, 2023, Dr. Young of Intera submitted a proposal to Victoria County GCD to apply geostatistical techniques to interpret measured 2022 water level 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 Young and others (2021) [Application of Geostatistical Techniques to Quantify Changes in Water Levels] and INTERA (2022) [memorandum :Application of Geostatistical Techniques to Interpret Measured 2021 Water Levels, dated June 29, 2022] to include measured water levels in 2022.

The cost for performing the completing the work is \$15,000. The project will be fixed priced. The presentations and the memorandum will be completed by December 4, 2023. The memorandum will be similar in its content and figures to the INTERA (2022) memorandum that provided an analysis of the 2021 water level data.

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The proposal will be presented to the boards of Refugio GCD, Victoria GCD, and Texana GCD with a recommendation to approve the proposal and share in the costs equally at a fixed cost of \$3,750.00.

Board Action: Mr. Dierschke moved to approve the proposal and share in the costs equally at a fixed cost of \$3,750.00. Mr. Johnson seconded the motion. The motion passed unanimously.

Agenda Item 6: Consideration of and possible action on matters related to groundwater conservation.

6.0 – Report regarding Groundwater Conservation

Meeting Discussion: Mr. Andruss explained on April 24, 2023, the board authorized the expenditure of up to \$5,000.00 for sponsorship of field trips by 4th and 5th grade students from Calhoun County to the Wetland Education Center located in the INVISTA Victoria Plant Wetland for the purposes of promoting water conservation.

On May 8, 2023, staff notified Calhoun County ISD of the sponsorship opportunity.

On May 23, 2023, staff notified Our Lady Of The Gulf Catholic School of the funding opportunity.

As of July 22, 2023, staff had not received any applications requesting sponsorship.

Board Action: None.

Agenda Item 7: Consideration of and possible action on matters related to groundwater resource planning including Groundwater Management Area 15 Joint Planning and regional water planning.

7.0 – Report regarding Groundwater Resource Planning

Meeting Discussion: Mr. Andruss explained the representatives of Region L met on May 4, 2023, to continue efforts to develop the 2026 Regional Water Plan. Interim meetings of the Population and Water Demands Workgroup have met to review demand projections within the region. The next meeting of Region L is scheduled for August 3, 2023.

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The representatives of Management Area 15 met on July 13, 2023, to continue their joint planning efforts. The next meeting of GMA 15 is scheduled for October 12, 2023.

Board Action: None.

7.1 – GMA 15 By-Laws, Cost Sharing Agreement, and RFP for Technical Services

Meeting Discussion: Mr. Andruss explained the representatives of GMA 15 met on July 13, 2023. During the meeting, the representatives considered the By-Laws of the GMA-15 Committee, the Interlocal Agreement for Cost-Sharing, and the draft RFP for Technical Services for GMA 15 related to the 4th Cycle of Joint Planning. The representatives offered no comments or suggested revisions for the RFP.

The interlocal agreement related to cost-sharing specifies the funding requirements necessary to be a member of the GMA-15 Committee. Member districts located solely within GMA 15, such as CCGCD, are scheduled to pay \$7,500.00 under the agreement while member districts located in groundwater management areas in addition to GMA 15 are scheduled to pay \$3,750. If all member districts agree to the cost sharing agreement, the total funding for the 4th Joint Planning Cycle in GMA 15 will be reach \$82,500.00 by January 9, 2024.

Board Action: Mr. Johnson moved to accept and approve:

1. the GMA 15 - By-Laws of the GMA-15 Committee - Rev 2023041, and
2. the GMA 15 - Interlocal Agreement for Cost-Sharing - Rev 20230413a, by resolution, and
3. the VCGCD - RFP for Technical Services for GMA 15 - 20230627, as presented.

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

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

8.0 – Report regarding Groundwater Policy

Meeting Discussion: Mr. Andruss explained on May 16, 2023, staff submitted the management plan approved at the meeting held on April 17, 2023 to the Texas Water Development Board and other entities are required by Chapter 36.

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On July 10, 2023, staff identified the following bills on the Texas Legislature Online service that contain the phrase "groundwater" and have or will become law.

1. 88(R) HB 697 - Enrolled Version - Bill Text(relating to seller's disclosures)
2. 88(R) HB 1565 - Enrolled Version - Bill Text(relating to the functions of the Texas Water Development Board and continuation and functions of the State Water Implementation Fund for Texas Advisory Committee)
3. 88(R) HB 1699 - Enrolled Version - Bill Text (relating to the authority of the Evergreen Underground Water Conservation District to impose certain fees)
4. 88(R) HB 1971 - Enrolled Version - Bill Text (relating to the procedures for acting on a permit or permit amendment application by a Previous groundwater conservation district and the disqualification of board members of groundwater conservation districts)
5. 88(R) HB 2443 - Enrolled Version - Bill Text(relating to the authority of certain persons to petition a groundwater conservation district to change certain rules)
6. 88(R) HB 3059 - Enrolled Version - Bill Text (relating to the export fee charged for the transfer of groundwater from a groundwater conservation district)
7. 88(R) HB 3278 - Enrolled Version - Bill Text (relating to the joint planning of desired future conditions in groundwater management areas)
8. 88(R) HB 3731 - Enrolled Version - Bill Text (relating to the Bandera County River Authority and Groundwater District)
9. 88(R) HB 3744 - Enrolled Version - Bill Text (relating to the regulation of water well drillers and water well pump installers)
10. 88(R) HB 4559 - Enrolled Version - Bill Text (relating to the application of statutes that classify political subdivisions according to population)
11. 88(R) SB 317 - Enrolled Version - Bill Text (relating to appellate jurisdiction of the Public Utility Commission regarding certain water or sewer service fees)
12. 88(R) SB 785 - Enrolled Version - Bill Text (relating to the ownership of and certain insurance policy provisions regarding the geothermal energy and associated resources below the surface of land)
13. 88(R) SB 1290 - Enrolled Version - Bill Text (relating to a study of the effects of the installation, operation, removal, and disposal of solar, wind turbine, and energy storage equipment)
14. 88(R) SB 1659 - Enrolled Version - Bill Text (relating to the sunset review process and certain governmental entities subject to that process)
15. 88(R) SB 1746 - Enrolled Version - Bill Text(relating to an exemption from the requirement to obtain a permit from a groundwater conservation district for certain temporary water wells)
16. 88(R) SB 2406 - Enrolled Version - Bill Text(relating to the authority of hospitals in certain counties to drill a water well for the purpose of producing water for use in the event of an emergency or natural disaster)

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17. 88(R) SB 2440 - Enrolled Version - Bill Text (relating to a requirement that certain plats for the subdivision of land include evidence of groundwater supply)

18. 88(R) SB 2592 - Enrolled Version - Bill Text (relating to the Lavaca-Navidad River Authority, following the recommendations of the Sunset Advisory Commission; altering terms of the board of directors; specifying grounds for the removal of a member of the board of directors)

Staff will review the passed legislation and coordinate with legal counsel to develop proposed rule revisions and post the required rulemaking hearing notice for the meeting scheduled for October 16, 2023.

Board Action: None.

8.1 – Rulemaking Hearing regarding Proposed Rule Revisions

Meeting Discussion: Mr. Andruss explained on April 24, 2023, the Board considered petitions to amend the rules of the district. The Board instructed staff to prepare proposed revisions to the rules in response to petitions APAR-20230127-01 (property line offset reduction) and APAR-20230127-02 (annular seal requirement).

As instructed, staff developed proposed rule revisions intended to address the request made under the petitions. The proposed rule revisions also include needed clarifications and corrections identified as the rules adopted in January 2023 were implemented by staff that and changes to address the new requirements related to petition under 88(R) HB 2443.

The public notice of the proposed rule revisions was completed on June 25, 2023. The proposed rule revisions were published on the website of the District.

In response to APAR-20230127-01, staff proposed modifying RULE 2.2: WELL SPACING REQUIREMENTS OF WELLS as follows:

"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 half foot (1/2 foot) of separation per one gallon per minute of production capacity of the non-grandfathered well."

In response to APAR-20230127-02, staff proposed adding the following provision to RULE 2.4: STANDARDS FOR CONSTRUCTING WELLS:

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"A person drilling a well shall seal the annular space between the wall of the borehole and casing from a depth of one hundred feet (100 feet) below the surface to the ground surface.

To address the new requirements established with the passing of 88(R) HB 2443, staff proposed modifying RULE 8.5: GENERAL PROCEDURES RELATED TO PETITIONS TO AMEND THE RULES OF THE DISTRICT as follows:

"10. The board of directors shall consider petitions to amend the rules of the district within ninety days (90 days) of receipt of an administratively complete petition form.

11. The board of directors shall deny the petition and provide an explanation for the denial or engage in rulemaking consistent with the granted petition.

12. The board of directors shall consider petitions that are designated as administratively complete, after providing public notice of the rulemaking hearing for not less than twenty days (20 days) as required by Section 36.101(d), Water Code."

Board Action: The rulemaking hearing was opened, and with no public comment was closed at 6:53 PM by motion. Mr. Johnson motioned. Mr. Dierschke seconded the motion. The motion passed unanimously.

Mr. Johnson moved to accept the proposed revision to the rules and adopt the proposed Rules of the District. Mr. Dierschke seconded the motion. The motion passed unanimously.

Agenda Item 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, bank accounts, investments, 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, interlocal cooperation agreements, and support services provided to and from other groundwater conservation district.

9.0 – Report regarding Administration and Management

Meeting Discussion: Mr. Andruss explained on June 29, 2023, the new website of the District was released and made publicly available. The new website includes a feature for allowing individuals to subscribe to and unsubscribe from the District's email notification lists. The lists were originally populated with email addresses for the District's existing email lists. The new electronic mail list feature will be used to transmit public notices and other important messages to interested parties.

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The next meetings of the Board are scheduled for August 28, 2023, (Budget and Tax Rate Matters), and October 23, 2023, with each meeting to convene at 5:30 PM. Regular meetings will be rescheduled as necessary and special meetings may be scheduled to address unforeseen issues.

Board Action: None.

9.1 – Minutes of the Previous Meeting

Meeting Discussion: Mr. Andruss explained the minutes for meeting held on April 24, 2023, were sent to the board members prior to the meeting.

Board Action: Mr. Johnson moved to accept and approve the meeting minutes for April 24, 2023, as drafted. Mr. Dierschke 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 2023 have been compiled, reviewed and sent to the board members prior to the meeting.

Board Action: Mr. Dierschke moved to accept the internal control review and internal financial reports for March, April, and May 2023. Mr. Johnson seconded the motion. The motion passed unanimously.

9.2.1 – Financial Transaction Review

Meeting Discussion: Mr. Andruss explained as of July 20, 2023, since April 22, 2023, there have been 19 accounts payable and 15 accounts receivable transactions.

Board Action: None.

9.3 – Investments of the District

Meeting Discussion: Mr. Andruss explained the investment reports for March, April, and May 2023, have been developed, reviewed, and sent to the board members prior to the meeting.

Board Action: Mr. Johnson moved to accept the investment reports for March, April, and May 2023. Mr. Dierschke seconded the motion. The motion passed unanimously.

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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. Johnson moved to authorize the general manager to pay the following items:

1. ACCTP-20230703-01 - \$4,500.00 - 301 South, LLC - Office Lease
2. ACCTP-20230706-01 - \$7,267.49 - VCGCD - District Invoice - April 2023
3. ACCTP-20230706-02 - \$7,423.29 - VCGCD - District Invoice - May 2023
4. ACCTP-20230706-03 - \$7,344.69 - VCGCD - District Invoice - June 2023
5. ACCTP-20230516-02 - \$818.75 - Allison, Bass & Magee
6. ACCTP-20230601-02 - \$9,100.00 - Goldman, Hunt and Notz, LLP

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

9.5 – FY2024 Budget

Meeting Discussion: Mr. Andruss explained staff will develop and present a budget for the fiscal year ending September 30, 2024 at the meeting scheduled for August 28, 2023 that attempts to fund the operations of the District in a manner that should provide for 1) the accomplishment of the management plan goals and objectives and 2) the completion of certain projects and tasks associated with the administration of the district, groundwater conservation, groundwater management and permitting, groundwater monitoring, groundwater policy development, groundwater protection, groundwater research, and groundwater resource planning, and 3) avoid a budget deficit in Fiscal Year 2023-2024.

Staff will develop the proposed budget anticipating the continued cooperation with and support of the staff of the Victoria County Groundwater Conservation to be achieved through the approval of a revised interlocal cooperation agreement that may include an increase to the monthly fees for service less than or equal to 5%.

Staff will develop the proposed budget anticipating the commitment of the monies of the Reserve Fund in Fiscal Year 2023-2024 in accordance with the following schedule:

- Groundwater Conservation: 5%
- Groundwater Management: 10%
- Groundwater Monitoring: 25%
- Groundwater Protection: 25%
- Groundwater Research: 5%

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- Groundwater Resource Planning: 5%
- Legal Contingencies: 25%

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 2023.

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

Agenda Item 10: Consideration of and possible action on matters related to Legal Counsel Report

10.0 – Legal Counsel Report

Meeting Discussion: Mr. Allison requested that staff make the following report available to the directors during the meeting..

CCGCD - Telicon Rpt - ABM 20230721.pdf

Board Action: None.

Agenda Item 11: Adjourn

11.0 – Adjourn Meeting

Meeting Discussion: None.

Board Action: Mr. Dierschke moved to adjourn the meeting at 7:16 PM after concluding all business of the District. Mr. Johnson seconded the motion. The motion passed unanimously.

THE ABOVE AND FOREGOING MINUTES WERE READ AND APPROVED ON THIS

THE 23 DAY OF October A.D. 2023.

Calhoun County Groundwater Conservation District

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Director of the Calhoun County Groundwater Conservation District

ATTEST:



Director of the Calhoun County Groundwater Conservation District