

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 September 7, 2022 at 5:30 PM.

Meeting Attendance:

Precinct 1:	Mr. Steven Dierschke, Director	Present
Precinct 2:	Mr. Wesley Brett, Vice-President	Present
Precinct 3:	Mr. Galen Johnson, Secretary	Present
Precinct 4:	Mr. Michael Hahn, Treasurer	Absent
At Large:	Mr. Harold May, President	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. May called the meeting to order at 5:30 PM.

Board Action: None.

2. Receive public comments.

Meeting Discussion: None.

Board Action: None.

3. Consideration of and possible action on matters related to Groundwater Management including the permit and waiver requests, complaints, investigations, and enforcement cases.

3.0 – Report regarding Groundwater Management

Meeting Discussion: Mr. Andruss explained as of August 16, 2022, the District has initiated 10 permitting request cases since July 1, 2022, and there are 13 permitting requests and applications that are pending.

Board Action: None.

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3.4.1 – PRC-20220803-01 – Monterrey Cove, LLC

Meeting Discussion: Mr. Andruss explained, Mr. Jed Linsider for Monterrey Cove, LLC seeks, under permitting request case, PRC-20220803-01 - ADW-20220708-01 - Monterrey Cove LLC - Pending, a drilling permit authorizing construction of a well to be used to produce groundwater for wildlife management uses at rates not to exceed 245 gallons per minute or 70 acre-feet per year under permit OPW-20200803-05. The proposed well will be located on a 425-acre tract of land near the intersection of State Highway 185 and FM 1289 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.

Provided the resulting permits are properly conditioned, the operation of the proposed well would satisfy the requirements as established within the Rules of the District without a waiver or variance.

On August 4, 2022, the public notice related to the consideration of the permit case was completed.

As of August 16, 2022, the District had not received notice of intent to contest the permitting request.

Board Action: Mr. Brett moved to:

1. cancel the permit hearing and proceed with the permitting case as an uncontested matter; and
2. authorize the general manager to issue a drilling permit to Monterrey Cove, LLC with the following conditions in accordance with the Rules of the District:
 1. the proposed well be offset from other water wells owned other persons by 245 feet.

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

3.4.2 – Report on POCID Permitting Request

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

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On February 2, 2022, the POCID submitted a payment of \$6,500.00 as the application processing fee.

On June 16, 2022, the District received the current application packet from representatives of POCID.

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

On June 30, 2022, the District forwarded the application packet to Mr. Wickham of WSP Golder for review and comment. On June 7, 2022, staff of WSP Golder and the District conducted a kick-off meeting regarding their efforts to review the application packet.

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

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

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

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

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

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

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

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

On August 12, 2022, the District reminded the applicant that the applications remain administratively incomplete due to the outstanding issue regarding annexation documentation.

On August 12, 2022, the District submitted an open records request to the Texas Water Development Board for "a digital copy of any written findings that the Port O'Connor Improvement District has the right to use the water that the project TWDB agreed to finance on November 5, 2020, under agenda item 10" of the TWDB meeting packet.

Board Action: None.

4. Consideration of and possible action on matters related to meeting management including minutes of previous meetings.

4.0 – Report regarding Meeting Management

Meeting Discussion: Mr. Andruss explained the next meeting of the Board is scheduled for October 24, 2022, with each meeting to convene at 5:30 PM. Special meetings may be scheduled to address unforeseen issues.

Board Action: None.

4.1 – Minutes of Previous Meeting

Meeting Discussion: Mr. Andruss explained the minutes for the meeting held on July 25, 2022, were sent to the board members prior to the meeting.

Board Action: Mr. Johnson moved to accept and approve the meeting minutes for July 25, 2022, as drafted. Mr. Brett seconded the motion. The motion passed unanimously.

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5. Consideration of and possible action on matters related to financial management including the annual budget, budget recommendation for fiscal year 2023, tax rate for tax year 2022, certified appraisal roll, bank accounts, investments, financial reports of the district, bills and invoices of the district.

5.0 – Report on Financial Management

Meeting Discussion: Mr. Andruss explained the financial records for June 2022 have been compiled, reviewed, and sent to the board members prior to the meeting.

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

5.0.1 – Review of Financial Transactions

Meeting Discussion: Mr. Andruss provided a list of accounts payable and accounts receivable that have been recorded since July 1, 2022, as of August 17, 2022.

Board Action: None.

5.1 – Budget Recommendation

Meeting Discussion: Mr. Andruss explained a recommended budget for fiscal year 2022 for the District has been developed that, if adopted, would 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 2022-2023.

The recommended budget anticipates 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. The significant revisions provide for 1) an increase to the monthly fees for service by 5% from \$6,825.00 to \$7,166.25.

The recommended budget includes and is based on the following:

- estimation of total fund balance of \$1,845,036 at the end of Fiscal Year 2021-2022;
- anticipation of expenditures of \$335,595 during Fiscal Year 2022-2023;

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- allocation of \$335,595 of the total fund balance to the Operating Fund effective October 1, 2022;
- allocation of the remainder of the total fund balance to the Reserve Fund effective October 1, 2022;
- commitment of the monies of the Reserve Fund in Fiscal Year 2022-2023 in accordance with the following schedule:
 - Groundwater Conservation: 5%
 - Groundwater Management: 10%
 - Groundwater Monitoring: 25%
 - Groundwater Protection: 25%
 - Groundwater Research: 5%
 - Groundwater Resource Planning: 5%
 - Legal Contingencies: 25%
- anticipation of revenue from sources other than tax-related sources to be \$4,000;
- adoption of a Tax Year 2022 tax rate of \$0.00720/\$100 of taxable value;
- anticipation of revenue from tax-related sources to be \$424,162; and
- anticipation of an increase of the reserve fund by \$92,567 at the conclusion of the fiscal year.

Board Action: Mr. Johnson moved to approve and adopt the proposed budget for FY2023 by order. Mr. Dierschke seconded the motion. The motion passed unanimously.

5.2 – Hearing and Adoption of Tax Rate for Tax Year 2022

Meeting Discussion: Mr. Andruss explained the District completed the public notice requirements related the required public hearing regarding the proposed tax rate for tax year 2022.

Based on calculations completed by the Calhoun County Tax Assessor-Collector, the following tax rates exist for the District for Tax Year 2022:

- No-New-Revenue Tax Rate: \$0.00720/\$100
- Voter-Approved Tax Rate: \$0.00770/\$100

The District adopted a tax rate of \$0.0080/\$100 for Tax Year 2021.

The proposed tax rate for Tax Year 2022 (No-New-Revenue Tax Rate; \$0.00720/\$100), if adopted, would decrease the tax rate and produce an additional \$12,663 of tax revenue.

As of August 19, 2022, District has not received comments on the proposed tax rate for tax year 2022.

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If the Board adopts the proposed rate, the tax rate would be lower than the current rate of \$0.0080/\$100 value to the No-New-Revenue Rate of \$0.00720/\$100 value.

Board Action: Mr. Johnson moved to open the public hearing regarding the proposed tax rate for tax year 2022, at 6:03 PM. Mr. Brett seconded the motion. The motion passed unanimously.

Mr. Johnson moved to close the public hearing after receiving no public comment regarding the proposed tax rate for tax year 2022 by order, at 6:03. Mr. Brett seconded the motion. The motion passed unanimously.

Mr. Johnson moved to approve and adopt the proposed tax rate of \$0.00720/\$100 value as the tax rate for tax year 2022, by order. Mr. Dierschke seconded the motion. The motion passed unanimously.

5.3 – Appraisal Roll for Tax Year 2022

Meeting Discussion: None.

Board Action: Mr. Brett moved to accept and approve the appraisal roll for Tax Year 2022 and adopt the Order Approving the 2022 Appraisal Roll. Mr. Johnson seconded the motion. The motion passed unanimously.

5.5 – 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. Brett moved to authorize the general manager to pay the listed 7 invoices. Mr. Dierschke seconded the motion. The motion passed unanimously.

6. Consideration of and possible action on matters related to office administration and management including administrative policies, consultant agreements, interlocal cooperation agreements, and support services provided to and from other groundwater conservation districts.

6.0 – Report regarding Administration and Management

Meeting Discussion: None.

Board Action: None.

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6.1 – Agreements with Cooperating Districts

Meeting Discussion: Mr. Andruss explained the District anticipates that the VCGCD Board may adopt management-recommended revisions to the cooperating agreement for the District as well as Refugio GCD, and Texana GCD which increases the monthly fees by 5% from \$6,825.00 to \$7,166.25 for fiscal year 2023.

Board Action: Mr. Johnson moved to authorize the presiding officer to execute an interlocal cooperation agreement with VCGCD (INTERLOCAL AGREEMENT FOR SERVICES RELATED TO GENERAL MANAGEMENT AND ADMINISTRATIVE ACTIVITIES) with revisions limited to increasing monthly fees by 5% from \$6,825.00 to \$7,166.25 for fiscal year 2023. Mr. Dierschke seconded the motion. The motion passed unanimously.

6.2 – Review of Consultants

Meeting Discussion: Mr. Andruss explained the District previously reviewed and considered the services provided by consultants on October 25, 2021. The District has obtained services from Jim Allison of Allison, Bass and Magee, Dr. Venkatesh Uddameri as well as Steve Young of Intera, Inc. in the past. The services provided by each consultant have been considered acceptable by the District. Furthermore, services provide by Dr. Venkatesh Uddameri, Matt Wickham of Golder Associates, and Steve Young of Intera, Inc. have been obtained through interlocal cooperation agreements with the VCGCD.

Board Action: Mr. Johnson moved to continue the authorization for the General Manager to obtain proposals and services from Dr. Venkatesh Uddameri, Matt Wickham of Golder Associates, and Steve Young of Intera, Inc. in accordance with the conditions established in the agreements between VCGCD and the consultants as appropriate. Mr. Dierschke seconded the motion. The motion passed unanimously.

7. Consideration of and possible action on matters related to election management including contracts related to the 2022 election and the potential cancellation of the 2022 election.

7.0 – Election Matters

Meeting Discussion: Mr. Andruss explained the Secretary of State Office has published Election Advisory 2022-25.

Within the advisory, a number of key dates are identified regarding the upcoming elections:

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- Monday, August 22, 2022 (78th day before Election Day)
 - Political Subdivisions Other Than Counties: 5:00 p.m. - Last day for a candidate in a political subdivision (other than a county) to file an application for a place on the ballot for general election for officers for most political subdivisions, except as otherwise provided by the Texas Election Code. (Secs. 143.007(c), 144.005(d), Election Code; Sec. 11.055, Education Code; Chapter 286, Health & Safety Code). See Candidacy Filing outline for more details.
 - Political Subdivisions Other Than Counties (General Election): Deadline for political subdivisions to order a general election to be held on Tuesday, November 8, 2022. (Sec. 3.005).
- Friday, August 26, 2022 (74th day before Election Day)
 - Political Subdivisions Other Than Counties: 5:00 p.m. - Deadline for write-in candidates to file Declaration of Write-In Candidacy (PDF) for regular officers for city, school district, library district, junior college district, hospital district, common school districts, Chapter 36 and 49 Water Code districts, and other political subdivision elections, unless otherwise provided by law. (Secs. 144.006(b), 146.054(b), 146.055, Election Code; Secs. 11.056, 11.304, 130.0825, Education Code; Secs. 326.0431, 326.0432, Local Government Code; Sec. 285.131, Health and Safety Code; Secs. 36.059, 49.101, 63.0945, Water Code). See Candidacy Filing outline for more details.
 - Political Subdivisions Other Than Counties: Recommended first day that a general or special election may be cancelled if all filing deadlines have passed, each candidate for an office listed on the ballot is unopposed (except as discussed below), and write-in votes may be counted only for names appearing on a list of write-in candidates. The Certification of Unopposed Candidates for Other Political Subdivisions (PDF) may be used to certify candidates as unopposed. Also, see our Sample Order of Cancellation (PDF).

The terms of the following offices are scheduled to expire in November 2022:

- Director, Precinct 2; (currently held by Mr. Brett)
- Director, Precinct 4; (currently held by Mr. Hahn)
- Director, At-Large; (currently held by Mr. May)

As of August 16, 2022, the District had not received applications for a place on the ballot.

Board Action: Mr. Johnson moved to 1) cancel the election for all positions effective August 26, 2022, unless an application for a place on the ballot is received before 5:00 PM on August 22, 2022, or a write-in application is received by 5:00 PM on August 26, 2022, or 2) order a general election for November 8,

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2022, if any position up for election is an opposed race. Mr. May seconded the motion. The motion passed unanimously.

8. Adjourn

8.0 – Adjourn Meeting

Meeting Discussion: None.

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

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

THE ABOVE AND FOREGOING MINUTES WERE READ AND APPROVED ON THIS

THE 24th DAY OF October A.D. 2022.



Director of the Calhoun County Groundwater Conservation District

ATTEST:


Director of the Calhoun County Groundwater Conservation District