Calhoun County Groundwater Conservation District

Meeting Minutes for August 24, 2026

THE STATE OF TEXAS

CALHOUN COUNTY

The Board of Directors of the Calhoun County Groundwater Conservation District convened a meeting at 312 W. Live Oak, Port Lavaca, TX 77979, Calhoun County, Texas, on August 24, 2026, at 5:30 PM.

Item 1 - Convene Meeting to order, welcome guests and receive a report from the general manager.

Mr. Andruss explained that staff completed the necessary public notification requirements for the meeting.

Mr. May called the meeting to order at 5:30 p.m. and called the roll of representatives:

Precinct 1: Mr. Steven Dierschke, Director: Present.

Precinct 2: Mr. Wesley (Clay) Brett, Vice-President: Absent.

Precinct 3: Mr. Galen Johnson, Secretary: Present.

Precinct 4: Mr. Michael (Mike) Hahn, Treasurer: Present.

At Large: Mr. Harold (Danny) May, President: Present.

General Manager: Tim Andruss: Present.

General Counsel: Jim Allison: Absent.

Item 2 - Receive Public Comment

Representatives of the public were present and gave public comment.

Item 9 - Consideration of and possible action on matters related to administration and management including the minutes of previous meetings, amendments to the annual budget of the district, budget recommendation for Fiscal Year 2027, tax rate for Tax Year 2026, certified tax roll for Tax Year 2026, 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, TWDB grant funding agreement, the financial audit for Fiscal Year 2025, the Annual report of the District, budget preparation and tax rates, and support services provided to an from other groundwater conservation districts.

Topic 9.1 - Financial Audit Services

Mr. Andruss explained:

On October 27, 2025, the board authorized Goldman, Hunt and Notz, LLP (GHN) to complete a financial audit of the district for the fiscal year ending September 30, 2025.

On July 24, 2026, Mr. Cox with GHN informed staff of their intention to present the financial audit report for the fiscal year ending September 30, 2025 to the Board.

Mr. Goldman with Goldman, Hunt and Notz, LLP was present and gave the audit report for fiscal year ending September 30, 2025.

Board Action: Mr. Hahn moved to 1) accept and approve the financial audit for FYE20250930, as presented, and 2) authorize the general manager to pay the invoice from GHN for the auditing services. Mr. Dierschke seconded the motion. The motion passed unanimously.

Topic 9.2 - TWDB Groundwater Science, Research, and Data Collection Grant Program

Mr. Andruss provided the following information:

The Victoria County Groundwater Conservation District (VCGCD) submitted a grant application to the Texas Water Development Board (TWDB) under the Groundwater Science, Research, and Data Collection Grant Program for funding of a proposed project to complete a comprehensive subsidence analysis and installation of a long-term subsidence monitoring station, with a total estimated cost of $281,000. The grant application submitted on behalf of the cooperating districts sought a grant of $231,000.

On June 30, 2026, VCGCD received formal notification from TWDB that the application was selected for award. TWDB authorized the partial funding of the project in an amount of $158,500 for two of the four proposed tasks: Task 1 - InSAR Study: collect and analyze InSAR data and Task 4 - Install Subsidence Monitoring Station.

The effects of offering partial funding of tasks proposed in the project were reviewed by INTERA, the technical consultant of the proposed project, to evaluate the feasibility of the project as terms of proposed grant agreement are developed. INTERA informed the District that the completion of Task 1 and Task 4, without the completion of Task 2 and 3, would be beneficial and "help inform our understanding of subsidence and support long-term subsidence modeling and evaluation of model outputs."

On July 17, 2026, the District received the draft award agreements and requirements for review. The agreement materials were forwarded to legal counsel the INTERA for review.

On August 8, 2026, the Board of Directors of the VCGCD 1) authorized the presiding officer and general manager to execute all necessary grant agreements and documentation associated with the grant award for the proposed project offered by TWDB under the Groundwater Science, Research, and Data Collection Grant Program upon determination of legal sufficiency by legal counsel, 2) authorized the general manager to execute the Task 1 and Task 2 of the proposed project, pay associated bills and invoices, and 3) authorized the general manager to accept reimbursement of incurred expenses for the execution Task 1 and Task 4 of the proposed project from TWDB in accordance with the executed grant agreement.

Topic 9.3 - Budget for FY2027

Mr. Andruss provided the following information:

Management developed a draft budget for the fiscal year ending September 30, 2027, that attempts to fund the operations of the District in a manner which provides for 1) the accomplishment of the management plan goals and objectives, and 2) the completion of 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.

To facilitate future comparisons of adopted budgets to financial audits and to simplify bookkeeping tasks, the draft budget has developed using a single fund referred to as the General Fund instead of developing a budget using two funds, Operating Fund and Reserve Fund.

The budget anticipates purchases and projects that are not routine in nature including funding for conducting an election, increased legal expenses, increased district fees, expanded water level assessment, increased legislative support expenditures, site-specific monitoring and assessments, CGCBGF Model improvements, expanded DFC modeling.

On August 6, 2026, the District received the 2026 Tax Rate Calculation Worksheet from the Calhoun County Tax Assessor-Collector.

CCGCD - Tax Rate Calculation Worksheet - 2026.pdf (REMOVED 20260824)

On August 21, 2026, Management developed two draft budgets: 1) a 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 2026, and 2) a budget anticipating the approval of a tax rate less than the Voter-Approval Tax Rate calculated by the Tax Assessor - Collector for Tax Year 2026 and based on the tax rate that results in a computed tax levy less than $500,000 thereby retaining the "small taxing unit" qualification for the District.

The budgeted expenditures in both versions of the draft budget total $400,700.

In both versions of the draft budget, budgeted expenditures exceed budgeted revenue for the fiscal year. If all expenditures are authorized and all budgeted expenses are realized, reserve funds would not be diminished.

The total tax levy for Tax Year 2026 anticipated from adopting the No-New-Revenue Tax Rate is $464,100. The total levy for Tax Year 2026 anticipated from adopting the "Small Taxing Unit Tax Rate" is $498,700. The total tax levy for Tax Year 2026 anticipated from adopting the Voter-Approval Tax Rate is $505,691.

On August 24, 2026, staff discovered the tax rate worksheet sent to the District by the CCAD was actually the worksheet for Tax Year 2025. Staff notified CCAD of the error and requested the tax rate worksheet for Tax Year 2026. On August 24, 2026, staff received the the tax rate worksheet for Tax Year 2026 from CCAD.

On August 24, 2026, staff revised the budget anticipating the approval of a tax rate less than the Voter-Approval Tax Rate calculated by the Tax Assessor - Collector for Tax

Year 2026 and based on the tax rate that results in a computed tax levy less than $500,000 thereby retaining the "small taxing unit" qualification for the District.

The total tax levy for Tax Year 2026 anticipated from adopting the No-New-Revenue Tax Rate is $460,635. The total levy for Tax Year 2026 anticipated from adopting the "Small Taxing Unit Tax Rate" is $495,531. The total tax levy for Tax Year 2026 anticipated from adopting the Voter-Approval Tax Rate is $502,511.

Topic 9.4 - Tax Rate for Tax Year 2026

Mr. Andruss explained:

The Tax Rate for Tax Year 2025 is $0.0067/$100 value. The total tax levy for Tax Year 2025 is $464,837.

The No-New-Revenue Tax Rate for Tax Year 2026 is $0.0066/$100 value. The total tax levy for Tax Year 2026 anticipated from adopting the No-New-Revenue Tax Rate is $460,635.

The "Small Taxing Unit Tax Rate" for Tax Year 2026 is $0.0071/$100 value. The total levy for Tax Year 2026 anticipated from adopting the "Small Taxing Unit Tax Rate" is $495,531 and would represent an "increase total taxes" of 6.6%.

The Voter-Approval Tax Rate for Tax Year 2026 is $0.0072/$100 value. The total tax levy for Tax Year 2026 anticipated from adopting the Voter-Approval Tax Rate is $502,511.

Board Action: Mr. Hahn moved to propose a tax rate less than or equal to the "Small Taxing Unit Tax Rate" for Tax Year 2026 of **$0.0071/$100** value and instruct staff to publish all necessary notices to consider and adopt a tax rate at the meeting of the Board of Directors scheduled for September 14, 2026. Mr. Johnson seconded the motion. The motion passed unanimously.

Topic 9.6 - Appraisal Roll for Tax Year 2026

Mr. Andruss provided the following information:

On July 27, 2026, the Chief Appraiser of the Victoria Central Appraisal District certified the 2026 Appraisal Roll.

Topic 9.10 - Unpaid Invoices and Bills

Mr. Andruss explained:

The District has outstanding bills and invoices that are NOT considered regular and routine nor has the Board previously authorized the requested payment.

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

1. ACCTP-20260824-01 - $120.00 - Allison, Bass & Magee, LLP
2. ACCTP-20260824-02 - $31,500.00 - VCGCD - 3rd Qtr 2027
3. ACCTP-20260824-03 - $3,250.00 - VCGCD - Intera Cost Share

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

Item 11 - Adjourn.

Board Action: Mr. Hahn moved to adjourn the meeting after concluding all business of the district at approximately 6:17 PM. Mr. Dierschke seconded the motion. The motion passed unanimously.

THE ABOVE AND FOREGOING MINUTES WERE READ AND APPROVED ON THIS THE _____ DAY OF _____ A.D. _____.

_____ Director of the Calhoun County Groundwater Conservation District

ATTEST:

_____ Director of the Calhoun County Groundwater Conservation District