Calhoun County Groundwater Conservation District

Meeting Minutes for July 27, 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 July 27, 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: Present.

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: Present.

Topic 1.2 - General Manager Report

Mr. Andruss provided the following information:

Groundwater Management (Permitting)

Regarding General Groundwater Permitting

Regarding Well Registration Processing

As of July 13, 2026, staff had received 14 well registration applications (ARWs) since October 1, 2025.

As of July 13, 2026, staff had received 20 Notices of Intent to Drill a Well (NIDWs) since October 1, 2025.

Regarding Production Permit Renewal Processing

As of July 13, 2026, staff had identified 21 permits due to expire during the fiscal year. Staff mailed courtesy notices regarding the pending expiration and the need to renew the subject permit to permittees in April 2026.

Regarding Permit Processing

As of July 13, 2026, staff had received 8 applications related to production permits since October 1, 2025.

As of July 13, 2026, staff had 7 administratively incomplete applications related to production permits.

Applications for Standard-Capacity Non-Historic-Use Production Permit:

1. ANHUPPW-20260310-01 - Sea Dan Ranches - Administratively Incomplete
    a. Permitting Request Type: **Non-Historic Use Application**
    b. Requested Production Rates: **40 GPM, 5.75 AFY**
    c. Requested Purpose of Use: **RV Park Use**

Applications to renew a production permit:

1. ARP-20260527-01 - R and RV Resort and Casitas - Administratively Incomplete
    a. Requested Production Rates: **16 GPM, 4.63 AFY**
    b. Requested Purpose of Use: **Irrigation Use**
2. ARP-20260528-01 - Hatchbend Country Club - Administratively Incomplete
    a. Requested Production Rates: **200 GPM, 18 AFY**
    b. Requested Purpose of Use: **Irrigation Use**
3. ARP-20260528-02 - Hatchbend Country Club - Administratively Incomplete
    a. Requested Production Rates: **200 GPM, 18 AFY**
    b. Requested Purpose of Use: **Irrigation Use**
4. ARP-20260529-01 - Kevin Harlan - Administratively Incomplete
    a. Requested Production Rates: **25 GPM, 1 AFY**
    b. Requested Purpose of Use: **Community Center Use**
5. ARP-20260602-01 - Calhoun Port Authority - Administratively Incomplete
    a. Requested Production Rates: **108 GPM, 30 AFY**
    b. Requested Purpose of Use: **Power Generation Use**
6. ARP-20260608-01 - Texas Park and Wildlife - Administratively Incomplete
    a. Requested Production Rates: **18 GPM, 4 AFY**
    b. Requested Purpose of Use: **Research Facility Use**

As of July 13, 2026, staff had initiated 1 permitting request cases (PRCs) since October 1, 2025.

As of July 13, 2026, staff had 1 permitting request cases pending.

1. PRC-20260310-01 - Dustin Bruce for Rancho Tres Efes LTD seeks, under permitting request case PRC-20260310-01, a standard-capacity non-historic-use production permit authorizing the production of groundwater from a proposed, non-grandfathered well for livestock and migratory wildlife uses at rates not to exceed 300 gallons per minute or 10 acre-feet per year. The proposed well system is located on a 937-acre tract of land at the intersection of FM 302 and 305, in Calhoun County.

As of July 13, 2026, staff had 61 active or approved production permits recorded in the permitting database with a combined amount of authorized groundwater production per year of 5,535.2 acre-feet.

Regarding Groundwater Production Report Processing

As of July 13, 2026, staff had processed 83 groundwater production reports for the preceding calendar year since October 1, 2025.

As of July 13, 2026, staff had recorded groundwater production reports for 83 water wells reporting 11,189.6 acre-feet of groundwater production during CY2025. (TWDB estimated the volume of groundwater produced for rural domestic, livestock, mining, and rig supply exempt uses in Calhoun County in Year 2020 was 206 acre-feet. See: TWDB - Projected Exempt Groundwater Use Estimates.)

Regarding Manage Investigations related to Permitting Violations

As of July 14, 2026, staff had initiated 2 investigations related to groundwater management (i.e., permitting) since October 1, 2025.

As of July 14, 2026, staff had 2 active investigations related to groundwater management (i.e., permitting).

1. INV-20251015-01 - Unpermitted Non-Exempt Use - Active
2. INV- 20260205-01 - Failure to Satisfy Rules of the District - Production Reporting for CY2025 - Active

Regarding Manage Enforcement Cases related to Permitting Violations

As of July 14, 2026, the Board had initiated 0 enforcement case violations related to groundwater management (i.e., permitting) since October 1, 2025.

As of July 14, 2026, staff had 0 unresolved enforcement cases related to groundwater management (i.e., permitting).

Regarding Permit Report Processing

As of July 14, 2026, staff had processed 1 permit reports to permittees since October 1, 2025.

As of July 14, 2026, staff had 0 permit report outstanding.

Groundwater Protection

Regarding General Groundwater Protection

Regarding Well Inspections

As of July 13, 2026, staff had recorded 6 well inspection forms (WIFs) since October 1, 2025.

Regarding Manage Investigations related to Groundwater Protection

As of July 14, 2026, staff had initiated 0 investigations related to Groundwater Protection since October 1, 2025.

As of July 14, 2026, staff had 0 active investigations related to Groundwater Protection.

Regarding Manage Enforcement Cases related to Groundwater Protection

As of July 14, 2026, the Board had initiated 0 enforcement case violations related to Groundwater Protection since October 1, 2025.

As of July 14, 2026, staff had 0 unresolved enforcement case violations related to Groundwater Protection.

Regarding Well Plugging Sponsorship

As of July 14, 2026, staff had received 0 requests for assistance with well plugging since October 1, 2025.

Groundwater Monitoring

Regarding General Groundwater Monitoring

Regarding Drought Condition Monitoring

As of July 22, 2026, the U.S. Drought Monitor (https://www.drought.gov/states/texas/county/calhoun) indicates that 0% of July 22, 2026 County was experiencing drought conditions.

As of July 22, 2026, 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 0% of Calhoun County was experiencing drought conditions.

Regarding Water Level Monitoring

As of July 22, 2026, staff had collected 6 water level measurements since October 1, 2025.

Regarding Water Quality Aquifer Monitoring

As of July 22, 2026, staff had collected 1 water quality field measurements since October 1, 2025.

As of July 22, 2026, staff had collected 0 water quality samples since October 1, 2025.

As of July 22, 2026, staff had received 0 water quality lab reports since October 1, 2025.

Regarding Advanced Aquifer Monitoring

The charts of automated measurements can be viewed at the following web address: https://www.calhouncountygcd.org/real-time-aquifer-monitoring-charts.

Regarding Water Level Assessment

On February 18, 2026, Dr. Young of Intera submitted the draft report of the assessment of calendar years 2024 and 2025 water levels using geostatistical techniques as requested by the cooperating districts. On April 9, 2026, Nick Lamkey of Intera provided the final report of the project for advanced geostatistical evaluation of water level measurements for calendar year 2024 and 2025.

Regarding Water Quality Assessment

On March 27, 2026, Neil Blandford of Daniel B. Stephens and Associates (DBSA) completed the work on the project regarding the general groundwater quality within Victoria, Jackson, Calhoun, and Refugio Counties.

Regarding Subsidence Assessment

Groundwater Conservation

Regarding General Groundwater Conservation

Regarding Promote Conservation

Groundwater Resource Planning

Regarding General Groundwater Resource Planning

Regarding Regional Water Planning Participation

On June 24, 2026, Tim Andruss, General Manager of the District, participated in a meeting of the Guiding Principles and By-Laws Subcommittee of the South Central Texas Regional Water Planning Group (Region L). The next meeting of the planning group is scheduled for August 27, 2026 at 9:30 AM at the offices of the San Antonio Water System.

Regarding GMA 15 Joint Planning

On May 13, 2026, the staff of the District completed the public notice requirements to conduct a public hearing to receive public comment and consider possible action on the proposed desired future conditions of Groundwater Management Area 15.

Regarding GMA 15 Administration

Groundwater Policy

Regarding General Groundwater Policy

Regarding Management Plan Revisions

Regarding Rule Amendments

On June 26, 2026, the staff of the District completed the public notice requirements to conduct a rulemaking hearing to receive public comment and consider possible action on the 2026 Proposed Rules of the District.

Regarding Legislative Support and Lobbying

Administration

The next meetings of the Board is scheduled for August 24, 2026, and September 14, 2026, with each meeting to convene at 5:30 PM. Regular meetings will be rescheduled as necessary, and special meeting may be scheduled to address unforeseen issues.

Item 2 - Receive Public Comment

Representatives of the public were present and gave public comment.

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.

Topic 3.1 - Rancho Tres Efes LTD. - Pending/Uncontested

Mr. Andruss explained:

Mr. Dustin Bruce for Rancho Tres Efes LTD seeks, under permitting request case PRC-20260310-01, a standard-capacity non-historic-use production permit authorizing the production of groundwater from a proposed, non-grandfathered well for livestock and migratory wildlife uses at rates not to exceed 300 gallons per minute or 10 acre-feet per year. The subject well is proposed to be located on a 937-acre tract of land at the intersection of County Road 302 and 305, in Calhoun County.

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.

Based on the review of the information provided within the associated application and supplemental information provided by the applicant, the general manager has determined that the request is consistent with the policies and rules of the district. Accordingly, the district has not notified the applicant of the intent of the district to contested the permitting request.

On July 3, 2026, staff completed the public notice process for the permitting request case.

As of July 27, 2026, staff received the following notices of intent to contest the permitting request: none.

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 standard-capacity production permit to Rancho Tres Efes LTD for the subject well under permitting request case PRC-20260310-01 with the following conditions and the requirements established in the rules of the district now in effect:

Authorized Groundwater Production Purpose: livestock and migratory wildlife uses;

Authorized Groundwater Production Rate: 300 gallons per minute;

Authorized Groundwater Production: 10 acre-feet per year; and

Expiration Date: July 31, 2030.

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

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

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

Topic 5.1 - Water Level Assessment

Mr. Andruss explained:

On February 3, 2026, management notified Steve Young of Intera of the approval of the project for advanced geostatistical evaluation of water level measurements for calendar year 2024 and 2025 by each of the boards of CCGCD, RGCD, TGCD, and VCGCD. The fixed cost approved for the project by the cooperating districts is $24,000.00.

On April 9, 2026, Nick Lamkey of Intera provided the final report of the project for advanced geostatistical evaluation of water level measurements for calendar year 2024 and 2025. See report titled Application of Geostatistical Techniques to Interpret Measured 2024 and 2025 Water Levels.

The image below, representing Table 4 from the report, documents the estimated changes in water levels computed for Calhoun County since calendar year 2000.

Table 2 Average annual water level (ft, msl) and change in the average annual water level for Calhoun County for the Chicot Aquifer, the Evangeline Aquifer and the Chicot & Evangeline aquifers

Aquifer	Water Level/ Change	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Chicot	avg. WL (ft)	-7.0	-5.9	-4.9	-0.3	-1.8	1.9	-4.5	-1.0	0.8	-2.6	-2.6	-1.2	-7.6	-5.1	-6.8	-7.7	-7.8	-2.6	-4.2	-2.9	-2.6	-5.0	-1.8	-5.7	-7.6	-7.9
	change (ft)*	0.0	1.1	2.1	6.7	5.2	8.9	2.5	6.1	7.8	4.4	4.4	5.8	-0.6	2.0	0.2	-0.6	-0.8	4.4	2.8	4.1	4.5	2.0	5.2	1.3	-0.6	-0.9
Evangeline	avg. WL (ft)	17.7	11.3	8.1	25.2	13.7	13.3	21.8	28.0	15.1	16.5	18.1	14.6	18.7	10.3	1.2	3.6	3.6	11.6	-8.0	15.2	16.4	9.9	6.6	5.0	-5.5	-6.7
	change (ft)*	0.0	-6.4	-9.6	7.5	-4.0	-4.4	4.1	10.3	-2.6	-1.2	0.4	-3.1	1.0	-7.4	-16.5	-14.2	-14.1	-6.1	-25.8	-2.5	-1.3	-7.8	-11.1	-12.7	-23.2	-24.4
Chicot & Evangeline	avg. WL (ft)	-3.2	-3.7	-3.5	3.7	0.2	3.3	-0.2	3.7	3.1	0.2	0.4	1.0	-3.1	-2.8	-5.7	-6.1	-6.2	-0.4	-5.7	-0.1	0.5	-3.1	-1.3	-4.5	-7.0	-7.6
	change (ft)*	0.0	-0.5	-0.3	7.0	3.4	6.6	3.1	6.9	6.3	3.4	3.6	4.2	0.1	0.4	-2.5	-2.8	-3.0	2.8	-2.5	3.1	3.7	0.1	1.9	-1.3	-3.8	-4.4

* change is measured relative to the year 2000; avg WL is measured relative to mean sea level

The analysis indicates that water levels in the Chicot Aquifer of the Gulf Coast Aquifer System in Calhoun County have declined by 0.9 feet in calendar year 2025 relative to year 2000. The 5-year rolling average of water level change in the Chicot Aquifer of the Gulf Coast Aquifer System in Calhoun County indicates that the recent trend is a 1.4 feet recovery as compared to calendar year 2000.

The analysis indicates that water levels in the Evangeline Aquifer of the Gulf Coast Aquifer System in Calhoun County have declined by 24.4 feet in calendar year 2025 relative to year 2000. The 5-year rolling average of water level change in the Evangeline Aquifer of the Gulf Coast Aquifer System in Calhoun County indicates that the recent trend is a 15.8 feet decline in calendar year 2025 as compared to calendar year 2000.

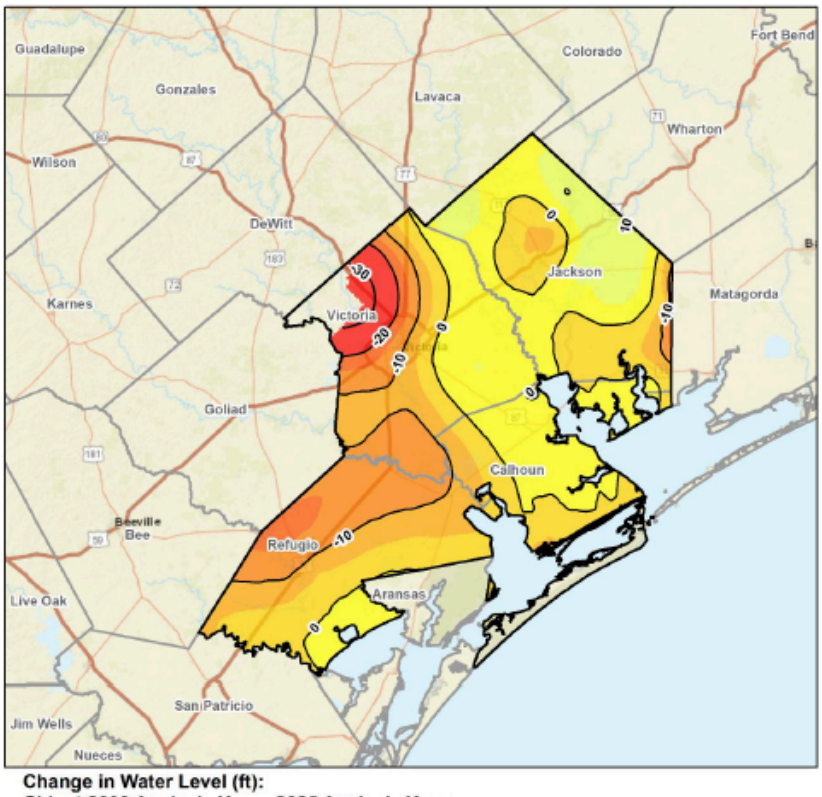
The analysis indicates that the water level changes of the Chicot and Evangeline Aquifers of the Gulf Coast Aquifer System in Calhoun County have declined by -4.4 feet in calendar year 2025 relative to year 2000, in aggregate.

The 5-year rolling average of water level changes of the Chicot and Evangeline Aquifers of the Gulf Coast Aquifer System in Calhoun County ending in year 2025 indicates that the recent trend is a 1.5 feet decline as compared to calendar year 2000.

Aquifer	Water Level Change	Year 2000	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025	5-Year Rolling Average (2025)
Chicot	avg. WL (ft)	-7.0	-2.6	-5.0	-1.8	-5.7	-7.6	-7.9	-5.6
	change (ft)*	0.0	4.5	2.0	5.2	1.3	-0.6	-0.9	1.4
Evangeline	avg. WL (ft)	17.7	16.4	9.9	6.6	5.0	-5.5	-6.7	1.9
	change (ft)'	0.0	-1.3	-7.8	-11.1	-12.7	-23.2	-24.4	-15.8
Chicot and Evangeline	avg. WL (ft)	-3.2	0.5	-3.1	-1.3	-4.5	-7.0	-7.6	-4.7
	change (ft)*	0.0	3.7	0.1	1.9	-1.3	-3.8	-4.4	**-1.5**

* change is measured relative to the year 2000; avg WL is measured relative to mean sea level

The images below, representing Figure 7 and Figure 12 from the report, illustrate the spatial distribution of changes in water levels computed for the Chicot and Evangeline Aquifers in Calhoun County as of calendar year 2025 relative to calendar year 2000, respectively.



Change in Water Level (ft):
Chicot 2000 Analysis Year - 2025 Analysis Year

Increase

- 50 - 55
- 45 - 50
- 40 - 45
- 35 - 40
- 30 - 35
- 25 - 30
- 20 - 25
- 15 - 20
- 10 - 15
- 5 - 10
- 0 - 5

Decrease

- -5 - 0
- -10 - -5
- -15 - -10
- -20 - -15
- -20 - -25

- Water Level Change (ft)
- Counties of Interest
- Counties

Figure 7 Contours of the change in water levels in the Chicot Aquifer from the 2000 Analysis Year to the 2025 Analysis Year

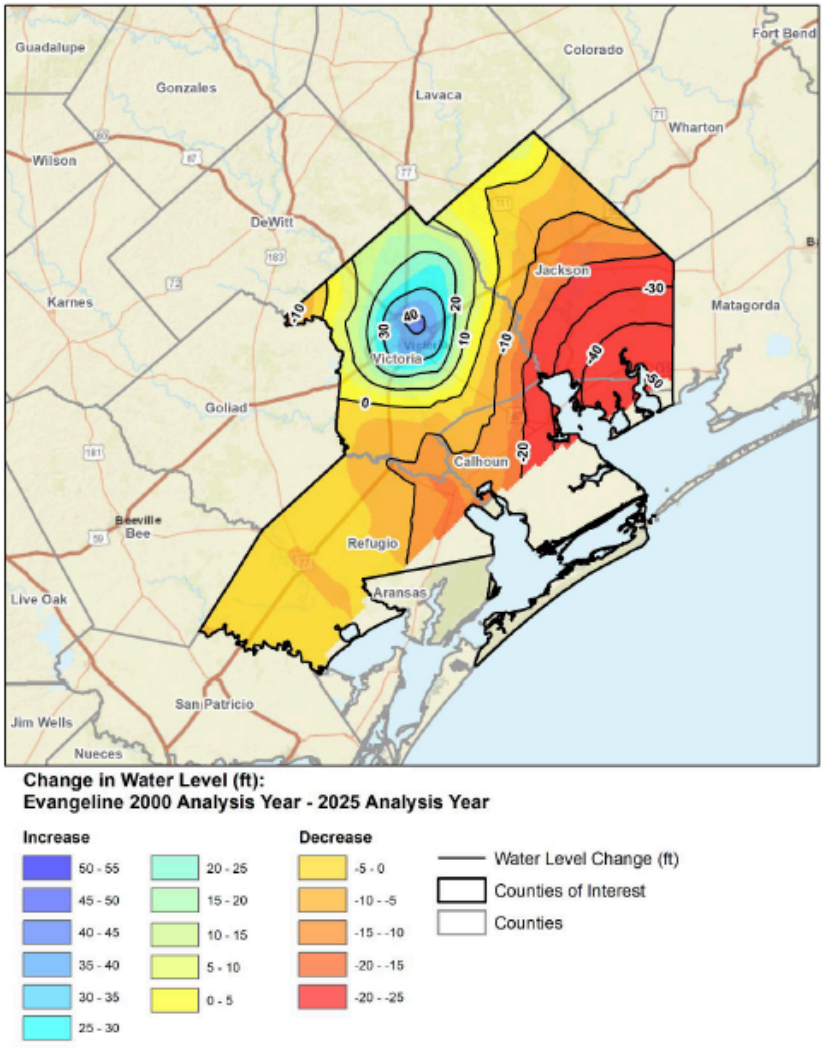


Figure 12 Contours of the change in water levels in the Evangeline Aquifer from the 2000 Analysis Year to the 2025 Analysis Year

The District is a member of and contained completely within Groundwater Management Area 15 (GMA 15). The desire future condition for GMA 15 is expressed as follows:

The representatives of Groundwater Management Area 15 proposed the following Desired Future Conditions for Adoption on April 8, 2021:

1. The Desired Future Condition for the counties in the groundwater management area (gma-specific DFC) shall not exceed an average drawdown of 13 feet for the Gulf Coast Aquifer System at December 2080; and

2. The Desired Future Conditions for each county within the groundwater management area (county-specific DFCs) shall not exceed the values specified in Table A at December 2080:

Table A. Desired Future Conditions for Counties of GMA 15 expressed as an Average Drawdown between January 2000 and December 2080.

- Aransas County: 0 feet of drawdown of the Gulf Coast Aquifer System.
- Bee County: 7 feet of drawdown of the Gulf Coast Aquifer System.
- Calhoun County: 5 feet of drawdown of the Gulf Coast Aquifer System.
- Colorado County: 17 feet of drawdown of the Chicot and Evangeline Aquifers; and 25 feet of drawdown of the Jasper Aquifer.
- DeWitt County: 17 feet of drawdown of the Gulf Coast Aquifer System.
- Fayette County: 44 feet of drawdown of the Gulf Coast Aquifer System.
- Goliad County: 4 feet of recovery of the Chicot Aquifer; 2 feet of recovery of the Evangeline Aquifer; 7 feet of drawdown of the Burkeville Aquifer; and 14 feet of drawdown of the Jasper Aquifer.
- Jackson County: 15 feet of drawdown of the Gulf Coast Aquifer System.
- Karnes County: 22 feet of drawdown of the Gulf Coast Aquifer System.
- Lavaca County: 18 feet of drawdown of the Gulf Coast Aquifer System.
- Matagorda County: 11 feet of drawdown of the Chicot and Evangeline Aquifers.
- Refugio County: 5 feet of drawdown of the Gulf Coast Aquifer System.
- Victoria County: 5 feet of drawdown of the Gulf Coast Aquifer System.
- Wharton County: 15 feet of drawdown of the Chicot and Evangeline Aquifers.

Board Action: Mr. Hahn moved to accept the report, instruct the general manager to post the report on the website of the district, concluded that the condition of the Gulf Coast Aquifer within Calhoun County is in compliance with the GMA 15 desired future condition, and instruct the general manager to investigate and compare monitoring datasets to identify any significant changes over time that may be influencing the analysis. Mr. Johnson seconded the motion. The motion passed unanimously.

Topic 5.2 - Water Quality Assessment

Mr. Andruss explained :

On January 27, 2025, the Board authorized a cost-share arrangement with the cooperating districts to fund a project by DBSA to evaluate water quality across the Victoria, Jackson, Calhoun, and Refugio Counties to serve as a baseline for future evaluations and trend analysis. The project was funded at $74,000.

On March 27, 2026, Neil Blandford of Daniel B. Stephens and Associates (DBSA) submitted the final report regarding the general groundwater quality within Victoria, Jackson, Calhoun, and Refugio Counties. The report is titled Four County Groundwater Quality Study. Through the completion of the project, DBSA complied and documented water

quality information regarding total dissolved solids concentration of groundwater, assigned formation information where possible, analyzed the data, and developed time-based water quality charts, and water quality contours for Calhoun, Jackson, Refugio, and Victoria Counties. DBSA provide recommendations regarding monitoring that would be useful for improving water quality monitoring by the districts.

Board Action: Mr. Hahn moved to accept the report titled Four County Groundwater Quality Study submitted by Daniel B. Stephens and Associates (DBSA) and instruct the general manager to post the report on the website of the District. Mr. Brett seconded the motion. The motion passed unanimously.

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

Item 7 - Consideration of and possible action on matters related to groundwater resource planning, including Joint Planning of Groundwater Management Area 15, regional water planning, and proposed Desired Future Conditions (DFCs).

Topic 7.1 - Public Hearing regarding Proposed Amended Desired Future Conditions for GMA 15

Mr. Andruss explained:

On May 13, 2026, the staff of the District completed the public notice requirements to conduct a public hearing to receive public comment and consider possible action on the proposed desired future conditions of Groundwater Management Area 15.

Per 36.108(d-2) of the Texas Water Code, "A period of not less than 90 days for public comments begins on the day the proposed desired future conditions are mailed to the districts. During the public comment period and after posting notice as required by Section 36.063, each district shall hold a public hearing on any proposed desired future conditions relevant to that district. During the public comment period, the district shall make available in its office a copy of the proposed desired future conditions and any supporting materials, such as the documentation of factors considered under Subsection (d) and groundwater availability model run results. After the close of the public comment period, the district shall compile and submit to the district representatives for consideration at the next joint planning meeting: (1) a summary of relevant comments received; (2) any suggested revisions to the proposed desired future conditions, and the basis for those revisions; and (3) any supporting materials, including new or revised groundwater availability model run results."

On April 7, 2026, the proposed desired future conditions were mailed to the districts marking the beginning of the public comment period for the member districts of Groundwater Management Area 15.

The proposed amended desired future condition for Groundwater Management Area 15 does not include a revisions to the condition specified for Calhoun County.

Board Action: Mr. Hahn moved to open the Public Hearing regarding Proposed Amended Desired Future Condition for GMA 15. Mr. Dierschke seconded the motion. The Public Hearing was open at approximately 6:03 PM. The motion passed unanimously.

There were no comments from the public regarding Proposed Amended Desired Future Condition for GMA 15.

Mr. Dierschke moved to close the Public Hearing regarding Proposed Amended Desired Future Condition for GMA 15 after receiving any offered public comments and close the public comment period. Mr. Johnson seconded the motion. The Public Hearing and public comment period were closed at approximately 6:04 PM. The motion passed unanimously.

Mr. Hahn moved to instruct the general manager to compile and submit to the district representatives of GMA 15 for consideration at the next joint planning meeting:

1. a summary of relevant comments received;
2. any suggested revisions to the proposed desired future conditions, and the basis for those revisions; and
3. any supporting materials, including new or revised groundwater availability model run results.

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

Item 8 - Consideration of and possible action on matters related to groundwater policy, including the Management Plan of the District,the Rules of the District, and the 2026 Proposed Rules of the District.

Topic 8.1 - Characterization of Brackish Groundwater Resources from Calhoun, Jackson, Refugio and Victoria Counties

Mr. Andruss explained:

On May 14, 2025, the Board of Directors of the Calhoun County Groundwater Conservation District authorized the general manager to 1) accept the proposal submitted by Intera related to characterizing the brackish groundwater, 2) provide notice to Intera to begin the project, and 3) share the costs of the project in an amount not to exceed $20,000, contingent upon similar cooperation approval by Refugio GCD and Texana GCD.

On May 30, 2025, Mr. Andruss provided to Dr. Young of Intera, via email, notice to proceed with the project as proposed in the the Proposal to Characterize and Investigate Options to Manage Brackish Resources in Jackson, Calhoun, and Refugio Counties with a combined cost of $60,000.

On March 6, 2026, Dr. Young of Intera submitted a final report titled Characterization of Brackish Groundwater Resources from Calhoun, Jackson, Refugio, and Victoria Counties. The report provides detailed information regarding stratigraphy, lithology, estimations of sand percentages of formations, estimation of total dissolved solids concentrations, salinity zone maps, salinity zone cross-sections, documentation regarding the Central Gulf Coast Brackish Groundwater Flow (CGCBGWF) Model developed for the brackish groundwater resources in the region, and drawdown simulations related to hypothetical deep-saline groundwater production scenarios.

On March 27, 2026, Tim Andruss initiated the rulemaking effort associated with this project and requested the assistance of Steve Young in that effort.

On April 10, 2026, the Board of Directors of the Victoria County GCD approved the proposal to expand Project PRJ-20263100.09 - Brackish Groundwater Assessment to include the evaluation of the cumulative effects of large-scale brackish groundwater projects in Calhoun, Jackson, Refugio, and Victoria Counties using the recently developed Central Gulf Coast Brackish Groundwater Flow (CGCBGWF) Model in an amount not to exceed $10,000.00.

On April 13, 2026, Intera was notified of the acceptance and approval of the expansion of the project to include the evaluation of the cumulative effects of large-scale brackish groundwater projects in Calhoun, Jackson, Refugio, and Victoria Counties using the recently developed Central Gulf Coast Brackish Groundwater Flow (CGCBGWF) Model.

On May 19, 2026, Intera delivered the final report title: Characterization of Brackish Groundwater Resources for Calhoun, Jackson, Refugio, and Victoria Counties Addendum #1. Simulation of Drawdowns Caused by Large-Scale Production to the Victoria County GCD. The report documents the cumulative drawdowns predicted when simulating large-volume brackish groundwater development projects in Calhoun, Jackson, Refugio, and Victoria Counties using the CGCBGWF Model.

On June 22, 2026, the Board requested that Dr. Young prepare for and attend the District's meeting scheduled for July 27, 2026, to report on and discuss his work to support the district's efforts to develop deep-saline groundwater production regulations and rules.

On June 22, 2026, the Board approved the Proposal to perform additional similar simulations of brackish groundwater production in Calhoun, Jackson, Refugio, and Victoria Counties using production rates that aligned with the deep-saline non-historic-use production caps proposed in the 2026 Proposed Rules of the District of each of the cooperating districts, authorize the payment of the associated fees, and instruct the general manager to seek cost-sharing arrangements with cooperating districts. The cooperating districts have agreed to share the cost for the additional simulations.

On July 9, 2026, Intera submitted the final report titled Characterization of Brackish Groundwater Resources for Calhoun, Jackson, Refugio, and Victoria Counties Addendum #2. Simulation of Drawdowns Caused by Brackish Groundwater Production.

The following image of the Table 1-2 of the Addendum 2 report summarizes the predicted drawdowns of the nine production scenarios.

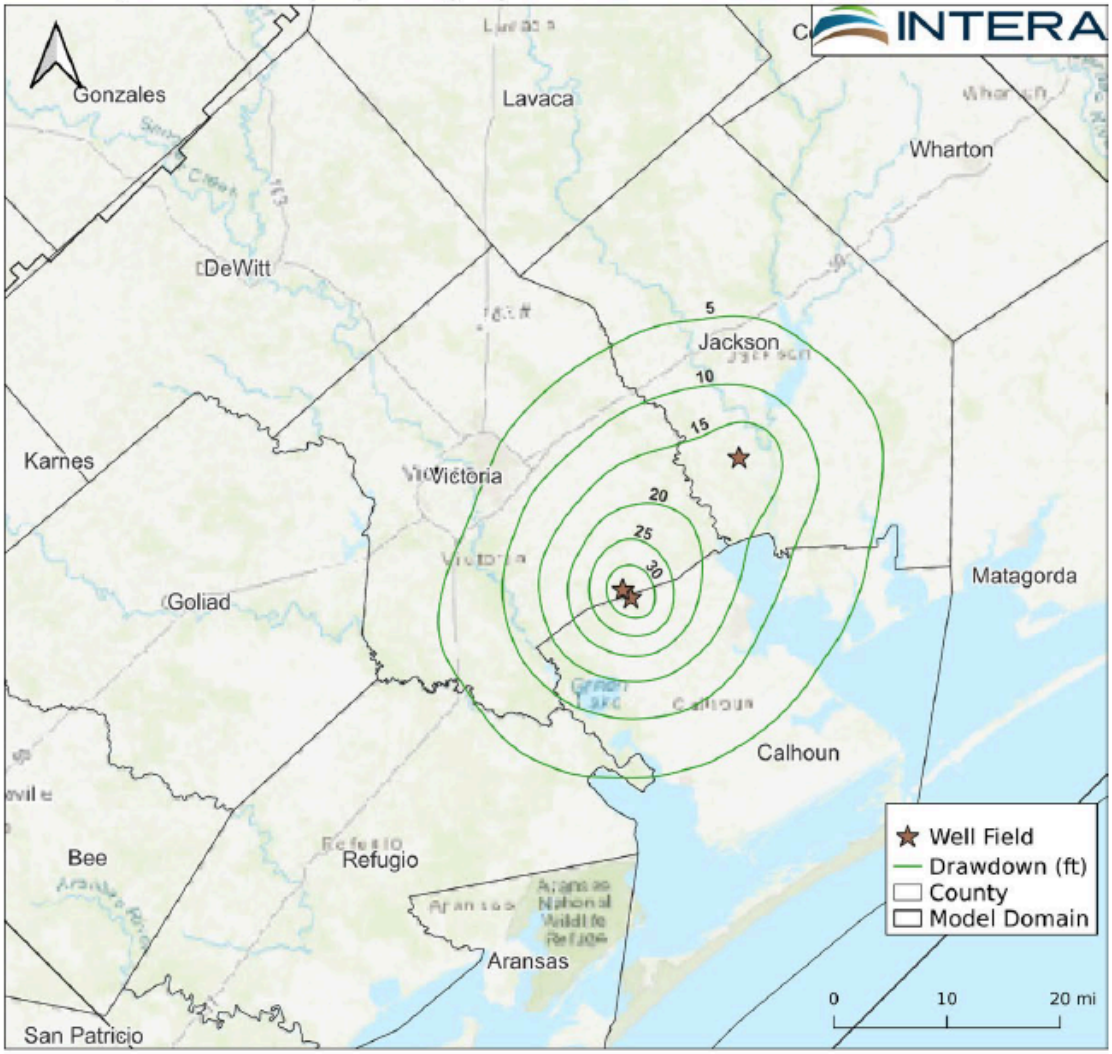
Table 1-2. Simulated drawdown by pumping at the well fields simultaneously in a DSGMZ with a specific transmissivity category.

DSGMZ	High Transmissivity				Medium Transmissivity				Low Transmissivity			
	Well Field ID	Pumping Rate (AFY)	Drawdown (ft) after 30 Years		Well Field ID	Pumping Rate (AFY)	Drawdown (ft) after 30 Years		Well Field ID	Pumping Rate (AFY)	Drawdown (ft) after 30 Years	
			Brackish Zone	Freshwater Zone			Brackish Zone	Freshwater Zone			Brackish Zone	Freshwater Zone
Slightly Saline	1	10,000	134	22	12	10,000	117	13	24	10,000	303	12
	2	10,000	75	19	13	10,000	207	21	25	10,000	320	17
	3	10,000	130	33	14	10,000	400	4	26	10,000	505	41
					15	10,000	267	3	27	10,000	946	5
Moderately Saline	4	7,000	78	9	16	7,000	114	4	28	7,000	241	9
	5	7,000	73	7	17	7,000	123	8	29	7,000	566	5
	6	7,000	54	13	18	7,000	230	5	30	7,000	437	17
	7	7,000	86	8	19	7,000	276	2	31	7,000	495	3
Extremely Saline	8	5,000	42	3	20	5,000	62	2	32	5,000	510	1
	9	5,000	44	1	21	5,000	58	2	33	5,000	497	1
	10	5,000	36	2	22	5,000	116	2	34	5,000	275	2
	11	5,000	84	1	23	5,000	108	3	35	5,000	327	3

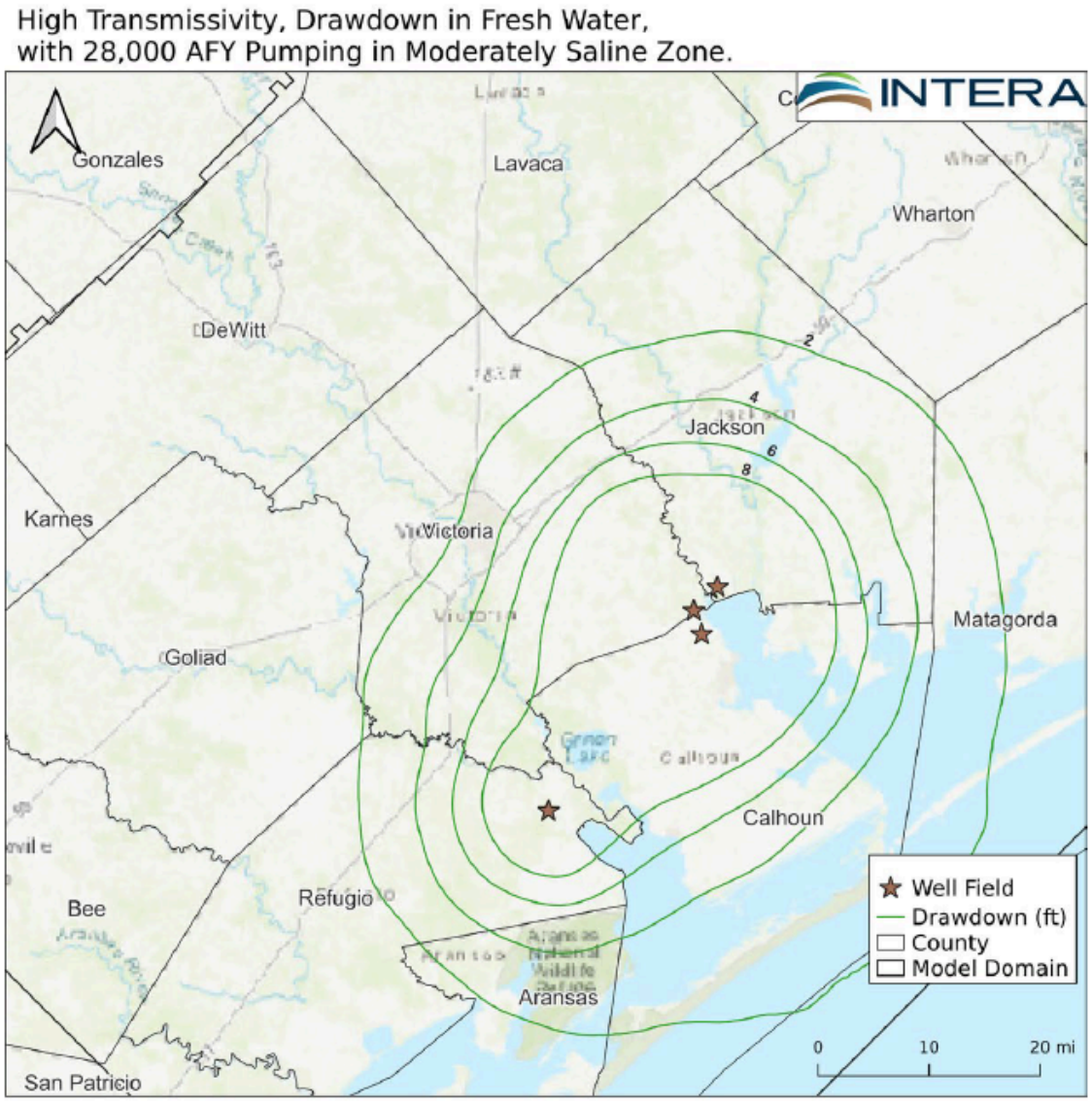
The following set of images illustrate the horizontal spatial extent of the predicted drawdowns in fresh groundwater zones predicted of the nine production scenarios.

The following image is a snippet of Figure 1-4. Simulated drawdown in freshwater zone (top) and brackish water zone (bottom) due to three well fields at sites of high transmissivity in the slightly saline DSGMZ.

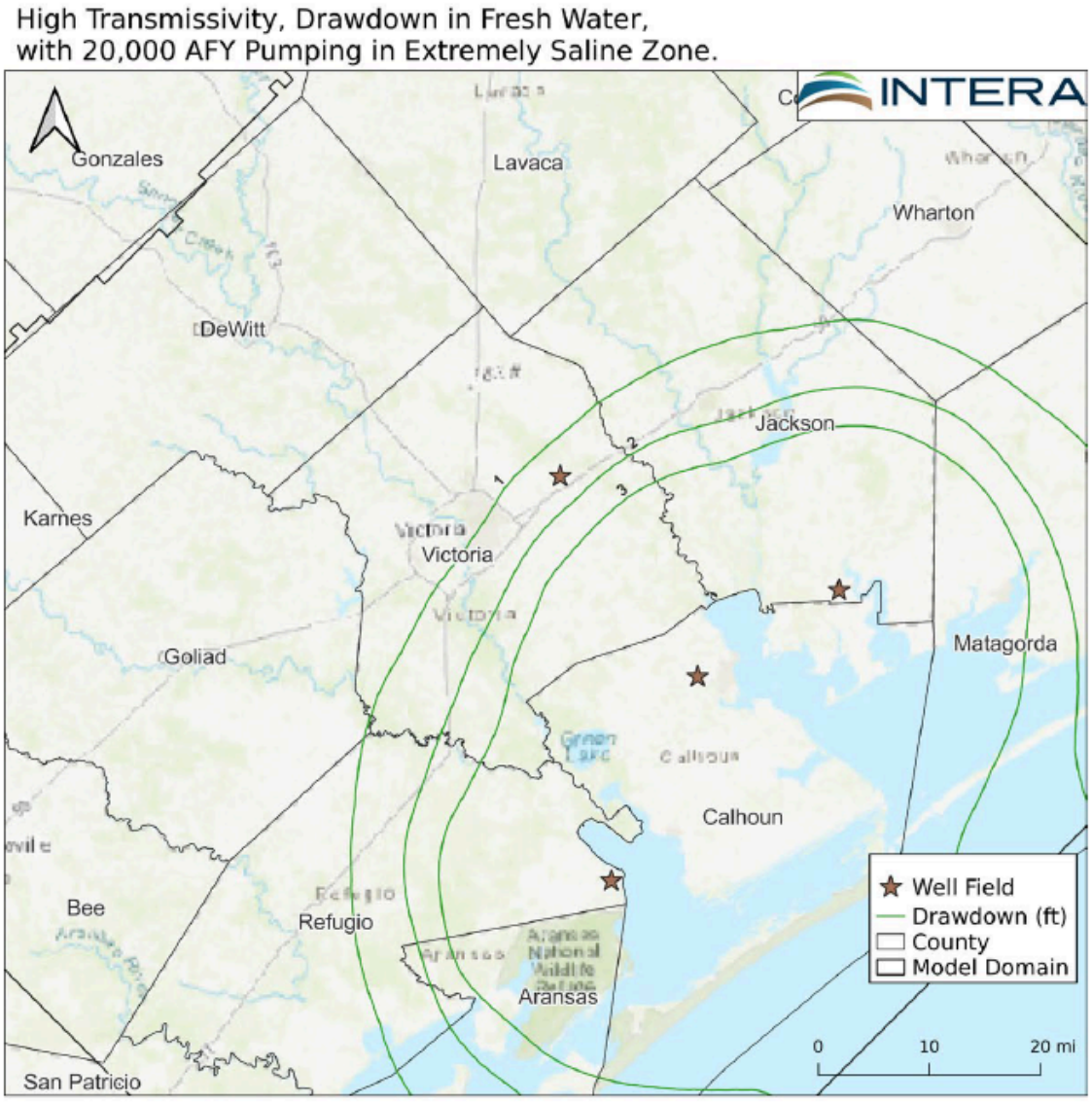
High Transmissivity, Drawdown in Fresh Water,
with 30,000 AFY Pumping in Slightly Saline Zone.



The following image is a snippet of Figure 1-5. Simulated drawdown in freshwater zone (top) and brackish water zone (bottom) due to four well fields at sites of high transmissivity in the moderately saline DSGMZ.

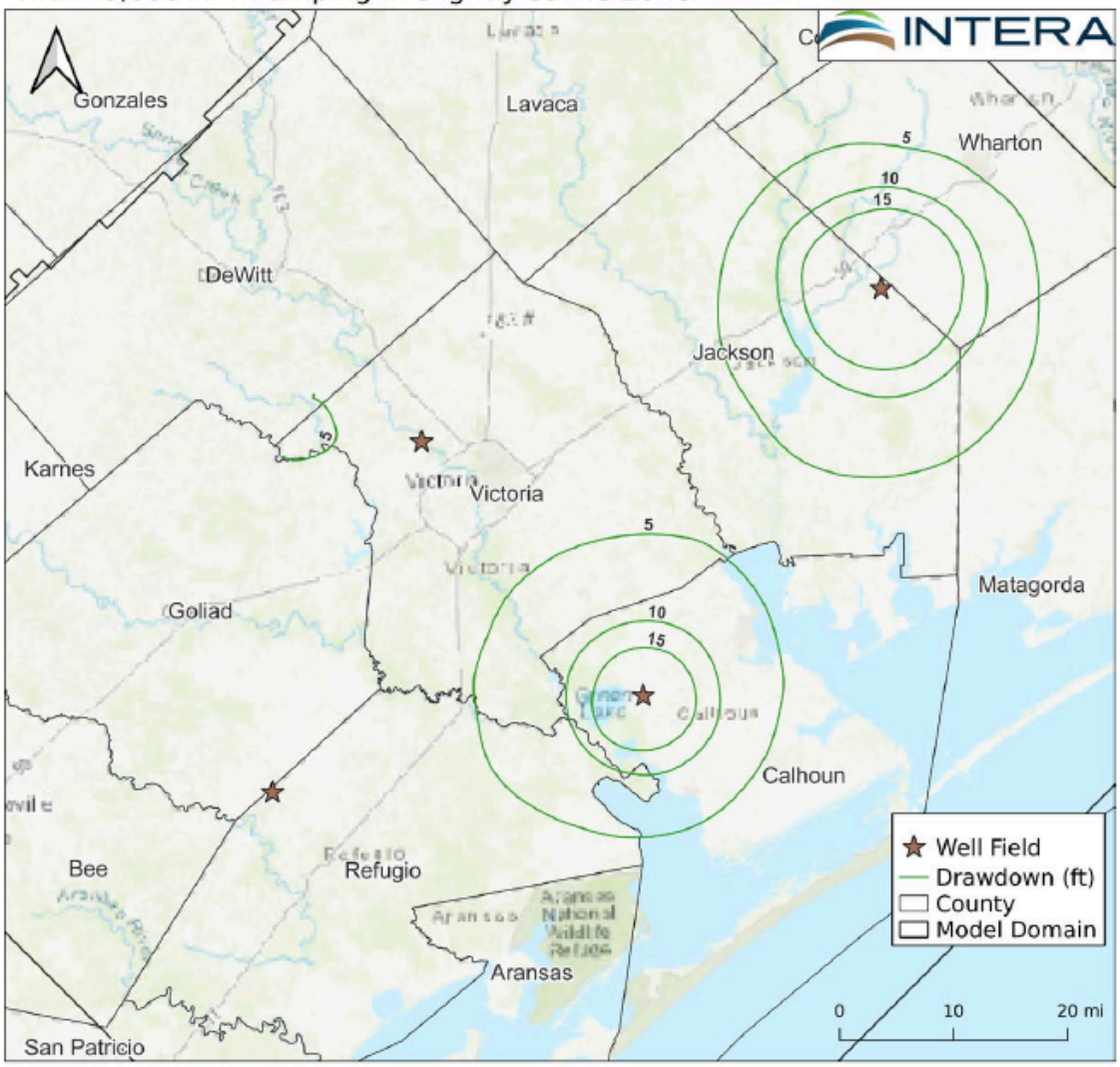


The following image is a snippet of Figure 1-6. Simulated drawdown in freshwater zone (top) and brackish water zone (bottom) due to four well fields at sites of high transmissivity in the extremely saline DSGMZ.



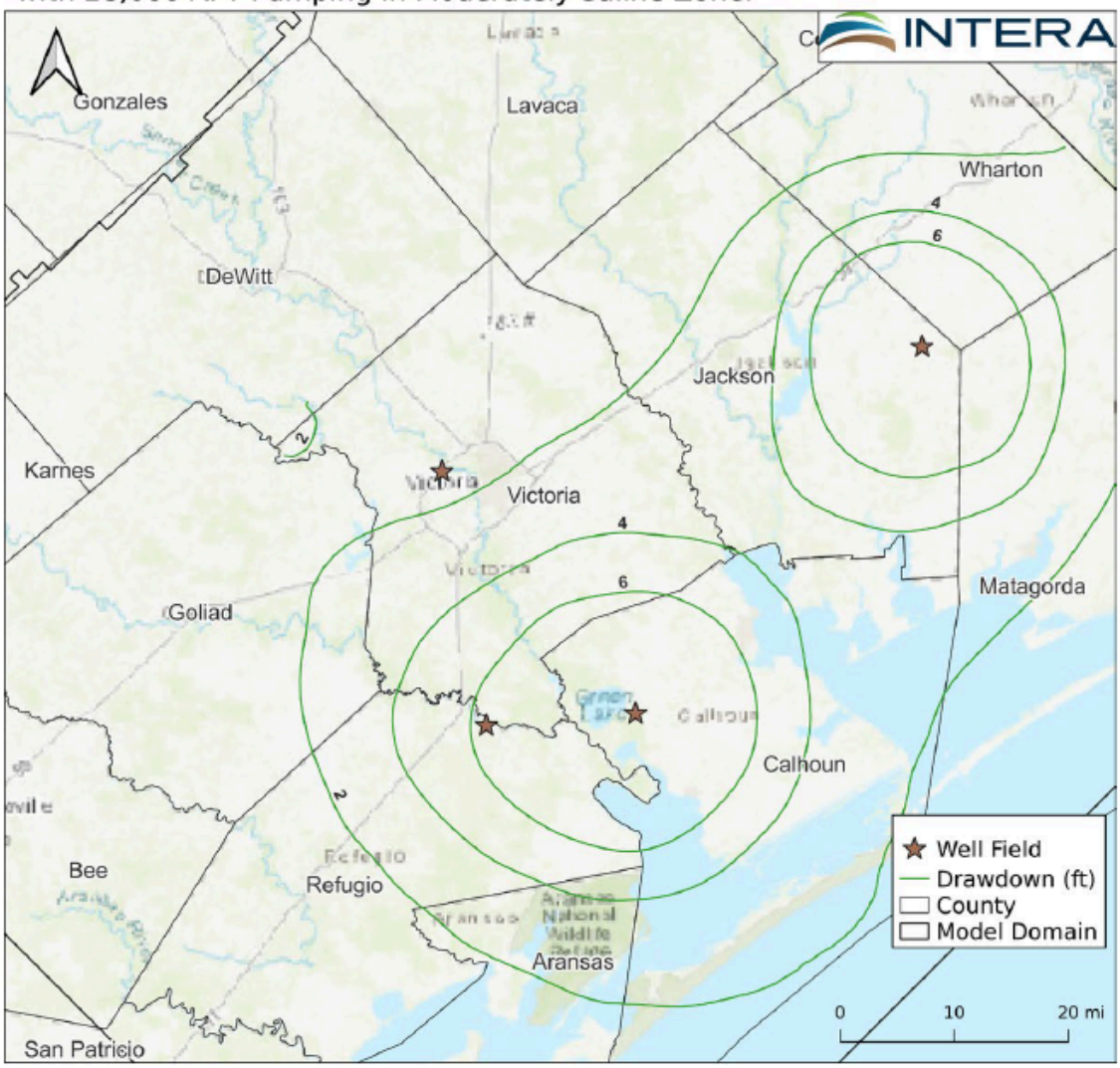
The following image is a snippet of Figure 1-7. Simulated drawdown in freshwater zone (top) and brackish water zone (bottom) due to four well fields at sites of medium transmissivity in the slightly saline DSGMZ.

Medium Transmissivity, Drawdown in Fresh Water,
with 40,000 AFY Pumping in Slightly Saline Zone.

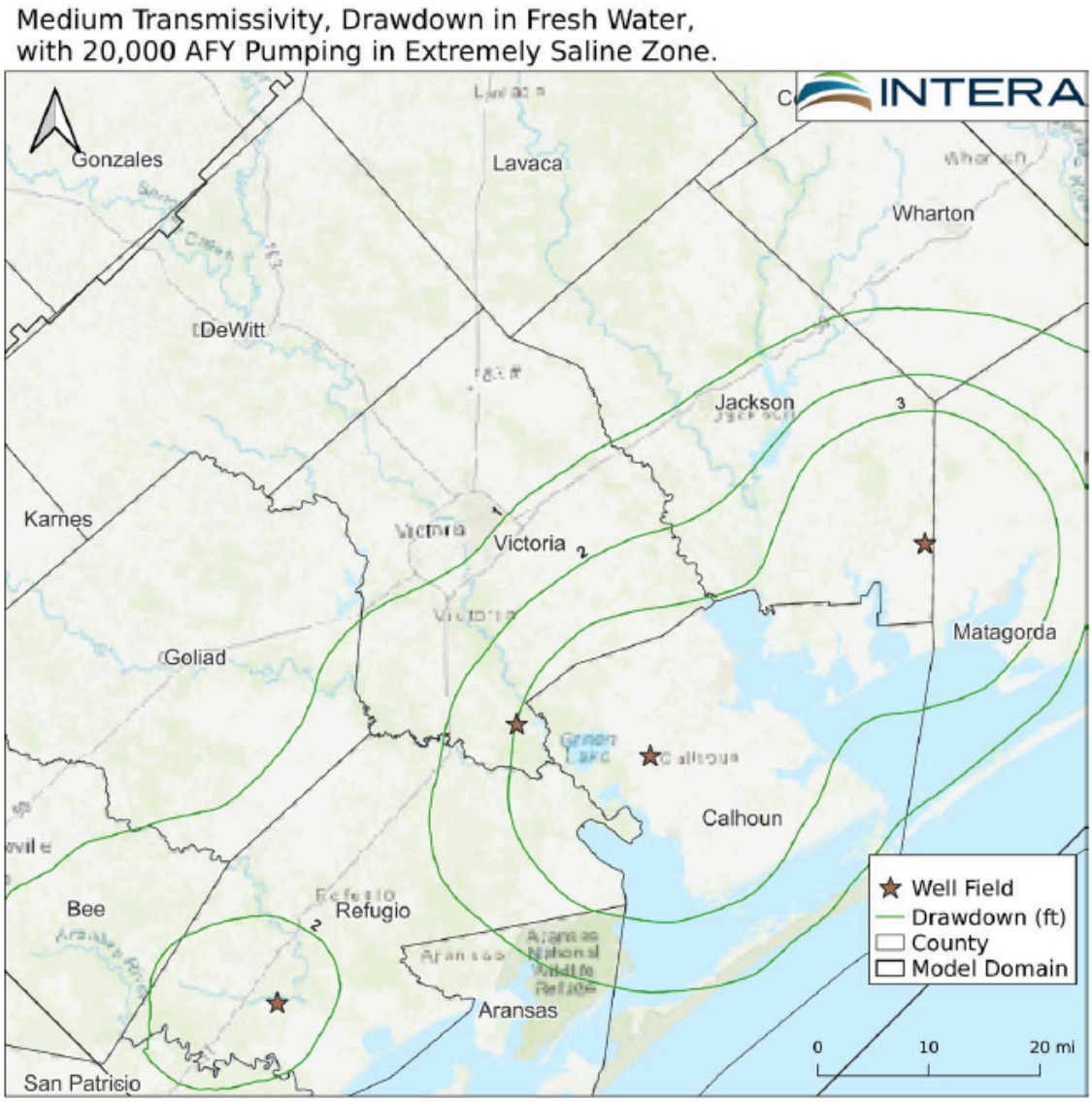


The following image is a snippet of Figure 1-8. Simulated drawdown in freshwater zone (top) and brackish water zone (bottom) due to four well fields at sites of medium transmissivity in the moderately saline DSGMZ.

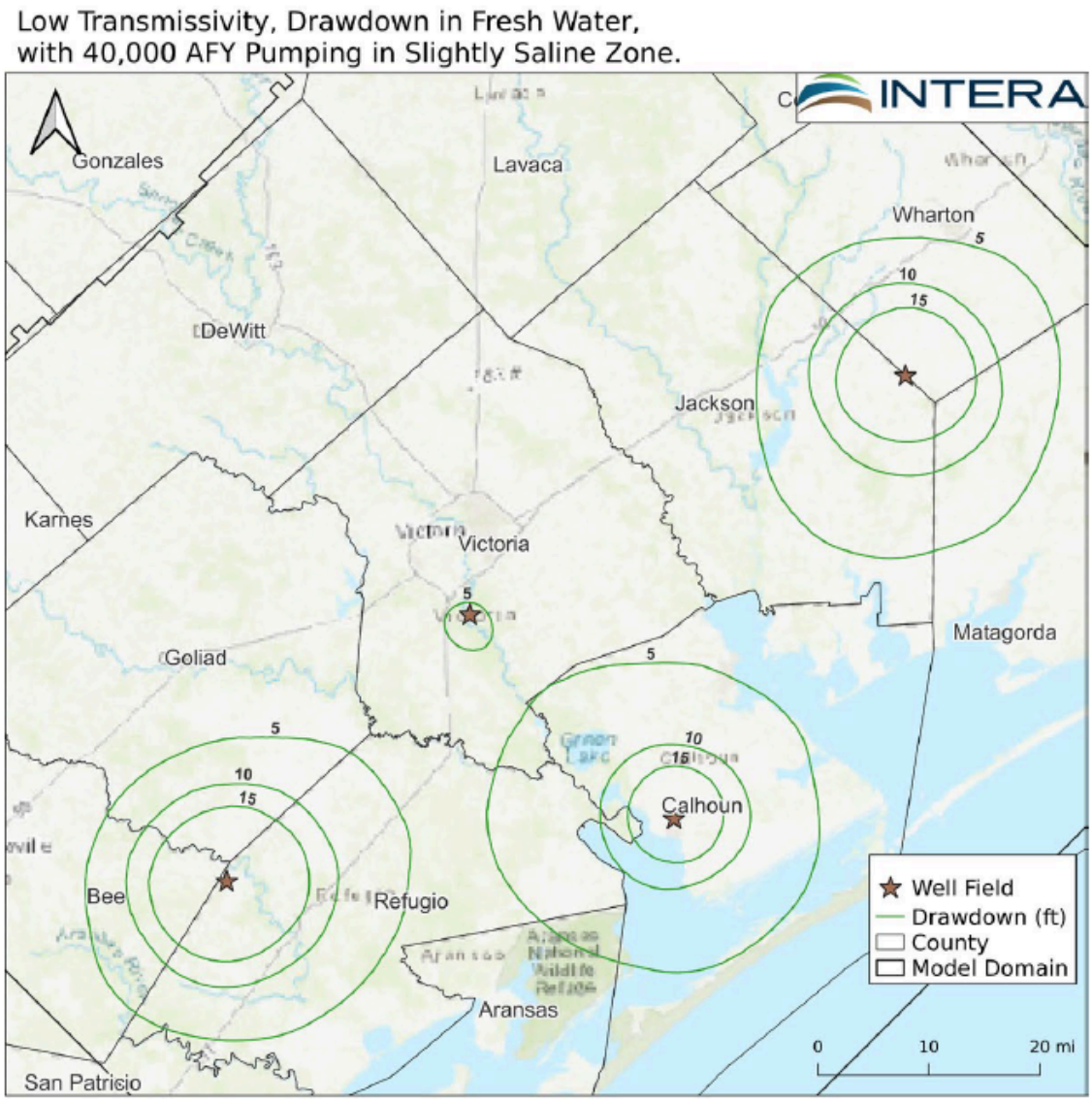
Medium Transmissivity, Drawdown in Fresh Water,
with 28,000 AFY Pumping in Moderately Saline Zone.



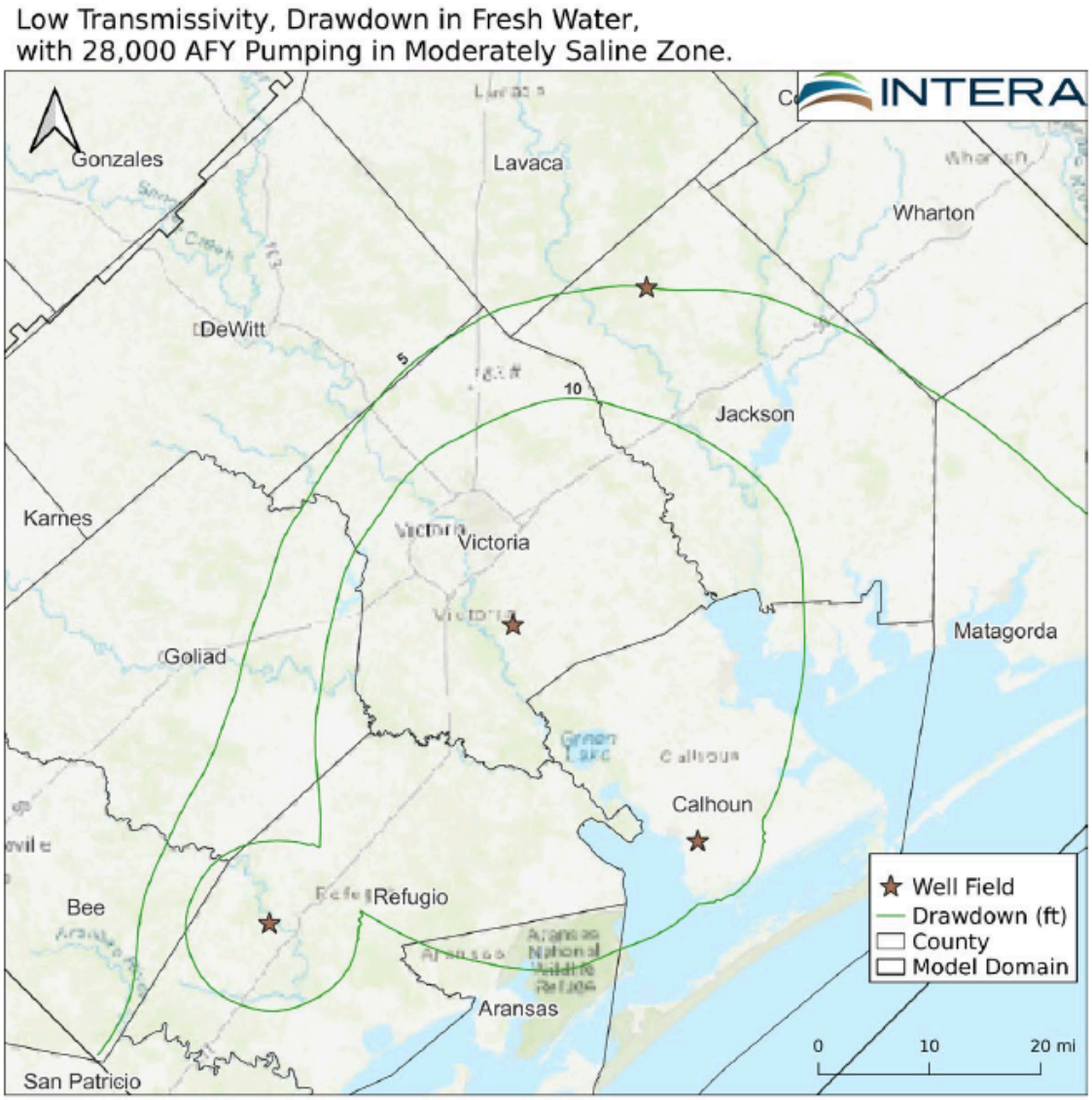
The following image is a snippet of Figure 1-9. Simulated drawdown in freshwater zone (top) and brackish water zone (bottom) due to four well fields at sites of medium transmissivity in the extremely saline DSGMZ.



The following image is a snippet of Figure 1-10. Simulated drawdown in freshwater zone (top) and brackish water zone (bottom) due to four well fields at sites of low transmissivity in the slightly saline DSGMZ.

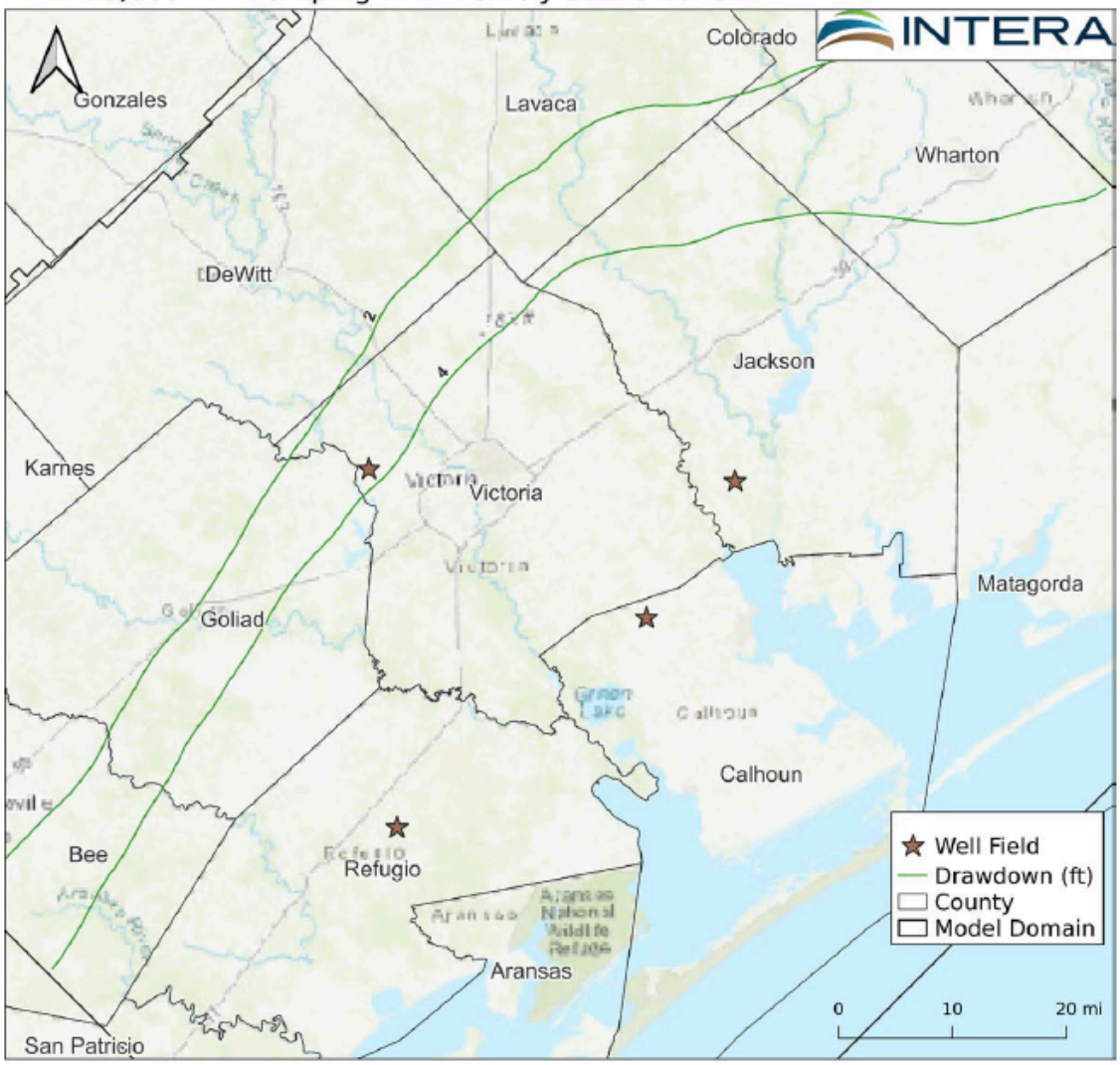


The following image is a snippet of Figure 1-11. Simulated drawdown in freshwater zone (top) and brackish water zone (bottom) due to four well fields at sites of low transmissivity in the moderately saline DSGMZ.



The following image is a snippet of Figure 1-12. Simulated drawdown in freshwater zone (top) and brackish water zone (bottom) due to four well fields at sites of low transmissivity in the extremely saline DSGMZ.

Low Transmissivity, Drawdown in Fresh Water,
with 20,000 AFY Pumping in Extremely Saline Zone.



Board Action: Mr. Dierschke moved to accept the reports titled 1) Characterization of Brackish Groundwater Resources from Calhoun, Jackson, Refugio, and Victoria Counties, 2) Characterization of Brackish Groundwater Resources for Calhoun, Jackson, Refugio, and Victoria Counties Addendum #1. Simulation of Drawdowns Caused by Large-Scale Production, and 3) Characterization of Brackish Groundwater Resources for Calhoun, Jackson, Refugio, and Victoria Counties Addendum #2. Simulation of Drawdowns Caused by Brackish Groundwater Production, and instruct the General Manager to post the report on the website of the district. Mr. Brett seconded the motion. The motion passed unanimously.

Topic 8.2 - Rulemaking Hearing

Mr. Andruss explained:

> On June 22, 2026, the Board of Directors instructed the General Manager to post a rulemaking notice regarding the 2026 Proposed Rules of the District.

On June 24, 2026, the public notice for the rulemaking hearing was posted on the website of the district with a copy of the proposed rules and a comparison document of the proposed rules to the current rules of the district.

On June 26, 2026, the public notice requirements for the rulemaking hearing were completed.

In order to assist the Board in its consideration of public comments regarding deep-saline non-historic-use production permitting, a summary of substantive changes (additions, modification, and deletions) related to deep-saline non-historic-use production permitting in the 2026 Proposed Rules of the District has been developed.

> *DEEP-SALINE SPECIAL GROUNDWATER MANAGEMENT ZONE means a special groundwater management zone designated by the district comprised of water-bearing strata at least 750 feet below the surface of the ground within the jurisdictional boundaries of the district that:*
>
> 1. ***contains saline groundwater existing below** the **middle depth between the 1,000 TDS contours and the 3,000 TDS contour** as illustrated in Figure 1a, and*
> 2. *where at least **100 feet of clay thickness** composed from individual clay intervals of 10 feet or greater, as determined by interpretation of core samples or geophysical logs, exists **between a) the top of 1,000 TDS contour** illustrated in Figure 1 and b) the **middle depth between the 1,000 TDS contours and the 3,000 TDS contour** illustrated in Figure 1a.*
>
> *DEEP-SALINE SPECIAL GROUNDWATER MANAGEMENT ZONES designated by the district are limited to:*
>
> 1. ***SLIGHTLY** SALINE GROUNDWATER ZONE means the deep-saline special groundwater management zone with groundwater with a total dissolved solids concentration 1) **equal to or greater than** two thousand milligrams per liter (**2,000 mg/L**) and 2) e**qual to or less than** three thousand milligrams per liter (**3,000 mg/L**) with a spatial extent illustrated in Figure 4.*
> 2. ***MODERATELY** SALINE GROUNDWATER ZONE means the deep-saline special groundwater management zone with groundwater with a total dissolved solids concentration 1) **greater than** three thousand milligrams per liter (**3,000 mg/L**) and 2) **equal to or less than** ten thousand milligrams per liter (**10,000 mg/L**) with a spatial extent illustrated in Figure 5.*
> 3. ***EXTREMELY** SALINE GROUNDWATER ZONE means the deep-saline special groundwater management zone with groundwater with a total dissolved solids concentration 1) **greater than** ten thousand milligrams per liter (**10,000 mg/L**) with a spatial extent illustrated in Figure 6.*
>
> The use of measured hydrogeological parameters (e.g., depth to slightly saline groundwater, depth to moderately saline groundwater, and sediment lithology) at a proposed production area to define the DSGMZ creates a flexible regulatory approach of establishing any particular deep-saline production zone at a production area and

establishing the associated zone of protection by identifying the presence of aggregate clay barriers.

The use of calculated hydrogeological parameters (e.g., transmissivity) at a proposed production area to define the production ratios of a particular DSGMZ creates a flexible regulatory approach that accounts for a primary factor influencing the amount of impact (i.e. drawdown) anticipated by the production of groundwater from the DSGMZ at the specific production area.

Management's goal for recommending the proposed definitions was to articulate clear criteria for defining specific deep-saline special groundwater management zones (DSGMZs) using parameters that can be measured, sufficiently protect better-quality groundwater resources, and increase the certainty that deep-saline non-historic-use production permits issued will achieve the policy goal to increase the protection and conservation of shallower better-quality water through the incentivization of safe development of deep brackish groundwater resources.

SPACING LIMITATIONS

The proposed revisions to the well spacing limitations of deep-saline wells represent substantive changes as compared to the existing limitations as follows:

1. Under Rule 2.3(1), **the required offset of a deep-saline well from the boundary** of the contiguous tract of **land ownership** is increased from 0.5 feet to **1.0 feet per gallon per minute for each gallon per minute of groundwater production capacity** of the deep-saline well.
2. Under Rule 2.3(1), **the required offset of a deep-saline well from the boundary** of the contiguous tract of **groundwater ownership** is increased from 0.5 feet to **1.0 feet per gallon per minute for each gallon per minute of groundwater production capacity** of the deep-saline well.

Management's goal for recommending the proposed revisions was to avoid authorizing production of groundwater, through the issuance of a deep-saline non-historic use production permit and potentially greater impacts (e.g., increased encroachment on exiting or future water well, increased proximity of production impacts such as drawdown or well interference) on adjacent landowner through deep-saline groundwater production than would be authorized under standard-capacity or high-capacity production permits.

PRODUCTION LIMITATIONS

The proposed revision to the aggregate production limitations of deep-saline groundwater by GROUNDWATER QUALITY CLASSIFICATIONS (production caps) represents substantive changes as compared to the existing limitations as follows:

1. Under Rule 6.4(1), the total volume of **slightly** saline groundwater production per year to be permitted in the District is set to **10,000** acre-feet per year.
2. Under Rule 6.4(2), the total volume of **moderately** saline groundwater production per year in the District is set to **7,000** acre-feet per year.

3. Under Rule 6.4(3), the total volume of **extremely** saline groundwater production per year in the District is set at **5,000** acre-feet per year.

   With the proposed annual production volume for slightly, moderately, and extremely saline groundwater production, the combined proposed limits for deep-saline groundwater production within the District represents 22,000 acre-feet of groundwater production per year.

   Management's goal for recommending the proposed revisions was to 1) avoid over-permitting deep-saline groundwater production that results in excessive regional groundwater production-related impacts such as significant wide-spread subsidence or wide-spread excessive drawdown, 2) avoid issuing deep-saline non-historic-use production permits under which the permitted production cannot be sustained and satisfy regional management goals such as achievement of desired future conditions (DFCs), and 3) avoid issuing unreliable production permits and the potential development of a district-level water crisis.

The proposed addition of production limitations for the initial 24-months of production under a deep-saline non-historic-use production permit represent substantive changes to regulations associated with deep-saline non-historic-use production permitting.

1. Under Rule 6.4(4), the maximum annual production of **slightly** saline groundwater during the initial **24-month period** of a deep-saline non-historic-use production permit is limited to **5,000** acre-feet per year.
2. Under Rule 6.4(5), the maximum annual production of **moderately** saline groundwater during the initial **24-month period** of a deep-saline non-historic-use production permit is limited to **3,500** acre-feet per year.
3. Under Rule 6.4(6), the maximum annual production of **extremely** saline groundwater during the initial **24-month period** of a deep-saline non-historic-use production permit is limited to **2,500** acre-feet per year.

   Management's goal for recommending the proposed revisions was to avoid excessive or unanticipated impacts associated with intense, large-scale production authorized based limited data, modeling, and monitoring data associated with deep-saline production in accordance with the general understanding that deeper zones tend to have greater clay percentages under greater overburden pressures that could lead to subsidence during intense and prolonged pumping (i.e., depressurization in the production zone).

The proposed additions of production limit reductions of cumulative authorized production amounts for existing and future non-historic production permits with overlapping production areas with deep-saline non-historic-use production permits represent substantive changes to regulations associated with deep-saline groundwater production permitting.

1. Under Rule 6.4(8), the volume of groundwater production authorized under existing and future non-historic-use production permits with production areas that intersect the production area of a deep-saline non-historic-use production area for **slightly** saline groundwater, other than the volumes authorized under the deep-saline non-historic-use production permits, would be reduced by **20%**.
2. Under Rule 6.4(9), the volume of groundwater production authorized under existing and future non-historic-use production permits with production areas that intersect the production area of a deep-saline non-historic-use production area for **moderately** saline groundwater, other than the volumes authorized under the deep-saline non-historic-use production permits, would be reduced by **10%**.
3. Under Rule 6.4(10), the volume of groundwater production authorized under existing and future non-historic-use production permits with production areas that intersect the production area of a deep-saline non-historic-use production area for **extremely** saline groundwater, other than the volumes authorized under the deep-saline non-historic-use production permits, would be reduced by **5%**.

   Management's goal for recommending the proposed revisions was to 1) establish a minimum level of conservation to be achieved through the incentivization of deep-saline groundwater production, and 2) establish increasing incentives for the production of deeper, poorer-quality groundwater.

The proposed revisions to define deep-saline groundwater production ratios (i.e., acre-feet/acre controlled production ratios) based on groundwater quality classification and transmissivity categories represent substantive changes to regulations associated with deep-saline non-historic-use production permitting.

1. Under Rule 6.4.1(2-4), the groundwater production ratio for production areas associated with **slightly** saline deep-saline non-historic-use production permits would be set to a range of **4 to 8 acre-feet** of groundwater production per acre per year depending on the designated transmissivity category established for the DSGMZ.
2. Under Rule 6.4.1(5-7), the groundwater production ratio for production areas associated with **moderately** saline deep-saline non-historic-use production permits would be set to a range of **6 to 10 acre-feet** of groundwater production per acre per year depending on the designated transmissivity category established for the DSGMZ.
3. Under Rule 6.4.1(8-10), the groundwater production ratio for production areas associated with **extremely** saline deep-saline non-historic-use production permits would be set to a range of **8 to 10 acre-feet** of groundwater production per acre per year depending on the designated transmissivity category established for the DSGMZ.

Production Ratio Matrix based on 2026 Proposed Rules of the District

	Better-Quality ---> Poorer-Quality

	Salinity - Transmissivity Ratio Matrix	Slightly Saline DSGMZ	Moderate Saline DSGMZ	Extremely Saline DSGMZ
Greater Spatial Production Impacts ---> Smaller Spatial Production Impacts per Unit of Production	**Low Transmissivity Zone**	Rule 6.4.1(2): **4 AFY**	Rule 6.4.1(5): **6 AFY**	Rule 6.4.1(8): **8 AFY**
	Moderate Transmissivity Zone	Rule 6.4.1(3): **6 AFY**	Rule 6.4.1(6): **8 AFY**	Rule 6.4.1(9): **9 AFY**
	High Transmissivity Zone	Rule 6.4.1(4): **8 AFY**	Rule 6.4.1(7): **10 AFY**	Rule 6.4.1(10): **10 AFY**

Management's goal for recommending the proposed revisions was to 1) create a progressive incentivization for the development of poorer-quality groundwater relative better-quality groundwater while recognizing the inverse relationship between transmissivity and size and extent of cones of depression caused by groundwater production.

PERFORMANCE CONDITIONS

The proposed revisions to performance conditions represent substantive changes to regulations associated with deep-saline non-historic-use production permitting.

1. Under Rule 6.4.(12)(12.3), the maximum level of impact (i.e., increase in TDS concentrations) observed in **slightly** saline DSGMZ would be reduced to **3,000 mg/L** to align with the definition of GROUNDWATER QUALITY CLASSIFICATION.
2. Under Rule 6.4.(12)(12.4), the maximum level of impact (i.e., increase in TDS concentrations) observed in **moderately** saline DSGMZ would be reduced to **10,000 mg/L** to align with the definition of GROUNDWATER QUALITY CLASSIFICATION.

Management's goal for recommending the proposed revisions was to properly limit the amount of change, in terms of maximum TDS concentrations, that can result from the groundwater production under a deep-saline non-historic-use production permit issued by the District.

MONITORING REQUIREMENTS

The proposed revisions related to monitoring requirements represent substantive changes to regulations associated with deep-saline non-historic-use production permitting.

1. Under Rule 6.4.3(1), the minimum number of dedicated aquifer monitoring wells is increased from 1 to **3 wells.**

Management's goal for recommending the proposed revisions was to ensure that the monitoring efforts associated with deep-saline non-historic-use bound and monitor

the perimeter of the associated production area.

PERFORMANCE RESPONSES

The proposed revisions related performance responses represent substantive changes to regulations associated with deep-saline non-historic-use production permitting.

1. Under Rule 6.4.4(1)(1.1), groundwater owners and well operators associated with a deep-saline non-historic-use production permit must submit hydrogeological report assessing the degree on cause or contribution to drawdown when the drawdown levels in fresh groundwater monitoring wells exceed drawdown performance conditions.
2. Under Rule 6.4.4(1)(1.2), groundwater owners and well operators associated with a deep-saline non-historic-use production permit must adjust groundwater production to prevent fresh drawdown in fresh groundwater monitoring wells from exceeding **20 feet** when drawdowns reach **15 feet** relative to initially measured conditions.
3. Under Rule 6.4.4(1)(1.3), groundwater owners and well operators associated with a deep-saline non-historic-use production permit must reduce non-exempt-use groundwater production located within the production permit area of a deep-saline non-historic-use production permit in subsequent reporting periods to the lesser of **80%** of volume produced in the subject reporting period or the remainder of the unpumped annual production volume when performance conditions are not achieved for **2 or more** consecutive reporting periods (i.e., 6 months of continuous failure to achieve the performance conditions).
4. Under Rule 6.4.4(1)(1.4), groundwater owners and well operators associated with a deep-saline non-historic-use production permit must reduce non-exempt-use groundwater production located within the production permit area of a deep-saline non-historic-use production permit in subsequent reporting periods to **1%** of volume produced in the preceding reporting period when performance conditions are not achieved for **8 or more** consecutive reporting periods (i.e., 2 years of continuous failure to achieve the performance conditions).
5. Under Rule 6.4.4(2)(2.1), groundwater owners and well operators associated with a deep-saline non-historic-use production permit may increase non-exempt-use groundwater production located within the production permit area of a deep-saline non-historic-use production permit in subsequent reporting periods to **110%** of volume produced in the subject reporting period or the remainder of the unpumped annual production volume when performance conditions are achieved for **2 or more** consecutive reporting periods (i.e., 6 months of continuous success to achieve the performance conditions).
6. Under Rule 6.4.4(2)(2.1), groundwater owners and well operators associated with a deep-saline non-historic-use production permit may increase non-exempt-use groundwater production located within the production permit area of a deep-saline non-historic-use production permit in subsequent reporting periods to **100%** of annual production volume when performance conditions are achieved for **8 or more** consecutive reporting periods (i.e., 2 years of continuous success to achieve the performance conditions).

Management's goal for recommending the proposed revisions was to develop a simple production curtailment and production restoration system to address repeated failure to achieve performance conditions and repeated success in achieving performance conditions.

The proposed revisions related to the permitting procedures represent substantive changes to regulations associated with deep-saline non-historic-use production permitting.

Under Rule 6.4.2, applicants for deep-saline non-historic-use production permits must develop and submit required technical information and operation plans regarding aquifer characteristics present at a proposed production area of a deep-saline non-historic-use production permit with the permit application instead of deferring the development and submittal of the required technical information and operation plans to after the initial permit approval and prior to operation of the associated deep-saline production well(s).

Management's goal for recommending the proposed revisions was to increase the certainty/confidence that deep-saline non-historic-use production permits issued will achieve the policy goal to increase the protection and conservation of shallower better-quality water through the incentivization of safe development of deep brackish groundwater resources.

The following revisions to the 2026 Proposed Rules of the District are recommended by management:

1. The definition of ORIGINAL EXEMPT-USE GRANDFATHERED WELL should be changed to read "... means a well that 1) existed on the original date the rules of the district were adopted, 2) satisfied the definition of an exempt use well as defined in a version of the rules of the district adopted on or before October 1, 2017, and 3) an administratively complete application to register the well or well log had been submitted to or obtained by the district before January 23, 2023."
2. The definition of ORIGINAL EXEMPT-USE NON-GRANDFATHERED WELL should be changed to read "... means a well that 1) was drilled after the original date the rules of the district were adopted, 2) satisfied the definition of an exempt use well as defined in a version of the rules of the district adopted on or before October 1, 2017, and 3) an administratively complete application to register the well or well log had been submitted to or obtained by the district before January 23, 2023.

Board Action: Mr. Hahn moved to open the public hearing regarding the 2026 Proposed Rules of the District and accept public comment. Mr. Johnson seconded the motion. The public hearing was opened at approximately 6:36 PM. The motion passed unanimously.

Public comment was given.

Mr. Dierschke moved to close the public hearing regarding the 2026 Proposed Rules of the District after all public comments were received. Mr. Johnson seconded the motion. The public hearing was closed at approximately 6:47 PM.The motion passed unanimously.

Mr. Hahn moved to reopen the public hearing regarding the 2026 Proposed Rules of the District. Mr. Dierschke seconded the motion. The public hearing was reopened at approximately 6:47 PM. The motion passed unanimously.

Mr. Johnson moved to:

1. recess and hold open the public hearing regarding the 2026 Proposed Rules of the District,
2. designate the 2026 Proposed Rules of the District with the management-recommended revisions described above as the "2026 Proposed Rules of the District - Version 20260727",
3. instruct the general manager to post a notice for the continuation of the rulemaking hearing to receive public comment and consider the adoption of the 2026 Proposed Rules of the District - Version 20260727 for the district meeting scheduled for October 26, 2026, and
4. instruct the general manager to post a notice for rulemaking hearings to receive public comment and consider the adoption of proposed rule revisions submitted by any interested party accompanied by a explanation of the basis for the proposed rule revisions for the district meeting scheduled for October 26, 2026 Item 9 - Administration and Management Considerations

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

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, bank accounts, investments, financial reports of the district, bills and invoice of the district, management goals and objectives of the district, administrative policies, staffing, consultant agreements, interlocal cooperation agreements, the financial audit for Fiscal Year 2025, the Annual report of the District, budget preparation and tax rates, and support services provided to and from other groundwater conservation districts.

Topic 9.1 - Minutes of Previous Meeting

Mr. Andruss explained:

The minutes for the previous meeting were drafted by the Administrative Coordinator, reviewed by the alternate Administrative Coordinator, and available to the directors for review prior to the meeting. The minutes appear to accurately reflect the actions taken by the board and the context in which those actions were taken. The minutes for the previous meeting were sent to the board members prior to the meeting.

The balance of all funds of the district as of May 31, 2026, was $3,069,701.03.

Board Action: Mr. Dierschke moved to accept and approve the meeting minutes for May 19, 2026 and June 22, 2026, as drafted. Mr. Johnson seconded the motion. The motion passed unanimously.

Topic 9.2 - Investments of the District

Mr. Andruss explained:

The investment reports for March, April and May 2026 have been developed by Lisa Ramirez, Administrator Coordinator and reviewed and approved by Caitlynn Davenport, Investment Officer of the District and was sent to the directors prior to the meeting.

Board Action: Mr. Hahn moved to accept the investment reports for March, April and May 2026. Mr. Dierschke seconded the motion. The motion passed unanimously.

Topic 9.3 - Financial Transaction Report

Mr. Andruss provided the following information:

As of July 22, 2026, since April 1, 2026, there have been 18 accounts payable transactions and 24 accounts receivable transactions recorded.

Topic 9.4 - Financial Reports of the District

Mr. Andruss explained:

The internal financial reports of the District for March, April and May 2026 has been compiled by the district administrative coordinator and sent to the directors prior to the meeting.

Board Action: Mr. Brett moved to accept and approve the financial reports for March, April and May 2026. Mr. Hahn seconded the motion. The motion passed unanimously.

Topic 9.5 - 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. Hahn moved to authorize the general manager to pay the following items:

1. ACCTP-20260727-01 - $845.00 - Allison, Bass & Magee, LLP

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

Topic 9.6 - Budget Planning and Tax Rates

Mr. Andruss provided the following information:

To assist the Board in its efforts to allocate the budget for FY2027 and to adopt a budget during the meeting scheduled for August 24, 2026, staff provides the District's FY2026 budget and descriptions of the FY2026 project for review.

If no changes are suggested, the staff will use the FY2026 budget for development of the FY2027 budget.

The successful publication of tax rate notices for the District is challenging given the timelines specified under statute and newspaper publication deadlines. The District must publish the following notices, depending on the proposed tax rate: Notice of Tax Rate, Notice of Public Hearing or Notice of Public Meeting, Notice of Meeting to Vote on Tax Rate.

Details regarding public notices related to proposed tax rates can be accessed at https://comptroller.texas.gov/taxes/property-tax/truth-in-taxation/notices.php.

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

Mr. Allison was present and gave his report.

Item 11 - Adjourn.

Board Action: Mr. Dierschke moved to adjourn the meeting after concluding all business of the district at approximately 7:13 PM. Mr. Johnson 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