

Victoria County Groundwater Conservation District



Directors:

Mark Meek
President

Jerry Hroch
Vice-President

Barbara Dietzel
Secretary

Thurman Clements
Kenneth Eller

THE STATE OF TEXAS VICTORIA COUNTY

The Victoria County Groundwater Conservation District Board of Directors' Regular Meeting convened in the Patti Dodson Health Center, 2805 N. Navarro, Classroom A, #108, Victoria, Texas, at 9:00 a.m. on November 21, 2008.

Present: Mark Meek, Chairman, Precinct No. 4
Jerry Hroch, Vice Chairman, Precinct No. 1
Barbara Dietzel, Secretary, Precinct No. 3
Kenneth Eller, Precinct No. 3, At Large
Thurman Clements, Precinct No. 2
Tim Andruss, General Manager

CALL TO ORDER – 1.

Chairman Mark Meek called the meeting to order at 9:00 a.m. Pledge of Allegiance, to United State and Texas flags, was observed.

WELCOME GUESTS – 2.

Chairman Meek welcomed guests: Bill Richter-Citizen, Jerry James-City of Victoria, Kenneth Schustereit-Water Research Group, Russell Doerr-GMV, Ray Carter-Citizen, Walter Womack-LaQuerencia, Tara Bozick-Victoria Advocate, Mike Ramsey-Brayton Operating Corp., James Dodson-Goliad Sands.

MINUTES - 3.

Secretary Barbara Dietzel presented the minutes of VCGCD Regular Meeting – October 17, 2008, and VCGCD Special Called Meeting – October 24, 2008 for review.

MOTION by Mr. Eller and seconded by Mr. Clements, to move to accept and approve the minutes of VCGCD Regular Meeting – October 17, 2008 and VCGCD Special Called Meeting – October 24, 2008. Motion carried five (5) ayes and zero (0) nays.

FINANCIAL REPORT – 4.

General Manager Tim Andruss presented the financial reports of VCGCD Monthly Transactions and Operating Budget for October 2008.

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MOTION by Mr. Eller and seconded by Mr. Clements, to move to accept and approve the financial reports of VCGCD Monthly Transactions and Operating Budget for October 2008, as presented to the board. Motion carried five (5) ayes and zero (0) nays.

PUBLIC COMMENT – 5.

Public comment was given by the following: Ray Carter, Kenneth Schustereit, Jerry James, and Bill Richter.

AUTHORIZATION TO PROCEED WITH FINANCIAL AUDIT FOR FY 2007-2008 – 6.

Goldman, Hunt, and Notz, L.L.P. conducted the District's financial audit for FY06-07. All services were delivered in a superior fashion and on schedule. The total cost for the FY06-07 Audit was \$4,950.00. The cost associated with FY07-08 Audit is \$250 greater, which according to GHN staff, is associated with increase paperwork requirements.

MOTION by Mrs. Dietzel and seconded by Mr. Eller, to move to authorize General Manager, Tim Andruss, to initiate and pay for the FY07-08 Audit by Goldman, Hunt, Notz, L.L.P. in an amount not to exceed \$5,200.00. Motion carried four (4) ayes and zero (0) nays. Mr. Clements did not vote.

AUTHORIZATION TO PAY INVOICE – VICTORIA COUNTY TAX ASSESSOR COLLECTOR INVOICE \$23,298.00 – 7.

Victoria County Tax Assessor Collector (Rena Scherer) is providing services associated with the collection of ad valorem taxes for the District. The invoice has been reviewed and the invoiced amount is appropriate and accurate.

MOTION by Mr. Eller and seconded by Mr. Clements, to move to authorize General Manager, Tim Andruss, to pay the Victoria County Tax Assessor Collector invoice in the amount \$23,298.00. Motion carried five (5) ayes and zero (0) nays.

ENROLLMENT IN TEXAS COUNTY & DISTRICT RETIREMENT SYSTEM (TCDRS) – 8.

The Board received a presentation and documentation related to joining Texas County & District Retirement system at the October Monthly Meeting. During the presentation, Roxanne Bitz, Employer Services Representative, provided a summary of the retirement system as well as a review of the options available to the District. The financial impact information provided above is an estimate and is based on the Board selecting to participate with the following rates: Employee Contribution = 5%; Employer Matching Rate = 100% of the Employees Contribution. In addition, the financial impact is based on beginning participation in January which amounts to 9 months of contributions during FY08-09. $(94000/12*9*4.10/100)$.

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MOTION by Mr. Clements and seconded by Mr. Eller, to move to complete the necessary paperwork, Acknowledgment of Conditions Governing TCDRS Participation, signed by all five VCGCD Board members, Resolution Electing Participation in TCDRS, signed by Board President and Board Secretary, and enroll in TCDRS per Plan One (One to One Ratio), starting January 1, 2009. Motion carried five (5) ayes and zero (0) nays.

DISTRICT FORMS – GRANDFATHERED EXEMPT REGISTRATION, GRANDFATHERED NON-EXEMPT REGISTRATION, COMPLAINT FORM – 9.

The District has begun the process of developing the necessary forms for the District's registration and permitting program as well as operational activities. The District's forms will be brought before the Board for review and approval prior to being used. These forms incorporate the feedback provided at the October 2008 meeting.

MOTION by Mr. Eller and seconded by Mr. Clements, to move to approve the use of the following forms, upon VCGCD Rules becoming effective:

- 1) Well Registration Application for Grandfathered Exempt Wells Form**
- 2) Well Registration application for Grandfathered Non-Exempt Wells Form**
- 3) Complaint Form**

Motion carried five ((5) ayes and zero (0) nays.

DISTRICT FEE SCHEDULE – 10.

In order to prepare for the adopted rules becoming effective when the District's Adopted Management Plan is approved by TWDB, the Board should consider the type and amount of fees to be established. Section 6 of the Adopted Rules, states that the Board will establish fees by Resolution.

It was decided to table establishing the District Fee Schedule until the December meeting.

INJECTION WELLS – 11.

In order to fulfill the District's responsibility to protect groundwater resources of Victoria County, the District has begun to review applications for permits or permit amendments related to injection disposal wells. However, there are a number of challenges associated with this task.

First, the notice of applications does not come directly to the District. We have requested by letter that the RRC directly notify us of permitting activity in and around Victoria County. Unfortunately, at this point it does not appear that this request is being honored. The RRC has provided an online tool for manually searching applications but there is concern that this method will be inadequate. The Board should give consideration to ways to address this issue. One possible approach to dealing with this problem would be to draft a letter from the Board reiterating the request to be notified directly by RRC.

Second, the public is given only 2 weeks to file a protest to the applications. This short time period could result in the protest period lapsing between monthly District meetings.

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The Board should give consideration to ways to address this issue. One possible solution would be to give the General Manager standing orders to place an inquiry with the RRC for all injection well applications. The inquiry could be used to document that the Board may, after consideration of the application at the next monthly meeting, chose to protest the application(s) and that if the RRC will not accommodate the meeting schedule of the District, to consider the inquiry a formal protest.

MOTION by Mr. Eller and seconded by Mr. Clements, to move to authorize a committee of Mr. Meek, Mrs. Dietzel and Mr. Andruss, to develop guidelines for District procedure on how to monitor Injection Wells. Motion carried five (5) ayes and zero (0) nays.

WEBSITE – DESIGN OPTIONS – 12.

With the adoption and pending approval of the District's management plan and rules, the District should update its website to reflect these substantial developments. In addition, it is recommended that the Board select a simplified web page design which will minimize the effort required to update the content within District's website as well as improve the usability of the site for information gathering.

Based on feedback provided at the October 2008 meeting, additional mock-ups have been created for consideration by the Board. The website should be a reflection of Directors preferences and designed to achieve the Board's goals.

MOTION by Mr. Clements and seconded by Mr. Eller, to move to authorize Mrs. Dietzel to work with Mr. Andruss to complete website design and have ready for next monthly meeting. Motion carried five (5) ayes and zero (0) nays.

DISTRICT ANNUAL REPORT FOR FY2007-2008 – 13.

The District will produce an annual report that summarizes the activities and business of the District for the previous fiscal year. This is the first annual report that includes topics related to the management plan and therefore is presented as a draft.

It was decided the Board would review the annual report for FY07-08 as presented, and provide feedback regarding Director preferences and changes to the report. Then the acceptance and approval of the annual report for FY07-08 would be placed on the December meeting agenda.

MANAGER REPORT FOR NOVEMBER 2008 – 14.

Topic 1: Program Updates

A: Management Plan Status: TWDB has received the adopted plan. The review of the plan is scheduled to begin on Friday, Nov. 21, 2008.

B: Hydrogeologist Services: In order to properly develop District programs, it will be recommended to the Board at a future meeting that the District contract a professional hydrogeologist with experience in water quality monitoring, water well design, and related permitting/regulatory issues.

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C: Water Quality Monitoring: The District sampled and analyzed water collected from 16 wells located in the northwestern section of Victoria County. Continued sampling and analysis of well water has been suspended until a formal program can be developed with goals and objectives clearly defined and to have the method for selecting wells be reviewed by a qualified professional geologist or professional engineer. While this does not invalidate the results of our previous work, reasonable and prudent steps need to be taken to ensure the efforts of the District are designed to achieve the goals of the Board and hold up to scientific scrutiny.

Mr. Andruss attended a training seminar hosted by Goliad County Groundwater Conservation District and presented by San Antonio River Authority lab staff that focused on the proper technique for collecting and preserving water well samples. Mr. Andruss anticipates the implementation plan for the water quality monitoring program will recommend that the District collect samples without the aid of a third party which will result in a cost savings and our ability to be more responsive to sampling demands.

D: Water Level Monitoring: The District participated in the water level monitoring activities of TWDB in Victoria County last year. The District will assume this responsibility in the future from TWDB. TWDB has created a copy of the field book used to locate and document level readings and has offered to allow us to use one of their steel tapes to measure levels. The District will continue to take measurements from 31 wells in TWDB database as well as look to incorporate new wells in the future.

Topic 2: GMA 15 Update

GMA 15 met at Pattie Dodson Bldg. on November 5, 2008. The primary purpose of the meeting was to discuss providing Region L with estimates of groundwater availability for each GMA 15 GCD within Region L. A consensus was reached to submit to Region L each GCD's individual estimate along with the GCD's supporting documentation.

Victoria County GCD	35,000 ac-ft/yr
Goliad County GCD	6,000 to 8,000 ac-ft/yr
Pecan Valley GCD	10,000 to 15,000 ac-ft/yr
Evergreen UWCD	11,000 ac-ft/yr
Refugio GCD	20,000 to 42,000 ac-ft/yr

Topic 3: Region L Quarterly Meeting

Region L quarterly meeting was at SAWS offices in San Antonio on November 6, 2008. Review of comments and proposed changes to the individual technical studies being conducted by HDR for Region L was presented. There was brief discussion regarding amending the 2006 regional water plan to include the LGWSP. This topic should be discussed during the Joint VCGCD/GCGCD meeting with GBRA on November 24, 2008.

Topic 4: Environmental Flows Advisory Group – Basin and Bay Area Stakeholder Committee

Kathleen Ramirez of TCEQ, who is acting as the administrative resource for EFAG, explained that the nomination period is currently open, but that she has received the nomination of Thurman Clements. Mr. Andruss will remain in contact with Ms.

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Ramirez to track the progress of EFAG and our nomination of Thurman Clements to EFAG.

Topic 5: RCC Draft Proposed Rules – Ch. 11 Uranium Exploration and Surface Mining
RRC is proposing rule changes related to Uranium exploration and mining. RRC will be accepting informal comments through December 15, 2008. If changes appear to have a potential negative impact on the District, Mr. Andruss will request that the Board hold a special meeting to discuss and draft comments to be sent to RRC.

Topic 6: Legislative Session- Recently Filed Legislation of Interest

The District is participating in a cooperative effort with other GCDs through Glasscock GCD to use the Telicon Service. This online service provides daily updates as well as online access to information about the legislative session. Mr. Andruss will monitor the reports from Telicon service and notify the Board when activities occur on legislation of interest.

Current bills of interest:

1. HB 43 (Corte) – relating to permitting requirements of groundwater conservation districts, including permits to transfer water.
2. HB 177 (Creighton) – Relating to testing requirements for certain commercial injection wells. [Identical to SB 273 (Nichols)]
3. HB 178 (Creighton) – Relating to limitations on the location of Injection Wells.[Identical to SB 274 (Nichols)]
4. HB 179 (Creighton) – relating to the application of new requirements for commercial underground injection control wells to be adopted by the Texas Commission on Environmental Quality. [Identical to SB 275 (Nichols)]

Topic 7: Pro Field Services Saltwater Disposal Well Protest

On October 30, 2008, in Austin, a hearing was conducted by the RRC regarding the District's protest of the Pro Field SWD Well at Aloe Field. The hearing was attended by Tim Andruss, Kenneth Eller, Barbara Dietzel, Commissioner Gary Burns, Ron Kramer (QCMUD President), Homero Ortiz (QCMUD Board Member), Daniel Jimenez (QCMUD Manager), James Allison, VCGCD Attorney and associate, Katherine Howard, Doug Dashiell (Pro Field attorney) and Mr. Klatt (Pro Field engineer). Our attendance at the hearing certainly showed the high level of concern and commitment the VCGCD Board, the Quail Creek MUD, and Commissioner Burns have for groundwater resources of Victoria County.

The hearing examiners will develop a recommendation for the Railroad Commissioners. The RRC Commissioners may choose to take additional comments at one of their meetings or may simply rule on the application. Mr. Allison will keep District updated on the process. Mr. Allison and Ms. Howard did an outstanding job in preparing for and representing VCGCD at the hearing. The taxpayers of Victoria County were well served by Mr. Allison and Ms. Howard.

Topic 8: TAGD Quarterly Meeting

TAGD held its quarterly meeting in Austin on October 28-29, 2008. A panel of staff members from a number of State Legislator's offices, including Senator Hegar's offices, discussed a number of potential legislative efforts. Generally speaking, it was the shared opinion of the panel that any attempt to alter the water code could result in undesirable legislation being introduced simultaneously and therefore careful

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consideration should be given by TAGD and individual GCDs to any plans to introduce new legislation.

Topic 9: Calendar of Events

Past Events –

VCGCD Regular Meeting –

October 17, 2008 – Commissioner’s Courtroom

South Texas Farm and Ranch Show

October 22-23, 2008 – Victoria Community Center

TAGD Quarterly Meeting –

October 28-29, 2008 – Austin, Texas

Railroad Commission Hearing – Fluid Injection Permit Application

October 30, 2008 – Location to be determined

VCGCD TML Policy Review

November 3, 2008 - VCGCD Office

Region L –

November 6, 2008 – San Antonio, Texas

VCGCD Holiday Observed – Veteran’s Day

November 11, 2008

Texas Water Quality Conference –

November 5-7, 2008, San Antonio, Texas

Groundwater 101 Conference –

November 18-20, 2008 – Austin, Texas

Future Events –

GBRA Presentation – November 24, 2008

Patti Dodson Health Center, Victoria, Texas

Coletto Creek Study Meeting – December 10, 2008

Goliad GCD, Goliad, Texas

VCGCD Board Meeting – December 19, 2008

Patti Dodson Health Center, Victoria, Texas

VCGCD Holiday Observed – December 24-26, 2008

CLOSED MEETING: PURSUANT TO VTCA GOVERNMENT CODE 551 – 15.

No closed meeting.

**RETURN TO OPEN MEETING: PURSUANT TO VTCA GOVERNMENT
CODE 551 – 16.**

None

DISCUSSION AND ACTION RELATED TO CLOSED MEETING - 17.

No action taken.