

# Victoria County Groundwater Conservation District

THE STATE OF TEXAS  
VICTORIA COUNTY

The Board of Directors of the Victoria County Groundwater Conservation District convened a meeting at the Dr. Pattie Dodson Health Center, 2805 N. Navarro St., Victoria, Victoria County, Texas, 77901 on July 15, 2022, at 9:00 AM.

## Meeting Attendance:

Precinct 1:	Mr. Jerry Hroch, Vice President	Present
Precinct 2:	Mr. Thurman Clements, Jr., Director	Present
Precinct 3:	Mrs. Barbara Dietzel, Secretary	Absent
Precinct 4:	Mr. Mark Meek, President	Present
At Large:	Mr. Kenneth Eller, Director	Present
General Manager:	Mr. Timothy Andruss	Present
Legal Counsel:	Mr. James Allison	Present

## Agenda Items -

### 1. Call the meeting to order and welcome guests.

**Meeting Discussion:** Mr. Meek called the meeting to order at 9:00 AM.

**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 efforts and activities of the District regarding permitting request cases, complaints, investigations, and enforcement cases associated with permitting.

#### 3.0 – Report regarding Groundwater Management

**Meeting Discussion:** Mr. Andruss explained the District has initiated 132 permitting request cases (PRCs) since April 2022.

Mr. Andruss also explained the District has 18 permitting request cases pending as of July 5, 2022.

**Board Action:** None.

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## 3.0.1 – Review of Permitting Request Cases

**Meeting Discussion:** Mr. Andruss explained the District has initiated 132 permitting request cases since April 2022. And that there are 18 pending permitting request cases as of July 5, 2022.

**Board Action:** None.

## 3.1 – Groundwater Production Permit

**Meeting Discussion:** Mr. Andruss explained as of July 5, 2022, the volume of groundwater production authorized recorded for

- 1) water wells permitted under aggregate production permits (well fields and well systems) is 35,718 acre-feet per year,
- 2) water wells not permitted under aggregate production permits is 62,316 acre-feet per year,
- 3) with a combined total of 98,034 acre-feet per year.

**Board Action:** None.

## 3.2 – Groundwater Production

**Meeting Discussion:** Mr. Andruss explained the District has recorded groundwater production of 13,840 acre-feet during calendar year 2020 from 210 groundwater production reports. Per the rules of the District, required groundwater production reports for calendar year 2021 should have been submitted by January 31, 2022.

As of July 5, 2022, the District has recorded groundwater production of 11,611 acre-feet during calendar year 2021 from 185 groundwater production reports.

**Board Action:** None.

## 3.3 – Production Permit Renewals

**Meeting Discussion:** Mr. Andruss explained the District has seven pending Applications to Renew a Production Permit.

Item 2 of RULE 4.9: PERMIT RENEWAL authorizes the renewal of production permits without a hearing provided that: "a. the application, if required by the district, is submitted in a timely manner and accompanied by any required fees in accordance with district rules; and b. the authorized operator is not requesting a change related to the renewal that would require a permit amendment under district rules."

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Item 3 of RULE 4.9: PERMIT RENEWAL prohibits the renewal of production permits for which the applicant or authorized operator: "a. is delinquent in paying a fee required by the district; b. is subject to a pending enforcement action for a substantive violation of a district permit, order, or rule that has not been settled by agreement with the district or a final adjudication; or c. has not paid a civil penalty or has otherwise failed to comply with an order resulting from a final adjudication of a violation of a district permit, order, or rule."

The following applications are administratively complete and satisfy the requirements related to production permit renewal established by the Rules of the District:

1. PRC-20220311-02 – ARPP-20220311-02 - Victoria Hospital, LLC – Pending
2. PRC-20220505-01 – ARPP-20220429-01/02/03 - INV Nylon Chemicals Americas, LLC (Victoria Site) – Pending
3. PRC-20220505-02 – ARPP-20220429-04 - Jamey and Farah Janak – Pending
4. PRC-20220506-02 – ARPP-20220506-01/02 - K and K Group, LLC – Pending
5. PRC-20220512-01 – ARPP-20220512-01 - Spyglass Interests, LTD – Pending
6. PRC-20220512-02 – ARPP-20220512-02 - Wayne A. Pozzi – Pending
7. PRC-20220608-01 – ARPP-20220606-01 - Eugene N. Pratka - Pending

**Board Action:** Mr. Eller moved to authorize the general manager to issue production permit renewals for the permits associated with the following renewal requests:

1. PRC-20220311-02 – ARPP-20220311-02 - Victoria Hospital, LLC – Pending
2. PRC-20220505-01 – ARPP-20220429-01/02/03 - INV Nylon Chemicals Americas, LLC (Victoria Site) – Pending
3. PRC-20220505-02 – ARPP-20220429-04 - Jamey and Farah Janak – Pending
4. PRC-20220506-02 – ARPP-20220506-01/02 - K and K Group, LLC – Pending
5. PRC-20220512-01 – ARPP-20220512-01 - Spyglass Interests, LTD – Pending
6. PRC-20220512-02 – ARPP-20220512-02 - Wayne A. Pozzi – Pending
7. PRC-20220608-01 – ARPP-20220606-01 - Eugene N. Pratka - Pending

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

## 3.4.1 – Report regarding Groundwater Management Investigations

**Meeting Discussion:** Mr. Andruss presented a list of investigation closed for a lack of evidence of potential violations after April 22, 2022.

Mr. Andruss also explained that as July 5, 2022, the District has the 26 active investigations related to groundwater management.

**Board Action:** None.

## 3.4.2 – Report regarding Groundwater Management Enforcement Cases

2805 N. Navarro St. Suite 210, Victoria, TX 77901, Phone (361) 579-6863, FAX (361) 579-0041  
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**Meeting Discussion:** Mr. Andruss explained that, as of July 5, 2022, the District had 14 open enforcement cases related to groundwater management.

Mr. Andruss also explained that as of July 5, 2022, the District had 14 unresolved enforcement case violations related to groundwater management.

**Board Action:** Mr. Eller moved to

1. authorize the General Manager to:

1. designate violation ECV-20210621-05 - LEVEL 1 - Failure to Report Groundwater Production for CY2020 for Well GW-000984 - Unresolved as "Resolved", and
2. designate case EC-20210621-05 -Failure to Report Groundwater Production for CY2020 by Well GW-000984 - Open as "Closed" as groundwater production reporting for the associated well was resumed for CY2021; and

2. authorize the General Manager to

1. designate violation ECV-20210621-44 - LEVEL 1 - Failure to Report Groundwater Production for CY2020 for Well R1GW-000257 - Unresolved as "Resolved", and
2. designate case EC-20210621-44 -Failure to Report Groundwater Production for CY2020 by Well R1GW-000257- Open as "Closed" as groundwater production reporting for the associated well was resumed for CY2021; and

3. authorize the General Manager to send notice of the Board's intention to authorize legal counsel to file suit on October 21, 2022 if the associated violations remain unresolved along with new notices of violation (2nd NOV) with an offer to settle the associated violations with a \$20.00 penalty if, by October 1, 2022, the well owners submit groundwater production reports for the subject wells for calendar year 2021, and the well owners of the subject well acknowledges the associated violations related to the following cases:

1. EC-20210621-11 - Failure to Report Groundwater Production for CY2020 by Well GW-001024 - Open
  - a. VCGCD - GMa - CIE - Enforcement Case - EC-20220524-01 - Failure to Report Groundwater Production for CY2021 by Well GW-001024 - Open
2. EC-20210621-16 - Failure to Report Groundwater Production for CY2020 by Well NW-000211 - Open
  - a. EC-20220524-03 - Failure to Report Groundwater Production for CY2021 by Well NW-000211 - Open
3. EC-20210621-21 - Failure to Report Groundwater Production for CY2020 by Well NW-000428 - Open
  - a. EC-20220524-04 - Failure to Report Groundwater Production for CY2021 by Well NW-000428 - Open
4. EC-20210621-22 - Failure to Report Groundwater Production for CY2020 by Well NW-000429 - Open

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- a. EC-20220524-05 - Failure to Report Groundwater Production for CY2021 by Well NW-000429 – Open
5. EC-20210621-36 - Failure to Report Groundwater Production for CY2020 by Well NW-000846 - Open
  - a. EC-20220524-06 - Failure to Report Groundwater Production for CY2021 by Well NW-000846 - Open
6. EC-20210621-41 - Failure to Report Groundwater Production for CY2020 by Well NW-001343 - Open
  - a. EC-20220524-08 – Failure to Report Groundwater Production for CY2021 by Well NW-001343 - Open

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

## 3.5.1 – Permitting Request Case PRC-20220329-01 – Christ the King Lutheran Church

**Meeting Discussion:** Mr. Andruss explained Ms. Mary E. Stafford for Christ the King Lutheran Church seeks, under permitting request case PRC-20220329-02 - AAPC-20220323-01/ADWHP-20220323-02 - Christ the King Lutheran Church - Pending, an amendment to production permit VCGCD - GMa - Pe - Production Permits - OPW-20150417-04 - Christ The King Lutheran Church – Executed associated with well NW-000718 authorizing reduction of permitted groundwater production from 2.2 acre-feet per year to 1.99 acre-feet per year. The subject well is located on a 4.4-acre tract of land near the intersection of FM 237 and FM 236 in Victoria County, Texas.

The application 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.

On June 24, 2022, the public notice related to the consideration of the permitting request case was completed. See Public Notice - 20220715 - Permit Hearing - PRC-20220329-02.

As of July 7, 2022, the District had not received notice of intent to contest the permitting request.

**Board Action:** Mr. Clements moved to:

1. cancel the permit hearing and proceed with the permitting case as an uncontested matter; and
2. amend production permit OPW-20150417-04 by reducing the authorized maximum rate of production per year to 1.99 acre-feet per year.

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

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## 3.5.2 – Permitting Request Case PRC-20220624-01 – Charbula and Stockbauer

**Meeting Discussion:** Mr. Andruss explained M/M. Kenneth and Jennifer Charbula and M/M John and Gladys Stockbauer seek, under permitting request case Request Cases - PRC-20220624-01 - ADW-20220624-01 - Kenneth and Jennifer Charbula/AOW-20220624-01 - Kenneth and Jennifer Charbula - John and Gladys Stockbauer - Pending, a drilling permit and production permit authorizing construction of a well and the production of groundwater for livestock and irrigation uses at rates not to exceed 100 gallons per minute or 18.515 acre-feet per year. The proposed well will be located on a 37.03-acre tract of land near the intersection of Old Highway Road and Tipton Road in Victoria 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 permit is properly conditioned, the drilling of the proposed well would satisfy the requirements as established within the Rules of the District with an appropriate waiver or variance being granted by the Board.

On June 29, 2022, the public notice related to the consideration of the permit case was completed. See Public Notice - 20220715 - Permit Hearing – PRC-20220624-01.

As of July 7, 2022, the District had not received notice of intent to contest the permitting request.

**Board Action:** Mr. Clements moved to:

1. cancel the permit hearing and proceed with the permitting case as an uncontested matter;
2. issue a drilling permit to M/M. Kenneth and Jennifer Charbula and M/M John and Gladys Stockbauer under application ADW-20220624-01 with the requirement that the proposed well be offset at least 50 feet from the nearest property line; and
3. issue a production permit to M/M. Kenneth and Jennifer Charbula and M/M John and Gladys Stockbauer under application AOW-20220624-02 with the following conditions in accordance with the Rules of the District:
  - a. Authorized Purpose of Use: livestock and irrigation uses;
  - b. Authorized Maximum Rate of Production per Minute: 100 gallons per minute;
  - c. Authorized Maximum Rate of Production per Year: 18.515 acre-feet per year; and
  - d. Expiration Date: July 31, 2026.

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

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## 3.5.3 – Kreuz Waiver Request

**Meeting Discussion:** Mr. Andruss explained Mr. Kreuz seeks, under permitting request case PRC-20220707-02 - ADW-20220630-05/AWR-20220707-01 - Charles Kreuz - Pending, a waiver to item 3 of Rule 5.1 in connection with a request for drilling permits to authorize the drilling of five closed-loop geothermal wells to provide a heat source and heat sink for domestic uses on Lot 9 in Block 1 of the Escalera Ranch 1833 Phase 1 subdivision at 248 Escalera Ranch Road, Victoria 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 permit is properly conditioned, the drilling of the proposed well would satisfy the requirements as established within the Rules of the District with an appropriate waiver or variance being granted by the Board.

Item 3 of Rule 5.1 of the Rules of the District specifies that "[a] non-grandfathered well to be located on a lot of a platted subdivision shall not be drilled in a location that is closer than fifty feet to the perimeter of the subdivision and shall be drilled in a location that is within the area designated as the "Authorized Drilling Area" on the subject lot of subdivision plat, if adequately defined.

The general notes of the subdivision define an authorized drilling area for lots as follows:

### 8. WATER:

A) PRIVATE WATER WELLS ARE REQUIRED FOR EACH LOT.

B) WATER WELLS SHALL BE LOCATED WITHIN THE "AUTHORIZED DRILLING AREA"

ESTABLISHED BY THIS PLAT. THE "AUTHORIZED DRILLING AREAS" ARE DEFINED BY APPLYING THE FOLLOWING SETBACK REQUIREMENTS TO EACH LOT.

WATER WELLS SHALL NOT BE LOCATED:

i) CLOSER THAN FIFTY FEET (50') TO THE PERIMETER BOUNDAR OF THIS SUBDIVISION.

ii) CLOSER THAN FIVE FEET (5') TO AN INTERIOR SIDE LOT LINE.

iii) FURTHER THAN FIFTY FEET (50') FROM THE STREET RIGHT -Of -WAY LINE OF ESCALERA RANCH ROAD.

iv) WITHIN ANY EASEMENT ESTABLISHED BY THIS PLAT.

C) THE ANNULAR SPACE BETWEEN THE BOREHOLE WALL AND THE CASING OF A WATER WELL SHALL BE FILLED WITH AN AUTHORIZED ANNULAR SPACE SEALANT FROM THE GROUND LEVEL TO THE TOP OF THE WATER PRODUCING STRATA OR TO 100 FEET BELOW THE LAND SURFACE.

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Mr. Kreuz asserts within waiver request VCGCD - GMa - PR - Waiver and Variance Requests - AWR-20220707-01 - Charles Kreuz - Administratively Complete the basis for the Board to find good cause to grant the requested waiver is "the proposed location of the wells would substantially increase the offset of the wells from the exterior property line " and "the proposed location would centrally locate the wells within the subject property, reduce the potential for well interference with existing and future wells on adjacent properties and reduce the possibility of potential sources of contamination encroaching on the proposed wells by features such as septic systems on adjacent lots."

Item 5 of Rule 4.11: WAIVERS AND VARIANCES OF DISTRICT RULES reads: "The applicant for a waiver related to regulations associated with a well ... is responsible for attempting to obtain the waivers and identifying any required waivers that were not obtained and reason the waiver was not obtained in instances in which the Rules of the District allow for exceptions contingent on waiver by adjoining or adjacent owners of groundwater resources."

Item 7 of Rule 5.1: WELL SPACING REQUIREMENTS OF NON-GRANDFATHERED WELLS reads: "The spacing requirements related to spacing from property lines of a drilling permit may be reduced by the District if the owner of groundwater resources or authorized agent presents waivers signed by the adjoining owner of groundwater resources or the adjoining authorized agent."

The District considered and approved a similar request in 2020. In that case (PRC-20191204-03 - ADW-20191204-03/AWR-20191205-01 - Todd and Kimberly Fagan - Complete), the Board authorized the permitting request case to proceed to a contest hearing as a contested case unless all necessary adjacent landowner waivers were submitted. The Board remanded the request to the District upon acceptance of the General Manager's request to withdraw the District contest to the application in response to the applicant supplying all necessary adjacent landowner waivers.

The District considered and approved a similar request in 2021. In the case (PRC-20210806-01 - ADW-20210722-01/AWR-20210806-01 - Scott Holster - Complete), the Board, after public notice had been posted in accordance with the Rules of the District, authorized the general manager to 1) withdraw the District's contest the permit request and issue the drilling permit with the requested waiver if the applicant submits completed waivers of spacing requirements for each adjacent landowner and otherwise 2) schedule the matter for hearing as a contested case with publication the contested case hearing notice and transmittal of the hearing notice to adjacent landowner in accordance with the Rules of the District.

On July 7, 2022, notice of intent to contest the application was forwarded to Mr. Kreuz.



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**Board Action:** Mr. Clements moved to authorize the general manager, after providing a 10-day public notice of the proposed permit issuance, to 1) withdraw the District's contest the permit request and issue the drilling permit with the requested waiver and otherwise 2) schedule the matter for hearing as a contested case with publication the contested case hearing notice and transmittal of the hearing notice to adjacent landowner in accordance with the Rules of the District. Mr. Eller seconded the motion. The motion passed unanimously.

## 4. Consideration of and possible action on matters related to Groundwater Protection including complaints, investigations, violations, and enforcement cases.

### 4.0 – Report regarding Groundwater Protection

**Meeting Discussion:** None.

**Board Action:** None.

### 4.1 – Report regarding Groundwater Protection Investigations

**Meeting Discussion:** Mr. Andruss explained as of April 21, 2022, the District has 4 active investigations related to possible groundwater contamination or water quality degradation.

**Board Action:** None.

#### 4.1.1 – Investigation INV-20210222.1509 – Potential Contamination of Groundwater at Dry Creek

**Meeting Discussion:** Mr. Andruss explained on April 15, 2022, the District received the lab report for the water samples collected in the vicinity of Dry Creek on April 7, 2022.

On May 11, 2022, the District request a review of report WQLR-20220511.1058 under project PRJ-20210222.1510 - Technical Support for Dry Creek Diesel Spill – Active to confirm the report indicates "non detects" for the BTEX and TPH analytes. Mr. Wickham confirmed that none of analytes were detected and the quality control components appeared to be satisfactory. Based on the data collected under investigation INV-20210222.1509, there is no evidence that diesel-related contamination persists in groundwater in the vicinity of the impacted segments of Dry Creek.

The District incurred a cost of \$1,650.00 for the lab work associated with the final

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sampling (see ACCTP-20220418-01 - \$1,650.00 - Pace Analytical- Inv No. 2275148954- TR-20220422-01-D - \$1,650.00 - Prosperity 3566 - UNRECONCILED).

**Board Action:** Mr. Eller moved to authorize the General Manager to close investigation INV-20210222.1509 – Potential Contamination of Groundwater at Dry Creek - Active upon reimbursement of \$1,650.00 for the cost incurred by the District for the lab work associated with the April 2022 water sampling at Dry Creek. Mr. Hroch seconded the motion. The motion passed unanimously.

## 4.2 – Report regarding Groundwater Protection Enforcement Cases

**Meeting Discussion:** Mr. Andruss explained as of July 5, 2022, the District has no active enforcement cases related to groundwater protection.

**Board Action:** None.

## 5. Consideration of and possible action on matters related to Groundwater Monitoring.

### 5.0 – Report regarding Groundwater Monitoring

**Meeting Discussion:** Mr. Andruss explained the District has defined the areas of interest for the seven local-area water quality monitoring projects and identified candidate wells to be sampled in each area. The well owners have been contacted by mail requesting access to the candidate wells for monitoring purposes.

Mr. Andruss presented the List of Candidate Monitoring Wells for PRJ-20211004.1132 - Arsenic Monitoring at Landfill for FY2022 (MG4:O1) – Active.

On May 20, 2022, the District sent letters to the owners of the candidate monitoring wells requesting access to the subject wells on July 12th through July 14th, 2022.

Mr. Andruss presented the List of Candidate Monitoring Wells for PRJ-20211004.1505 - Baseline Aquifer Monitoring at Boehm Road for FY2022 (MG4:O1) – Active.

On May 20, 2022, the District sent letters to the owners of the candidate monitoring wells requesting access to the subject wells on July 19th through July 21st.

Mr. Andruss presented the List of Candidate Monitoring Wells for PRJ-20211004.1141 - Baseline Aquifer Monitoring at Cottonwood Drive for FY2022 (MG4:O1) – Active.

On May 20, 2022, the District sent letters to the owners of the candidate monitoring

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wells requesting access to the subject wells on July 26th through July 28th.

Mr. Andruss presented the List of Candidate Monitoring Wells PRJ-20211004.1147 - Baseline Aquifer Monitoring at FM 446 for FY2022 (MG4:O1) – Active.

On May 20, 2022, the District sent letters to the owners of the candidate monitoring wells requesting access to the subject wells on August 2nd through August 4th, 2022.

Mr. Andruss presented the List of Candidate Monitoring Wells for PRJ-20211004.1156 - Baseline Aquifer Monitoring at Kingwood Drive for FY2022 (MG4:O1) – Active.

On May 20, 2022, the District scheduled monitoring activities for the third week of July on the 26th, 2022, through July 28, 2022.

**Board Action:** None.

## 5.1 – Annual Water Level Assessment

**Meeting Discussion:** Mr. Andruss explained on June 30, 2022, Dr. Young of Intera submitted the report titled Application of Geostatistical Techniques to Interpret Measured 2021 Water Levels and district-specific presentations titled Geostatistical Technique to Assess and to Evaluate Changes in Water Levels regarding the update of water level assessments for the Chicot and Evangeline Aquifers in Victoria, Calhoun, Refugio, and Jackson Counties.

The report contained the following county-wide estimates for Victoria County between year 2000 and 2021:

- the water level change of the Chicot Aquifer was -1.2 feet.
- the water level change of the Evangeline Aquifer was +12.9 feet.
- the combined water level change of the Chicot and Evangeline Aquifers was +6.1 feet.

**Board Action:** Mr. Eller moved to

1. accept the report developed by Dr. Young of Intera titled Application of Geostatistical Techniques to Interpret Measured 2021 Water Levels;
2. find that the district is presently achieving the desired future condition for Victoria County;
3. authorize the General Manager to pay the associated invoice from Intera, Inc in the amount of \$10,000.00; and
4. authorize the General Manager to issue invoices to to Refugio GCD, Texana GCD, and Calhoun County GCD amounts of \$2,500.00 for reimbursement of each district's cost-share.

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

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## 5.2 – Drought Monitoring

**Meeting Discussion:** Mr. Andruss explained According to the National Integrated Drought Information System, the U.S. Drought Monitor (USDM) is updated each Thursday to show the location and intensity of drought across the country using a five-category system, from Abnormally Dry (D0) conditions to Exceptional Drought (D4). The USDM is a joint effort of the National Drought Mitigation Center, USDA, and NOAA.

The U.S. Drought Monitor (<https://www.drought.gov/states/texas/county/victoria>) indicates that 100% of Victoria County was experiencing severe drought conditions while 18.97% of Victoria County was experiencing exceptional drought as of June 28, 2022

**Board Action:** None.

## 6. Consideration of and possible action on matters related to Groundwater Conservation.

### 6.0 – Report regarding Groundwater Conservation

**Meeting Discussion:** Mr. Andruss explained Dr. Le Sage-Clements and Dr. Dimitri Sobolev of University of Houston-Victoria conducted the professional development sessions on June 7 and 8, 2022. The sessions were attended by approximately 10 teachers from school districts located within Victoria, Calhoun, Refugio, and Jackson Counties.

**Board Action:** None.

## 7. Consideration of and possible action on matters related to Groundwater Resource Planning including Groundwater Management Area 15 Joint Planning and regional water planning.

### 7.0 – Report regarding Groundwater Resource Planning

**Meeting Discussion:** Mr. Andruss explained the representatives of Region L met on May 5, 2022, to continue efforts to develop the 2026 Regional Water Plan. The planning group established a subcommittee to work on improved outreach with rural communities and agriculture-related water needs. The next meeting of Region L is scheduled for August 4, 2022.

The representatives of Management Area 15 met on July 14, 2022, to continue its joint planning efforts. The next meeting of GMA 15 is scheduled for October 13, 2022.

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**Board Action:** None.

## **8. Consideration of and possible action on matters related to Groundwater Management Area 15.**

### **8.0 – Adoption of GMA 15 Desired Future Conditions**

**Meeting Discussion:** Mr. Andruss explained:

WHEREAS, the Groundwater Conservation Districts located wholly or partially within Groundwater Management Area 15 (GMA 15), as designated by the Texas Water Development Board (TWDB), as of the date of this resolution are as follows: Bee Groundwater Conservation District, Calhoun County Groundwater Conservation District, Coastal Bend Groundwater Conservation District, Coastal Plains Groundwater Conservation District, Colorado County Groundwater Conservation District, Corpus Christi Aquifer Storage and Recovery Conservation District, Evergreen Underground Water Conservation District, Fayette County Groundwater Conservation District, Goliad County Groundwater Conservation District, Pecan Valley Groundwater Conservation District, Refugio Groundwater Conservation District, Texana Groundwater Conservation District, and Victoria County Groundwater Conservation District;

WHEREAS, the representatives of GMA 15 considered reports regarding predicted groundwater availability estimations for multiple groundwater pumping scenarios modeled using the Central Gulf Coast Aquifer Groundwater Availability Model, the aquifer uses or conditions within the management area, the water supply needs and water management strategies included in the state water plan, hydrological conditions, environmental impacts, the impact on subsidence, socioeconomic impacts, the impact on the interests and rights in private property, the feasibility of achieving the desired future condition, and other information relevant to the specific desired future conditions in accordance with Texas Water Code §36.108 (d);

WHEREAS, on December 9, 2021, the representatives of GMA 15 approved a resolution adopting the proposed desired future conditions for GMA 15 in accordance with Texas Water Code §36.108 (d-3);

WHEREAS, on December 10, 2021, the administrator of GMA 15 submitted the desired future conditions resolution and explanatory report to TWDB;

WHEREAS, on April 22, 2022, the TWDB issued notification to the representatives of GMA 15 stating the desired future conditions resolution and explanatory report submitted under Texas Water Code §36.108 (d-3) were administratively complete in accordance with 31 Texas Administrative Code §356.33;

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WHEREAS, Texas Water Code §36.108 (d-4) states, after a district receives notification from TWDB that the desired future conditions resolution and explanatory report in accordance with Texas Water Code §36.108 (d-3) are administratively complete, the district shall adopt the applicable desired future conditions in the resolution and report;

WHEREAS, the desired future condition adopted by the representatives of GMA 15 on December 9, 2021 stated as follows: 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. Clements moved to adopt above-described desired future conditions for Management Area 15 by resolution. Mr. Eller seconded the motion. The motion passed unanimously.

## 9. Consideration of and possible action on matters related to Groundwater Policy including the Management Plan of the District and draft revisions to the Rules of the District and Fee Schedule.

### 9.0 – Report regarding Groundwater Policy

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**Meeting Discussion:** Mr. Andruss explained the staff of the District have drafted revisions to the Rules of the District for the purposes of eliminating unnecessary regulations, streamlining procedures, improving groundwater regulation and long-term management of groundwater resources within Victoria County.

In anticipation of the adoption of the desired future conditions for Groundwater Management Area 15 and development of Modeled Available Groundwater (MAG) estimates by the Texas Water Development Board (TWDB), the District has initiated a project for updating the Management Plan of the District. The draft management plan will be presented to the Board for consideration after TWDB develops MAG values and other technical data required to be incorporated in the management plan.

**Board Action:** None.

## 9.1 – Draft Revisions to the Rules of the District

**Meeting Discussion:** Mr. Clements left the meeting prior to the consideration of this matter.

Mr. Andruss explained the staff of the District has made significant progress, with the assistance of Mr. Allison, drafting changes to the rules the district, the fee schedule, and related applications. While there are many changes to the language in the draft rules, the major policy changes contained within are:

1. revision of exempt-use definition;
2. elimination of drilling permits;
3. creation of provisions for the establishment of special well construction areas;
4. revision of spacing requirements for new wells relative to property lines;
5. revision of the requirements related to production permitting associated with potentially high impact production permitting
6. clarification of the requirements for plugging deteriorated wells and the consequences of plugging water wells regarding existing production permits;
7. creation of a requirement to install and use a meter in connection with transfer permits;
8. creation of provisions for petitioning for changes to the rules of the district;
9. creation of provision to establish excess production fees; and
10. incorporation of the enforcement policies into the rules of the district.

Mr. Andruss provided a report summarizing the recommended changes and answered any questions raised regarding the recommendations.

A series of tables were provided that summarized the differences between draft rules to the existing rules by identifying the significant provisions that have been 1) eliminated, 2) revised, or 3) added.

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**Board Action:** Mr. Eller moved to transmit the draft rules to the members of the advisory committee and other interested parties. Mr. Hroch seconded the motion. The motion passed.

## **10. Consideration of and possible action on matters related to Performance Management including management goals and objectives of the District.**

**Meeting Discussion:** None.

**Board Action:** None.

## **11. Consideration of and possible action on matters related to Meeting Management including Minutes of Previous Meetings.**

### **11.0 – Report regarding Meeting Management**

**Meeting Discussion:** Mr. Andruss explained the next meetings of the Board are scheduled for August 19, 2022, (Budget and Tax Rate Matters), September 9, 2022 (Tax rate), and October 21, 2022, with each meeting to convene at 9:00 AM. Special meeting may be scheduled to address unforeseen issues.

**Board Action:** None.

### **11.1 – Minutes of Previous Meeting**

**Meeting Discussion:** Mr. Andruss explained the minutes for the meeting held on April 22, 2022, were sent the board members prior to the meeting.

**Board Action:** Mr. Eller moved to accept and approve the meeting minutes for April 22, 2022, as drafted. Mr. Hroch seconded the motion. The motion passed unanimously.

## **12. Consideration of and possible action on matters related to Financial Management including the Annual Budget of the District, the Financial Reports of the District, Bills and Invoices of the District, and the Financial Audit for the Fiscal Year ending September 30, 2021.**

### **12.0 – Report on Financial Management**

**Meeting Discussion:** Mr. Andruss explained the financial records for May 2022 have been compiled, reviewed, and sent to the board members prior to the meeting. The District continues its efforts to audit and investigate the accounting of fees paid



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to TML-Health and the accounting associated with the health savings accounts of certain employees.

**Board Action:** Mr. Clements moved to accept and approve the financial records for May 2022. Mr. Eller seconded the motion. The motion passed unanimously.

## 12.0.1 – Financial Transaction Review

**Meeting Discussion** – Mr. Andruss explained the 2 lists attached identified each accounts payable and accounts receivable transaction that was recorded since April 1, 2022 as of July 7, 2022.

**Board Action:** None.

## 12.0.2 – Budget Review and Adjustment

**Meeting Discussion:** Mr. Andruss explained based on a review of the expense budget and actual expenses, the FY2022 Budget should be amended to properly plan and control costs associated with the operation of the District. The recommended amendments represent a net zero impact on the budget and constrain adjustments (increases and decreases) to individual expense categories within the particular budget programs and functions.

**Board Action:** Mr. Clements moved to amend the FY2022 Budget as follows:

1. Amend 1000 - Administration:1100 - Administration - Personnel and Benefits:: with a zero net budget impact change by:
  1. Decreasing 1000 - Administration:1100 - Administration - Personnel and Benefits::160 - Employment Fees - Social Security and Medicare:: by \$3,500.00; and
  2. Increasing 1000 - Administration:1100 - Administration - Personnel and Benefits::170 - Employment Fees - State Unemployment:: by \$3,500.00.
2. Amend 1000 - Administration:1700 - Administration – Organizational Management:: with a zero net budget impact change by:
  1. Decreasing 1000 - Administration:1700 - Administration – Organizational Management::210 - Legal Services:: by \$1,000.00;
  2. Increasing 1000 - Administration:1700 - Administration – Organizational Management::215 - Legislative and Administrative Action Representation Services:: by \$125.00;
  3. Increasing 2000 - Groundwater Conservation:2100 – Program Implementation::215 - Legislative and Administrative Action Representation Services:: by \$125.00;
  4. Increasing 3000 - Groundwater Management:3100 – Program Implementation::215 - Legislative and Administrative Action Representation Services:: by \$125.00;

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5. Increasing 4000 - Groundwater Monitoring:4100 – Program Implementation::215 - Legislative and Administrative Action Representation Services:: by \$125.00;
  6. Increasing 5000 - Groundwater Policy:5100 - Program Implementation::215 - Legislative and Administrative Action Representation Services:: by \$125.00;
  7. Increasing 6000 - Groundwater Protection:6100 – Program Implementation::215 - Legislative and Administrative Action Representation Services:: by \$125.00;
  8. Increasing 7000 - Groundwater Research:7100 - Program Implementation::215 - Legislative and Administrative Action Representation Services:: by \$125.00; and
  9. Increasing 8000 - Groundwater Resource Planning:8100 – Program Implementation::215 - Legislative and Administrative Action Representation Services:: by \$125.00.
3. Amend 1000 - Administration:1700 - Administration – Organizational Management:: with a zero net budget impact change by:
    1. Decreasing 1000 - Administration:1700 - Administration – Organizational Management::220 - Professional and Technical Services:: by \$125.00; and
    2. Increasing 1000 - Administration:1700 - Administration – Organizational Management::230 - Insurance and Bonds:: by \$125.00.
  4. Amend 1000 - Administration:1400 - Administration - Information Management:: with a zero net budget impact change by:
    1. Decreasing 1000 - Administration:1400 - Administration – Information Management::431 - GIS System by \$8,000.00;
    2. Increasing 1000 - Administration:1400 - Administration – Information Management::430 - Technology Services:: by \$2,000.00;
    3. Increasing 1000 - Administration:1400 - Administration – Information Management::434 - Technology Services - Website and Email System:: by \$1,000.00; and
    4. Increasing 1000 - Administration:1400 - Administration – Information Management::435 - Technology Services - Phone System:: by \$5,000.00

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

## 12.1 – 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. Eller moved to authorize the General Manager to pay the following items:

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1. ACCTP-20220525-01 - \$750.00 - Allison, Bass & Magee - Inv# 6600 - TRYYYMMDD- SQ-D - \$AMOUNT - ACCOUNTID - UNRECONCILED
2. ACCTP-20220621-01- \$29.84 - Candace Whittley - TEC-20220621-01 - TRYYYMMDD- SQ-D - \$AMOUNT - ACCOUNTID - UNRECONCILED
3. ACCTP-20220630-10 - \$555.28 - Caitlynn Davenport - TEC-20220630-01 - TRYYYMMDD- SQ-D - \$AMOUNT - ACCOUNTID - UNRECONCILED
4. ACCTP-20220706-02 - \$112.73 - Office Systems - Inv# 01168258 - TRYYYMMDD- SQ-D - \$AMOUNT - ACCOUNTID - UNRECONCILED
5. ACCTP-20220706-03 - \$95.00 - Catherine Ozment - Inv# 2423 - TR-YYMMDDSQ-D - \$AMOUNT - ACCOUNTID - UNRECONCILED
6. ACCTP-20220706-04 - \$551.75 - Victoria Advocate - Statement# 342797\_0622 - TR-YYYYMMDD-SQ-D - \$AMOUNT - ACCOUNTID - UNRECONCILED

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

## 12.2 – Significant Financial Error in FY2021

**Meeting Discussion:** Mr. Andruss explained while developing responses to questions asked by Mr. Cox of Goldman, Hunt, and Notz in connection with the audit, a significant financial error was identified. It appears that the District failed to notify TML-Health of the December 2020 resignation of Rachel Trevino until October 14, 2021 when Tammy Amaimo's resignation was reported to TML-Health. The District continued to be billed for Trevino's premium after her termination. Unfortunately, the District's internal procedures of reviewing financial transactions was inadequate and failed to identify this billing error. The total financial cost of this error is calculated to be \$4,426.40.

In response to this discovery, the District has revised its internal controls include a detailed review of payroll-related transactions. The following elements have been added to the Internal Control Review Report template:

**Question #3a:** Do all expenditures associated with the payment of employee withholding and district contributions for health benefits (TML) comport with withholdings and contribution made for health benefits with the associated payroll payment transactions?

**Question #3b:** Do all expenditures associated with the payment of employee withholding and district contributions for pension benefits (TCDRS) comport with withholdings and contribution made for pension benefits with the associated payroll payment transactions?

**Question #3c:** Do all expenditures associated with the payment of employee withholding and district contributions for taxes (IRS) comport with withholdings and contribution made for taxes with the associated payroll payment transactions?

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Question #3d: Do all expenditures associated with the payment of employee withholding and district contributions for unemployment (TWC) comport with withholdings and contribution made for unemployment with the associated payroll payment transactions?

**Board Action:** None.

## 12.3 – Financial Audit for FYE20210930

**Meeting Discussion** – Mr. Andruss explained Mr. Cox of Goldman, Hunt and Notz, LLP notified the District that her would present the financial audit of the District for the fiscal year ending September 30, 2021.

Mr. Cox presented the findings regarding the annual audit for fiscal year ending September 30, 2021.

**Board Action:** Mr. Clements moved to accept the financial audit for FYE20210930. Mr. Eller seconded the motion. The motion passed unanimously.

## 13. Consideration of and possible action on matters related to Office Administration and Management including Administrative Policies, Election of Officers of the Board, Personnel, Staffing, Employment Agreements, Consultant Agreements, Interlocal Cooperation Agreements, and Support Services provided to and from other Groundwater Conservation Districts.

### 13.0 – Report regarding Administration and Management

**Meeting Discussion:** Mr. Andruss explained on June 3, 2022, the District notified Ms. Amaimo that her relationship as an independent contractor to VCGCD was terminated. The record management responsibilities previously assigned to Ms. Amaimo have been transferred to Ms. Davenport and Ms. Whittley.

On May 18, 2022, Tim Andruss, General Manager, and Caitlynn Davenport, Administrative Coordinator, participated in and complete the PFIA Training Webinar sponsored by the Texas Alliance of Groundwater Districts.

**Board Action:** None.

### 13.1 – Replacement Computers

**Meeting Discussion:** Mr. Andruss explained the District needs to replace two computers that were purchase in FY2020. The poor performance of the computer is substantially reducing employee productivity. The computers are not fully depreciated and have current asset value of \$556.99. Based on the cost to replace

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other office computers in December 2021, the estimated cost to replace the two computers is \$4,500.00 to \$5,000.00.

**Board Action:** Mr. Eller moved to authorize the general manager to purchase two replacement computers in an amount not to exceed \$5,100.00. Mr. Hroch seconded the motion. The motion passed unanimously.

## 14. Consideration of and possible action on matters related to Legal Counsel Report.

### 14.0 – Legal Counsel Report

**Meeting Discussion:** Mr. Allison explained the Fassino case settled.

**Board Action:** None.

## 15. Adjourn

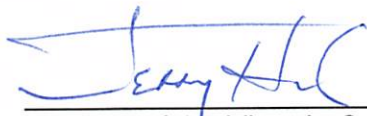
### 15.0 – Adjourn Meeting

**Meeting Discussion:** None.

**Board Action:** Mr. Hroch moved to adjourn the meeting at 12:17 PM after concluding all business of the District. Mr. Eller seconded the motion. The motion passed unanimously.

THE ABOVE AND FOREGOING MINUTES WERE READ AND APPROVED ON THIS

THE 19<sup>th</sup> DAY OF August A.D. 2022.



Director of the Victoria County Groundwater Conservation District

ATTEST:

# Victoria County Groundwater Conservation District



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Director of the Victoria County Groundwater Conservation District