

# 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 August 19, 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	Absent
At Large:	Mr. Kenneth Eller, Director	Present
General Manager:	Mr. Timothy Andruss	Present
Legal Counsel:	Mr. James Allison	Absent

## Agenda Items -

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

**Meeting Discussion:** Mr. Hroch 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 permit and waiver requests, complaint, investigations, and enforcement cases.

#### 3.0 – Report regarding Groundwater Management

**Meeting Discussion:** Mr. Andruss explained as of August 3, 2022, the District has initiated 16 permitting request cases (PRCs) since July 2022.

Mr. Andruss also explained the District has 26 permitting request cases pending as of August 3, 2022.

**Board Action:** None.

#### 3.0.1 – Review of Permitting Request Cases

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**Meeting Discussion:** Mr. Andruss explained the District has initiated 16 permitting request cases since July 2022. And that there are 26 pending permitting request cases as of August 3, 2022.

**Board Action:** None.

## **3.5.1 – Permitting Request Case PRC-20220801-01 – Thomas Land and Cattle Company**

**Meeting Discussion:** Mr. Andruss explained Mr. Clifton L. Thomas, Jr. for Thomas Land and Cattle Company seeks, under permitting request case PRC-20220801-01 - ADW-20220729-01/AOW-20220729-02 - Thomas Land and Cattle Company - Pending, a drilling permit and production permit authorizing construction of a well and the production of groundwater for irrigation and lake management at rates not to exceed 140 gallons per minute or 225 acre-feet per year. The proposed well will be located on a 946.37-acre tract of land near the intersection of State Highway 185 and Guadalupe Road in Victoria County, Texas.

The application and supplemental information associated with this permitting request case are considered administratively complete and contain sufficient information to evaluate the request relative to the Rules of the District.

On August 3, 2022, the public notice related to the consideration of the permitting request case was completed. See Public Notice - 20220819 - Permit Hearing - PRC-20220801-01.

As of August 15, 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 Thomas Land and Cattle Company under application ADW-20220729-01 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 Thomas Land and Cattle Company under application AOW-20220729-02 with the following conditions in accordance with the Rules of the District:
  1. Authorized Purpose of Use: irrigation and Lake management uses;
  2. Authorized Maximum Rate of Production per Minute: 140 gallons per minute;
  3. Authorized Maximum Rate of Production per Year: 225 acre-feet per year; and
  4. Expiration Date: July 31, 2027.

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

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

### 4.0 – Report regarding Meeting Management

**Meeting Discussion:** Mr. Andruss explained the next meetings of the Board are scheduled for October 21, 2022, and January 20, 2023, with each meeting to convene at 9:00 AM. Special meetings may be scheduled to address unforeseen issues.

**Board Action:** Scheduled a meeting of the board on September 9, 2022, for the purposes of completing the process for adopting a budget for FY2023 and adopting a tax rate for TY2022.

### 4.1 – Minutes of Previous Meeting

**Meeting Discussion:** Mr. Andruss explained the minutes for the meeting held on July 15, 2022, were sent to the board members prior to the meeting.

**Board Action:** Mr. Eller moved to accept and approve the meeting minutes for July 15, 2022, as drafted. Mr. Clements seconded the motion. The motion passed unanimously.

### 4.1.1 – Minutes of Previous Meetings in FY2021

**Meeting Discussion:** Mr. Andruss explained the minutes for the meeting held on January 15, 2021 and March 5, 2021, were sent to the board members prior to the meeting scheduled for March 19, 2021. The meeting was not convened and the rescheduling of the matter was overlooked.

**Board Action:** Mr. Eller moved to accept and approve the meeting minutes for January 15, 2021, and March 5, 2021, as drafted. Mr. Hroch seconded the motion. The motion passed unanimously.

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

### 5.0 – Report on Financial Management

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

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The District continues its efforts to audit and investigate the accounting of fees paid to TML-Health and the accounting associated with the health savings accounts of certain employees.

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

## 5.0.1 – Financial Transaction Review

**Meeting Discussion:** Mr. Andruss provided a list of accounts payable and accounts receivable transactions that were recorded since July 1, 2022, as of August 16, 2022.

**Board Action:** None.

## 5.1 – Budget Recommendation for FY2023

**Meeting Discussion:** Mr. Andruss explained a budget recommendation has been developed for fiscal year 2023. The recommendation forecasts a surplus of \$12,701 at the end of the fiscal year. Based on management's perceived certainty of revenue and expenditures within the recommended budget the surplus could reach \$131,401.

The recommended budget includes a recommendation regarding the committing of the monies of the Reserve Fund in Fiscal Year 2022-2023 in accordance with the following schedule:

- Groundwater Conservation: 5%
- Groundwater Management: 10%
- Groundwater Monitoring: 25%
- Groundwater Protection: 25%
- Groundwater Research: 5%
- Groundwater Resource Planning: 5%
- Legal Contingencies: 25%

Based on current fund balances and a prorated schedule of monthly expenditures until September 30, 2022, the District anticipates the following fund balances at the end of the fiscal year:

- Operating: \$70,677.52
- Reserve: \$3,233,312.03

The recommendation was based on the following:

- The tax revenue is budgeted based on the adoption of the "No-New-Revenue Tax Rate" of \$0.00755 per \$100 value for Tax Year 2022. The tax rate for Tax Year 2021 is \$0.008 per \$100 value.

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- The tax levy for Tax Year 2022 is estimated to be \$696,388. The tax levy for Tax Year 2021 was \$666,888. The difference is \$29,500.
- The district fee revenue from the cooperating districts is budgeted at \$255,985.
  - The fees for management services represents a 5% rate increase to monthly fee (the % increase corresponds to the recommended wage adjustment for employees) and assumes a credits of \$20,000 to RGCD for office closures.
  - The fees for lobbying cost-sharing are estimated to be \$18,000 which is 45% of the estimated cost of \$40,000 for services from Greg Ellis
- The wages and benefits are budgeted at \$455,446 which represents a decrease of \$5,557 as compared to the FY2022 budget.
  - The employee wages are budgeted at \$362,054.
    - The wage request for FY2023 represents a decrease of \$21,125 as compared to the FY2022 budget.
    - The wage request includes a 5% wage adjustment for all employees.
    - The wage schedule included a reduction of an office assistant position.
      - The actual wages for existing employees would total \$354,036 if the wage adjustments are approved and recommended merit-based wage increases for Caitlynn Davenport and Willie Immenhauser are approved.
  - The employee benefits were budgeted at \$81,392
    - The benefits request for FY2023 represents an increase of \$11,568 as compared to the FY2022 budget
    - The benefits schedule was revised to increase the district contribution to monthly health benefits premiums to \$500 per employee from \$480.
    - The benefits schedule was revised to increase the district contribution to the retirement plan to 200% of wages from 150%.
    - The benefits schedule was revised to increase the employee contribution to 7% of wages from 5%.

The recommendation includes the following significant, non-routine expenditures:

Budget Item Description	Budget Recommendation
Aquifer Condition Assessment - Geostatistics re Water Levels	\$ (5,000.00)
Aquifer Condition Assessment - Water Quality Characterizations	\$ (5,000.00)

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Aquifer Monitoring Well Network Development	\$	(25,000.00)
Aquifer Monitoring Well Network Development - Land Acquisition and Access	\$	(20,000.00)
Aquifer Monitoring Well Network Development - Monitor Well Construction	\$	(30,000.00)
DFC Development Support	\$	(5,000.00)
Election Administration for 2022 Elections	\$	(30,000.00)
Election Notices	\$	(1,000.00)
Equipment - Aquifer Monitoring Well Network Development	\$	(15,000.00)
Equipment - Murphy Ranch Waiver Aquifer Monitoring	\$	(10,000.00)
Equipment Maintenance and Repair - Groundwater Monitoring	\$	(5,000.00)
Evaluation of Data re Investigations	\$	(5,000.00)
Evaluation of Data re Investigations	\$	(5,000.00)
Lab Analysis of Groundwater Samples	\$	(10,000.00)
Legislative Representation Services - Organizational Management	\$	(40,000.00)
Permitting Request Case Notices	\$	(6,000.00)
Phone System - Office - ATT	\$	(9,000.00)
Salt Water Injection Well Application Assessment	\$	(5,000.00)
Sponsorship - Awesome Aquifer Classroom by Groundwater Foundation	\$	(5,000.00)
Sponsorship - Borehole Logging	\$	(5,000.00)

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Sponsorship - UHV Conservation Education Program	\$	(10,000.00)
Sponsorship - Well Plugging	\$	(2,500.00)

**Board Action:** Mr. Eller moved to open a hearing on the budget of the District for fiscal year 2023 and accept public comment at 9:31 AM. Mr. Clements seconded the motion. The motion passed unanimously.

**Board Action:** Mr. Eller moved to close the hearing after getting no public comment at 9:32 AM on the budget of the District for fiscal year 2023. Mr. Clements seconded the motion. The motion passed unanimously.

**Board Action:** Mr. Eller moved to adopt the proposed budget as the budget of the District for fiscal year 2023 by order. Mr. Clements seconded the motion. The motion passed unanimously.

## 5.2 – Proposed Tax Rate for Tax Year 2022

**Meeting Discussion:** Mr. Andruss explained based on current fund balances and a prorated schedule of monthly expenditures until September 30, 2022, the District anticipates the following fund balances at the end of the fiscal year:

- Operating: \$70,677.52
- Reserve: \$3,233,312.03

On August 1, 2022, the VCTAC submitted a tax rate calculation worksheet:

The VCTAC calculated the following tax rates for tax year 2022:

- The 2022 No-New-Revenue Tax Rate: \$0.00755/\$100
- The 2022 Voter-Approved Tax Rate: \$0.00817/\$100

On August 2, 2022, a copy of the Notice about 2022 Tax Rates was posted to the district's website.

**Board Action:** Mr. Eller moved to set the proposed tax rate for tax year 2022 to 0.00800/\$100 for the purpose preserving the option to adopt that rate at or below 0.00800/\$100 after receiving public input and taking action at a future meeting with more board members present to vote. Mr. Clements seconded the motion. The motion passed unanimously.

## 5.3 – Appraisal Roll for Tax Year 2022

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**Meeting Discussion:** Mr. Andruss explained on July 22, 2022, Mr. Haliburton, Chief Appraiser of the Victoria Central Appraisal District submitted the certified appraisal roll for tax year 2022 to the District.

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

## 5.4 – 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 listed 4 invoices. Mr. Clements seconded the motion. The motion passed unanimously.

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

### 6.0 – Report regarding Administration and Management

**Meeting Discussion:** None.

**Board Action:** None.

### 6.1 – Agreements with Cooperating Districts

**Meeting Discussion:** Mr. Andruss explained in anticipation that that Board may adopt a budget that includes increases to wage and benefit expenditures related to providing services to Calhoun County GCD, Refugio GCD, and Texana GCD, the District developed revised interlocal cooperation agreements for the cooperating districts that increases the monthly fees by 5% from \$6,825.00 to \$7,166.25 for fiscal year 2023.

**Board Action:** Mr. Clements moved to authorize the general manager to present the revised agreements to the boards of the cooperating districts at future meetings and authorize the presiding officer to execute the agreements if accepted by the boards of the cooperating districts. Mr. Eller seconded the motion. The motion passed unanimously.

### 6.2 – Employee Compensation and Benefits



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**Meeting Discussion:** Mr. Andruss explained the District established pay scales for each type of employee with the adoption of the budget of the district on September 3, 2021. The scales area comprised of 5 steps with each incremental step representing a 5% increase in wage. The scales are used to 1) establish budget recommendations and 2) establish pay rates for new employees, and 3) develop recommendations regarding merit-based pay increases for individual employees.

Presently, Caitlynn Davenport and Willie Immenhauser are compensated at steps 2 and 1, respectively. Based on their performance during the current fiscal year and the state of the labor market, consideration of incrementing their pay scale steps is recommended.

All other employees have reach step 5 of their respective pay scale.

For the purposes of developing a budget recommendation, the pay scales are calculated by applying the recommended wage adjustment in relation to but not directly proportional to the consumer price index (CPI) calculations. The wage adjustment used for the development of the budget recommendation for fiscal year 2023 was 5%. Annual CPI values have increase between 8.5% and 9.1% in Texas between April/May of 2021 to 2022. The wage value for each staff position at step 5 (the maximum wage) is used for developing the budget recommendation.

A new pay scale was developed for the compliance specialist position with the budget recommendation which is identical to the pay scale technician positions except the pay scale identifies the position as an exempt position. The benefit of classifying the position as exempt is the elimination of needing to offer and track overtime or compensatory time.

**Board Action:** Mr. Clements moved to 1) increment Mr. Immenhauser to step 3 of the technician pay scale, 2) increment Ms. Davenport to step 3 of the administrative coordinator pay scale, and 3) approve and adopt the adjusted pay scales for establishing wages of employees and benefits schedule within the adopted budget for fiscal year 2023. Mr. Eller seconded the motion. The motion passed unanimously.

## 6.3 – Review of Consultants

**Meeting Discussion:** Mr. Andruss explained the District has obtain services from Jim Allison of Allison, Bass and Magee, Steve Young of Intera, Inc., Matt Wickham of Golder Associates, and Dr. Venkatesh Uddameri in the past under approved agreements. The services provided by each consultant have been considered acceptable by the District.

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On September 3, 2021, the Board passed a motion to authorize the Presiding Officer to execute the services agreement with Allison, Bass and Magee and approve the extension the service agreements with Intera, Inc., Golder Associates, and Dr. Uddameri until September 30, 2022.

**Board Action:** Mr. Clements moved to authorize 1) the General Manager to seek term extensions until September 30, 2023, to the existing agreements with Intera, Inc., Golder associates, and Venkatesh Uddameri, and 2) the Presiding Officer to approve the extensions to the respective service agreements. Mr. Eller seconded the motion. The motion passed unanimously.

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

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

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

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

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names appearing on a list of write-in candidates. The Certification of Unopposed Candidates for Other Political Subdivisions (PDF) may be used to certify candidates as unopposed

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

- Director, Precinct 1; and
- Director, Precinct 3

As of August 4, 2022, the District had not received applications for a place on the ballot.

**Board Action:** Mr. Eller moved to 1) cancel the election for all positions effective August 26, 2022, unless applications for a place on the ballot is received before 5:00 PM on August 22, 2022, or a write-in application is received by 5:00 PM on August 26, 2022, or 2) order a general election for November 8, 2022, if any position up for election is an opposed race. Mr. Clements seconded the motion. The motion passed unanimously.

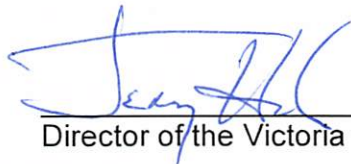
## 8. Adjourn.

**Meeting Discussion:** None.

**Board Action:** Mr. Eller moved to adjourn the meeting after concluding all business of the district at 10:17 AM. Mr. Clements seconded the motion. The motion passed unanimously.

THE ABOVE AND FOREGOING MINUTES WERE READ AND APPROVED ON THIS

THE 21 DAY OF October 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