

Refugio Groundwater Conservation District

604 E. Commerce St., Refugio, Texas 78377

P.O. Box 116, Refugio, Texas 78377

Phone (361) 526-1483 | Fax (361) 526-1294 | www.rgcd.org

THE STATE OF TEXAS
REFUGIO COUNTY

The Board of Directors of the Refugio Groundwater Conservation District convened a meeting on April 17, 2023, at 6:00 PM at the First Baptist Church of Woodsboro Fellowship Hall, 309 Johnson Street, Woodsboro, Texas 78393

Meeting Attendance:

Precinct 1:	Mr. John Snyder, Treasurer	Present
Precinct 2:	Mr. Carroll Borden, President	Present
Precinct 3:	Vacant	
Precinct 4:	Mr. Fredric Biery, Secretary	Present
At Large:	Mr. Scott Carter, Vice President	Present
General Manager:	Mr. Timothy Andruss	Present
Legal Counsel:	Mr. James Allison	Absent

Agenda Item 1: Call the meeting to order and welcome guests.

Meeting Discussion: Carroll Borden called the meeting to order at approximately 6:05 PM.

Board Action: No action taken.

Agenda Item 2: Receive public comments.

Meeting Discussion: None.

Board Action: None.

Agenda 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.

3.0 – Report regarding Groundwater Management

Meeting Discussion: Mr. Andruss explained as of April 13, 2023, staff had received 8 well registration applications (ARWs) and 8 Notices of Intent to Drill a Well (NIDWs) since October 1, 2022.

As of April 13, 2023, staff had received 3 production permit renewal requests (ARPs).

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As of April 13, 2023, staff had initiated 14 permitting request cases (PRCs) since October 1, 2022, and 3 permitting request cases remain pending.

As of April 13, 2023, staff had processed 26 groundwater production reports (GPRs) for calendar year 2022 reporting 219.1 acre-feet of groundwater production. (TWDB estimated the volume of groundwater produced for rural domestic, livestock, mining, and rig supply exempt uses in Refugio County in Year 2020 was 580 acre-feet.

As of April 13, 2023, the volume of groundwater production authorized under 16 active or approved production permits totals 1,224.21 acre-feet per year.

As of April 13, 2023, staff had 2 open investigations related to groundwater management.

As of April 13, 2023, staff had 2 open enforcement cases related to groundwater management.

Board Action: None.

3.1 – Groundwater Production Reporting for CY2022

Meeting Discussion: Mr. Andruss explained on December 28, 2022, staff produced a set of courtesy notices for those wells for which the required reporting for CY2022.

On February 21, 2023, staff started the internal QC work on reported groundwater production for CY2022.

On March 3, 2023, staff reviewed the groundwater production reporting for CY2022 and produced a set of courtesy notices for those wells for which the required reporting for CY2022 had not been received.

On March 3, 2023, the general manager initiated the investigation regarding potential violations of the rules of the district related to groundwater production reporting.

As of April 13, 2023, staff have processed 26 groundwater production reports for calendar year 2022 reporting 219.1 acre-feet of groundwater production.

Board Action: None.

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3.2 – INV-20230303.1658 – Failure to Report Groundwater Production

Meeting Discussion: Mr. Andruss explained as of April 12, 2023, the District has identified 7 wells under investigation INV-20230303.1658 - Failure to Satisfy Rules of the District - Production Reporting for CY2022 - Active that have potentially violated RULE 4.2: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS by failing to report the volume of groundwater produced from the non-exempt-use well for the previous calendar year (January 1 to December 31) during January of the current calendar year.

On March 3, 2023, the general manager initiated the investigation.

On April 12, 2023, the general manager developed a list of wells and ownership information related to wells that appear to currently have not satisfied the requirement to report groundwater production for CY2022.

The district has classified the potential violators based on landownership (no tax parcel identified for NW-00382) into the following groups based the provisions of RULE 11.10: PENALTIES of the Rules of the District:

Group 1: Persons with one violation and no previous violations:

1. DARYLE B WILSON UNIFIED CREDIT TRUST; PO BOX 528; WOODS; NW-00242
2. DONALSON DREW; PO BOX 684; SILSBEE; TX; 77656; R1NW-00425
3. JM PRESSURE PUMPING LLC; 706 LANTANA ST; REFUGIO; TX; 78377; NW-00472

Group 2: Persons with multiple violations and no previous violations:

1. KR TRUST; PO BOX 1600; SAN ANTONIO; TX; 78296; NW-00563 and NW-00564

Group 3: Persons with previous violation of the related rule in the previous 5-year period:

1. PAPALOTE RANCH CORP; PO BOX 271095; CORPUS CHRISTI; TX; 78427; NW-00116
 1. Enforcement Case Violation - ECV-20221031-02 - Papalote Ranch Corp - Failure to Report Groundwater Production - Unresolved
 2. Roywell Services, Inc., P.O. Box 1329. Bellaire, Texas 77402; NW-00382
 1. Enforcement Case Violation - ECV-20221031-03 - Roywell Services INC - Failure to Report Groundwater Production - Unresolved

If the boards find that violations have occurred in the instances identified in file RGCD - List of Wells and Ownership Data - Potential Failure to Report

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Groundwater Production - 20230412.pdf and instruct staff to proceed with enforcement efforts, staff will:

- a) mail 1st notice of violation and any approved settlement offer to the landowner associated with the appraisal district tax parcel by CMRRR and to the registered well owner by regular mail by May 1, 2023;
- b) mail the 2nd notice of violation and any approved settlement offer to the landowner associated with the appraisal district tax parcel by CMRRR and to the registered well owner by regular mail by June 1, 2023,
- c) mail the notice of need to file suit and any approved settlement offer to the landowner associated with the appraisal district tax parcel by CMRRR and to the registered well owner by regular mail by June 30, 2023,
- d) publish an enforcement hearing notice for any unresolved violations for the July 17, 2023, board meeting by July 6, 2023, and
- e) present any unresolved violations to the board at the July 17, 2023, meeting with a recommendation that board: 1) confirm the findings of violation and penalties and 2) referred to the violations to legal counsel for filing suit before the meeting scheduled for October 16, 2023.

Board Action: Mr. Borden moved to:

For persons with one violation and no previous violations:

1. find that DARYLE B WILSON UNIFIED CREDIT TRUST (Well registered to Scott Carter et al) violated RULE 4.2: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District related to well NW-00242 unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;
2. authorize the General Manager to initiate an enforcement case regarding the violation;
3. set a \$100.00 penalty for the violation per RULE 11.10: PENALTIES of the Rules of the District; and
4. offer to settle the violation if DARYLE B WILSON UNIFIED CREDIT TRUST (Well registered to Scott Carter et al) consents to the following conditions:
 1. acknowledges the violation by June 30, 2023;
 2. pays a settlement fee of \$0.00 by June 30, 2023; and
 3. submits an administratively complete groundwater production report for calendar year 2022 by June 30, 2023.

1. find that DONALSON DREW (Well registered to John Causey) violated RULE 4.2: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District related to well R1NW-00425 unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;

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2. authorize the General Manager to initiate an enforcement case regarding the violation;
3. set a \$100.00 penalty for the violation per RULE 11.10: PENALTIES of the Rules of the District; and
4. offer to settle the violation if DONALSON DREW (Well registered to John Causey) consents to the following conditions:
 1. acknowledges the violation by June 30, 2023;
 2. pays a settlement fee of \$0.00 by June 30, 2023; and
 3. submits an administratively complete groundwater production report for calendar year 2022 by June 30, 2023.

1. find that JM PRESSURE PUMPING LLC (Well registered to South Central Cementers) violated RULE 4.2: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District related to well NW-00472 unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;
2. authorize the General Manager to initiate an enforcement case regarding the violation;
3. set a \$100.00 penalty for the violation per RULE 11.10: PENALTIES of the Rules of the District; and
4. offer to settle the violation if JM PRESSURE PUMPING LLC (Well registered to South Central Cementers) consents to the following conditions:
 1. acknowledges the violation by June 30, 2023;
 2. pays a settlement fee of \$0.00 by June 30, 2023; and
 3. submits an administratively complete groundwater production report for calendar year 2022 by June 30, 2023.

For persons with multiple violations and no previous violations:

1. find that KR TRUST (Well registered to Frost Bank, Trustee of Kathleen Driscoll Roche Trust) violated RULE 4.2: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District related to wells NW-00563 and NW-00564 unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;
2. authorize the General Manager to initiate an enforcement case regarding the violation;
3. set a \$200.00 penalty for the violation per RULE 11.10: PENALTIES of the Rules of the District; and
4. offer to settle the violation if KR TRUST (Well registered to Frost Bank, Trustee of Kathleen Driscoll Roche Trust) consents to the following conditions:
 1. acknowledges the violation by June 30, 2023;
 2. pays a settlement fee of \$0.00 by June 30, 2023; and

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3. submits an administratively complete groundwater production report for calendar year 2022 by June 30, 2023.

For persons with a previous violation of the related rule in the previous 5-year period.

1. find that PAPALOTE RANCH CORP (Well registered to Papalote Ranch, LLC) violated RULE 4.2: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District related to well NW-00116 unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;

2. authorize the General Manager to initiate an enforcement case regarding the violation;

3. set a \$250.00 penalty for the violation per RULE 11.10: PENALTIES of the Rules of the District; and

4. offer to settle the violation if PAPALOTE RANCH CORP (Well registered to Papalote Ranch, LLC) consents to the following conditions:

1. acknowledges the violation by June 30, 2023;

2. pays a settlement fee of \$20.00 by June 30, 2023; and

3. submits an administratively complete groundwater production report for calendar year 2022 by June 30, 2023.

1. find that Roywell Services, Inc. violated RULE 4.2: REPORTING REQUIREMENT RELATED TO NON-EXEMPTUSE WELLS of the Rules of the District related to well NW-00382 unless evidence to the contrary or evidence of relevant extenuating circumstances is submitted to the District;

2. authorize the General Manager to initiate an enforcement case regarding the violation;

3. set a \$250.00 penalty for the violation per RULE 11.10: PENALTIES of the Rules of the District; and

4. offer to settle the violation if Roywell Services, Inc. consents to the following conditions:

1. acknowledges the violation by June 30, 2023;

2. pays a settlement fee of \$20.00 by June 30, 2023; and

3. submits an administratively complete groundwater production report for calendar year 2022 by June 30, 2023.

Mr. Biery seconded the motion. The motion passed unanimously. Mr. Carter abstained from the vote.

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

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4.0 – Report regarding Groundwater Protection

Meeting Discussion: Mr. Andruss explained as of April 13, 2023, staff had recorded no well inspections since October 1, 2023. Well inspections are scheduled to be completed in connection with PRJ-20234100.02 - Synoptic Aquifer Monitoring for FY2023 (MG4:O1) (MG7:O1) - Active and PRJ-20234100.04 - Baseline Water Quality Aquifer Monitoring for FY2023 (MG4:O1) - Active in August 2023.

As of April 13, 2023, staff had 1 active investigation related to groundwater protection: INV-20191202:1017 - Potential Contamination of Groundwater at Woodsboro Farmers Cooperative - Active. On February 7, 2023, the district received an email response from Mr. Wyatt Hooks, TCEQ, informing the district that the responsible party requested an extension to February 10, 2023. The district will renew its request for monitoring results related to the investigation from TCEQ again on July 7, 2023.

As of April 13, 2023, staff had received 14 Notices of Intent to Place Casing in new wells and completed 1 site visit since October 1, 2022. Project PRJ-20236100.03 - Observation of Casing Placement for FY2023 (MG2:O1) - Active is no longer actively managed as notices of intent to place casing are no longer submitted to the district under the recently adopted rules of the district.

As of April 13, 2023, staff had 2 open enforcement cases related to groundwater protection:

- EC-20220412.0958 - Failure to Properly Seal the Annular Space of a Well - Open
- EC-20220412.1139 - Failure to Properly Seal the Annular Space of a Well – Open

Board Action: None.

4.1 – Enforcement Cases related to Failures to Properly Seal the Annular Space of a Well

Meeting Discussion: Mr. Andruss explained during the meeting held on July 18, 2022, the Board considered enforcement cases related to apparent failures to seal the annular space of new wells in accordance with RULE 7.2: STANDARDS FOR COMPLETION OF WELLS.

During the meeting held on October 17, 2022, the board passed a motion "to suspend enforcement case proceedings connected with all enforcement cases

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related to apparent failures to seal the annular space of new wells in accordance with RULE 7.2: STANDARDS FOR COMPLETION OF WELLS until the Board concludes its efforts to revise the rules of the District" because of the pending consideration of revisions to the requirements related to the well construction.

On January 9, 2023, the Board of Directors adopted revisions to the rules of the district. Item 2 of RULE 2.4: STANDARDS FOR CONSTRUCTING WELLS specifies "[a] person drilling a well shall construct the well in accordance with the well construction specifications established by the State of Texas, County of Refugio, and relevant city ordinance. The rules of the district no longer specify the depth to which sealants of the annular space must be placed.

As of April 12, 2023, the district has two open enforcement cases, EC-20220412.0958 - Failure to Properly Seal the Annular Space of a Well and EC-20220412.1139 - Failure to Properly Seal the Annular Space of a Well , and two unresolved violations, violations ECV-20220418-01 - LEVEL 1 - Failure to Properly Seal the Annular Space of a Well and ECV-20220418-04 - LEVEL 1 - Failure to Properly Seal the Annular Space of a Well, related to failure to properly seal the annular space of a well as required under the previous rules of the district. The reported construction of the subject wells complies with the current rules of the district.

Board Action: Mr. Borden moved to 1) dismiss enforcement case violations ECV-20220418-01 - LEVEL 1 - Failure to Properly Seal the Annular Space of a Well and ECV-20220418-04 - LEVEL 1 - Failure to Properly Seal the Annular Space of a Well and 2) close enforcement cases EC-20220412.0958 - Failure to Properly Seal the Annular Space of a Well and EC-20220412.1139 - Failure to Properly Seal the Annular Space of a Well. Mr. Snyder seconded the motion. The motion passed unanimously.

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

5.0 – Report regarding Groundwater 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.

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As of April 13, 2023, the U.S. Drought Monitor indicates that 100% of Refugio County is experiencing moderate drought conditions.

As of April 13, 2023, drought condition information related to the district and the surrounding region of Texas collected from the Water Data for Texas website indicates that all portions of Refugio County are experiencing abnormally dry or drought conditions.

As of April 13, 2023, staff had collected synoptic water level measurements at 4 sites since October 1, 2022. Staff will focus efforts to improve the network of monitoring wells in the areas identified on the attached map by seeking access to the wells listed in the attached spreadsheet.

As of April 13, 2023, staff had transmitted interest letters to the landowners of the 20 wells identified as candidates for inclusion in project PRJ-20234100.04 - Baseline Water Quality Aquifer Monitoring for FY2023 (MG4:O1) - Active. Field work to be completed under this project is scheduled for completion by June 30, 2023.

Board Action: None.

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

6.0 – Report regarding Groundwater Conservation

Meeting Discussion: Mr. Andruss explained on December 6, 2022, Professor Teresa LeSage-Clements, Ed. D., submitted the final report regarding the University of Houston-Victoria conservation promotion project sponsored by RGCD, CCGCD, TGCD, and VCGCD.

On April 6, 2023, Ms. LeSage-Clements submitted a preliminary proposal for continuing the conservation promotion project. Suggested revisions to the proposal have been provided to Ms. LeSage-Clements suggesting that 1) the UHV PD be implemented in such a way as to connect the PD activities like water sampling and analysis to the relevant Texas Essential Knowledge and Skills (TEKS) and 2) eliminate the student camp component. The district anticipates that identifying the relationships between TEKS and PD activities will serve to increase interest in participating in the PD by teachers and ensure the activities are relevant to future teaching efforts related to conservation.

If the cooperating districts agree to fund the UHV PD project, management recommends that the districts use a teacher's participation in the UHV PD as a

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prerequisite to seeking sponsorship from the GCDs for the development and teaching of water conservation curriculum in their classrooms. The development and execution of curriculum, lesson plans, and possibly field trips would be a responsibility of those teachers, if any, sponsored by the GCDs, independent of UHV. Management believes the implementation of district-sponsored curriculum can serve to offset the negative consequences of eliminating the student camp component in the original UHV proposal.

Management anticipates a commitment, by each of the cooperating district (RGCD, VCGCD, CCGCD, and TGCD) of 1) \$2,500.00 for cost sharing on the UHV project and 2) \$2,500.00 for projects to develop and implement water conservation curriculum by an in-district teacher would adequately fund the overall water conservation program.

In order to implement the conservation promotion project with UHV this fiscal year, a commitment of funds and authorization to proceed with the project is required before the conclusion of the school year. The next regularly scheduled meeting of the board is on July 17, 2023.

Board Action: Mr. Borden moved to authorize the expenditure of \$5,000.00 for sponsorship of field trips by 4th and 5th grade students from Refugio County to the Wetland Education Center located in the INVISTA Victoria Plant Wetland for the purposes of promoting water conservation. Mr. Biery seconded the motion. The motion passed unanimously.

Agenda Item 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 February 2, 2023, to continue efforts to develop the 2026 Regional Water Plan. Interim meetings of the Population and Water Demands Workgroup have met to review demand projections within the region. The next meeting of Region L is scheduled for May 4, 2023.

The representatives of Management Area 15 met on April 13, 2023, to continue their joint planning efforts. The representatives of GMA 15 1) discussed the new groundwater availability model being developed by TWDB for the central and southern portions of the Gulf Coast Aquifer, 2) reviewed management plans of certain member districts, 3) reviewed achievements of certain member districts, 4) approved for distribution draft revisions of bylaws and a cost sharing agreement,

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and 5) requested VCGCD serve as the GMA 15 Administrator for the purposes of a) holding the GMA 15 Joint Planning Funds, b) soliciting proposals from qualified entities to provide technical services to GMA 15 to support the development and adoption of desired future conditions and associated explanatory report for the 4th Joint Planning Cycle, and c) negotiating terms of an agreement for consulting services from the preferred respondent(s) identified by the GMA-15 Committee Members.

The next meeting of GMA15 is scheduled for July 13, 2023.

Board Action: None.

Agenda Item 8: Consideration of and possible action of matters related to groundwater policy including the Management Plan on the District, the proposed Management Plan of the District, the Rules of the District, petitions to amend the Rules of the District, and fee schedule.

8.0 – Report regarding Groundwater Policy

Meeting Discussion: Mr. Andruss explained on March 31, 2023, the staff of the district completed the public notice requirements related to the hearing for proposed management plan of the district scheduled for this meeting.

On March 1, 2023, the staff of the district completed the public notice requirements related to the hearings for the petitions to amend the rules scheduled for this meeting.

The 88th regular session of the Texas Legislature began on January 9, 2023. Staff have monitored legislation proposed during the session.

Board Action: None.

8.1 – Hearing on Proposed Management Plan

Meeting Discussion: Mr. Andruss explained the staff prepared a draft management plan with the best available technical data from TWDB with the goals, objectives, and performance standards approved on January 9, 2023. Staff submitted the draft management plan to TWDB for review. As of April 14, 2023, the district had not received comments from TWDB regarding the proposed management plan.

The Management Plan of the District with proposed revisions was developed using the best available data and addresses the following management goals, as

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applicable: (1) providing the most efficient use of groundwater; (2) controlling and preventing waste of groundwater; (3) controlling and preventing subsidence; (4) addressing conjunctive surface water management issues; (5) addressing natural resource issues; (6) addressing drought conditions; (7) addressing conservation, recharge enhancement, rainwater harvesting, precipitation enhancement, or brush control, where appropriate and cost-effective; and (8) addressing the desired future conditions adopted by the district under Section 36.108.

The Management Plan of the District with proposed revisions (1) identifies the performance standards and management objectives under which the district will operate to achieve the management goals ; (2) specifies the actions, procedures, performance, and avoidance that are or may be necessary to effect the plan; (3) includes estimates of (A) modeled available groundwater in the district based on the desired future condition established under Section 36.108; (B) the amount of groundwater being used within the district on an annual basis; (C) the annual amount of recharge from precipitation, if any, to the groundwater resources within the district; (D) for each aquifer, the annual volume of water that discharges from the aquifer to springs and any surface water bodies, including lakes, streams, and rivers; (E) the annual volume of flow into and out of the district within each aquifer and between aquifers in the district, if a groundwater availability model is available; (F) the projected surface water supply in the district according to the most recently adopted state water plan; and (G) the projected total demand for water in the district according to the most recently adopted state water plan; and (4) considers the water supply needs and water management strategies included in the adopted state water plan.

On March 31, 2023, the staff of the district completed the public notice requirements related to the hearing for the proposed management plan of the district scheduled for this meeting.

As of April 14, 2023, the district had not received comments from the public regarding the proposed management plan.

If, after concluding the public hearing on the proposed management plan of the district, the board wishes to adopt the management plan without substantive revisions, the board should adopt the attached resolution.

Board Action: The board opened the public hearing at approximately 7:28 PM. No public comment. Mr. Borden moved to close the public hearing at approximately 7:28. Mr. Biery seconded the motion. The motion passed unanimously.

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Mr. Borden moved to adopt the proposed management plan of the district without substantive revisions by resolution. Mr. Snyder seconded the motion. The motion passed unanimously.

8.2 – Hearing on Petition APAR-20230220-01

Meeting Discussion: Mr. Andruss explained under Rule 8.5, the board established the policies related to petitions to amend the rules of the district.

The policies are stated as:

RULE 8.4: GENERAL POLICIES RELATED TO PETITIONS TO AMEND THE RULES OF THE DISTRICT

1. The district shall only adopt amendments to rules of the district that are consistent with the mission of the district to conserve, preserve and protect the groundwater resources within the boundary of the district.

2. The district shall only adopt amendments to rules of the district that are consistent with the desired future conditions of the district as established under Chapter 36 of the Texas Water Code and documented in the Management Plan of the district.

3. The district shall only adopt amendments to rules of the district that are consistent with the Management Plan of the district, orders of the board of directors, and the laws of the State of Texas.

On February 20, 2023, the district received a petition to amend the rules from Mr. Johnson.

Mr. Johnson, under APAR-20230220-001, seeks to amend SECTION 2: POLICIES RELATED TO DRILLING, REWORKING, REPLACING, AND PLUGGING WELLS of the rules of the district by revising Rule 2.1 to add the person having a well drilled or the authorized agent of the well owner to list of individuals that must provide written notice of intent to drill a well to the district.

On March 1, 2023, the staff of the district completed the public notice requirements related to the hearings for the petitions to amend the rules scheduled for this meeting.

As of April 14, 2023, the district had not received comments from the public regarding the proposed management plan.

If, after concluding the public hearing on the petition, the board wishes to amend the rules of the district, the board should instruct the general manager to prepare a proposed set of revisions and complete the required public notice process to

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schedule the hearing and consideration of the proposed rule revisions at the next meeting scheduled for July 17, 2023.

Board Action: Public hearing started at approximately 6:35 PM. No public comment. Mr. Borden moved to close the hearing at approximately 6:42 PM. Mr. Biery seconded the motion. The motion passed unanimously.

8.3 – Hearing on Petition APAR-20230223-01

Meeting Discussion: Mr. Andruss explained under Rule 8.5, the board established the policies related to petitions to amend the rules of the district.

The policies are stated as:

RULE 8.4: GENERAL POLICIES RELATED TO PETITIONS TO AMEND THE RULES OF THE DISTRICT

1. The district shall only adopt amendments to rules of the district that are consistent with the mission of the district to conserve, preserve and protect the groundwater resources within the boundary of the district.

2. The district shall only adopt amendments to rules of the district that are consistent with the desired future conditions of the district as established under Chapter 36 of the Texas Water Code and documented in the Management Plan of the district.

3. The district shall only adopt amendments to rules of the district that are consistent with the Management Plan of the district, orders of the board of directors, and the laws of the State of Texas.

On February 23, 2023, the district received a petition to amend the rules from Mr. Cady.

Mr. Lloyd Cady, under APAR-20230223-01, seeks to amend SECTION 2: POLICIES RELATED TO DRILLING, REWORKING, REPLACING, AND PLUGGING WELLS of the rules of the district by revising Rule 2.2 to reduce the property line offset ration from 1 foot per 1 gallon per minute of production capacity to ½ foot per 1 gallon per minute of production capacity.

On March 1, 2023, the staff of the district completed the public notice requirements related to the hearings for the petitions to amend the rules scheduled for this meeting.

As of April 14, 2023, the district had not received comments from the public regarding the proposed management plan.

Refugio Groundwater Conservation District

604 E. Commerce St., Refugio, Texas 78377

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If, after concluding the public hearing on the petition, the board wishes to amend the rules of the district, the board should instruct the general manager to prepare a proposed set of revisions and complete the required public notice process to schedule the hearing and consideration of the proposed rule revisions at the next meeting scheduled for July 17, 2023.

Board Action: The public hearing started at approximately 6:43 PM. No public comment. Mr. Borden moved to close the hearing at approximately 6:48 PM. Mr. Biery seconded the motion. The motion passed unanimously.

8.4 – Draft Fee Schedule

Meeting Discussion: Mr. Andruss explained on January 9, 2023, the board adopted by resolution a revised fee schedule.

The six scenarios presented to illustrate potential over production fees were miscalculated and may have improperly influenced the decision by the Board to adopt the proposed fee schedule.

In order to better assist the board in evaluating fees for over production, several fee options have been drafted to illustrate the potential over production penalties.

The board may want to consider a bracketed fee schedule for production in excess of authorized production amounts.

The following example illustrates the effect the bracketing approach could produce:

Bracket 1 - less than 1 acre-foot of excess production of groundwater in a calendar year from a well:

- Fee for Excess Production: \$10.00 for groundwater produced in a calendar year in excess of the annual production amount authorized for the subject well.

Bracket 2 - 1 acre-foot to 10 acre-feet of excess production groundwater in a calendar year from a well:

- Fee for Excess Production: \$20.00 per acre-foot of groundwater produced in a calendar year in excess of the annual production amount authorized for the subject well, not to exceed \$10,000.00 per day of continued production of groundwater in excess of the annual production amount authorized for the subject well.

Bracket 3: production or 10 acre-feet to 100 acre-feet of excess production of groundwater in a calendar year from a well:

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- Fee for Excess Production: \$100.00 per acre-foot of groundwater produced in a calendar year in excess of the annual production amount authorized for the subject well, not to exceed \$10,000.00 per day of continued production of groundwater in excess of the annual production amount authorized for the subject well.

Bracket 4: production of 100 acre-feet or more of excess production groundwater in a calendar year from a well:

- Fee for Excess Production: \$500.00 per acre-foot of groundwater produced in a calendar year in excess of the annual production amount authorized for the subject well, not to exceed \$10,000.00 per day of continued production of groundwater in excess of the annual production amount authorized for the subject well.

Due to the relative simplicity and balance achieved between over penalizing and discouraging abuse of production limitations, management recommends the use of a bracketed fee schedule for production in excess of authorized (permitted) production amounts.

When evaluating potential penalties, management believes it is important to recognize that the Texas Water Code limits the civil penalties that may be set under Section 36.102 which reads: "(b) The board by rule may set reasonable civil penalties against any person for breach of any rule of the district not to exceed \$10,000 per day per violation, and each day of a continuing violation constitutes a separate violation." Item 1 of RULE 10.5: PENALTIES AND LATE FEES reads as follows: "The board of directors, by resolution, may establish penalties for the production of groundwater in excess of the authorized groundwater production amount specified on a production permit."

If the board wishes to revise and adopt the draft fee schedule as the fee schedule of the district, it should do so by adoption of a resolutions. A draft resolution has been prepared for that purpose.

If the board wishes to adopt a revise fee schedule with the bracketed structure presented, Mr. Andruss provided a schedule to be considered.

Board Action: Mr. Borden moved to adopt the draft fee schedule with the bracketed fee structure for excess groundwater production as the fee schedule of the district by resolution. Mr. Biery seconded the motion. The motion passed unanimously.

8.5 – 88th Regular Session of the Texas Legislature

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Meeting Discussion: Mr. Andruss explained as of April 14, 2023, the following bills with “groundwater” in the text of the bill had been added to the list of bills being monitored by staff.

Board Action: None.

Agenda Item 9: Consideration of and possible action on matters related to meeting management including minutes of previous meetings.

9.0 – Report on Meeting Management

Meeting Discussion: Mr. Andruss explained the next meetings of the Board are scheduled for July 17, 2023, August 21, 2023 (Budget and Tax Rate Matters), and October 16, 2023, with each meeting to convene at 6:00 PM. Regular meetings will be rescheduled as necessary and special meeting may be scheduled to address unforeseen issues.

Board Action: None.

9.1 – Minutes of the Previous Meeting

Meeting Discussion: Mr. Andruss explained the minutes for the meeting held on January 9, 2023, were sent the board members prior to the meeting.

Board Action: Mr. Borden moved to accept and approve the meeting minutes for January 9, 2023, as drafted. Mr. Biery seconded the motion. The motion passed unanimously.

Agenda Item 10: Consideration of and possible action on matters related to financial management including the annual budget of the district, financial audit of FY2023, bank accounts, investments, financial reports of the district, bills and invoices of the district.

10.0 – Report on Financial Management

Meeting Discussion: Mr. Andruss explained on March 27, 2023, Mr. Cox of Goldman, Hunt, and Notz informed the district that his firm was concluding the audit work for fiscal year 2022.

On April 12, 2023, the investment report for February 2023 was completed and forwarded to directors for review.

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The listing of financial transactions processed during the interim period since the last meeting of the board has been developed.

A listing of unpaid bills and invoices has been developed for consideration.

On March 23, 2023, the district notified the Refugio CAD that the district expected the previously approved tax exemptions would remain in effect for the upcoming tax year.

The financial records for December 2022, January 2023, and February 2023 have been compiled, reviewed, and sent to the board members prior to the meeting.

Board Action: Mr. Biery moved to accept and approve the financial records for December 2022, January 2023, and February 2023. Mr. Snyder seconded the motion. The motion passed unanimously.

10.0.1 – Financial Transaction Review

Meeting Discussion: Mr. Andruss explained as of April 12, 2023, since January 6, 2023, there have been 17 accounts payable, and 7 accounts receivable transactions recorded.

Board Action: None.

10.1 – 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. Biery moved to authorize the general manager to pay the following items:

1. ACCTP-20230302-01 - \$180.00 - Allison, Bass & Magee - Inv# 6852
2. ACCTP-20230410-01 - \$1,205.40 - TML IRP
3. ACCTP-20230412-01 - \$5,356.99 - VCGCD - District Invoice - January 2023
4. ACCTP-20230412-02 - \$5,419.50 - VCGCD - District Invoice - February 2023
5. ACCTP-20230412-03 - \$5,625.56 - VCGCD - District Invoice - March 2023
6. ACCTP-20230412-04 - \$13,750.00 - VCGCD - District Invoice - Intera Cost Share
7. ACCTP-20230417-01 - \$250.00 - Carroll Borden - April Meeting
8. ACCTP-20230417-02 - \$250.00 - John Snyder - April Meeting
9. ACCTP-20230417-03 - \$250.00 - Fred Biery - April Meeting
10. ACCTP-20230417-04 - \$250.00 - Scott Carter - April Meeting

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

10.2 – Investments of the District

Meeting Discussion: Mr. Andruss explained the investment reports for December 2022, January and February 2023 have been sent to the board prior to the meeting.

While confirming interest rate details regarding the certificates of deposit authorized to be opened at the previous meeting, Vantage Bank staff verbally quoted different rates that were previously provided: 2% for a 1-year CD (previously 2.60%) and 2.25% for a 2-year CD (previously 1.25% or 3.00%)

Board Action: Mr. Borden moved to accept the investment reports for December 2022, January and February 2023 and authorize the general manager to proceed with opening the previously authorized certificates of deposit provided interest rates met or exceed the currently quoted rates. Mr. Biery seconded the motion. The motion passed unanimously.

10.3 – Financial Audit for FY2022

Meeting Discussion: Mr. Andruss explained on October 17, 2022, the Board authorized Goldman, Hunt and Notz to conduct a financial audit of the District for the fiscal year ending September 30, 2022.

Mr. Cox of Goldman, Hunt, and Notz has informed the District that he intended to present the findings of the financial audit of the District for the fiscal year ending September 30, 2022, at this meeting.

Mr. Cox of Goldman, Hunt and Notz presented his audit report and provided the board with his reports.

Board Action: Mr. Biery moved to accept the financial audit presented for FY2022. Mr. Borden seconded the motion. The motion passed unanimously.

Agenda Item 11: Consideration of and possible action on matters related to office administration and management including management goals and objectives of the district, annual report of the district, administrative policies, staffing, consultant agreements, interlocal cooperation agreements, and support services provided to and from other groundwater conservation districts.

11.0 – Report regarding Administration and Management

Working to Conserve, Preserve, Protect, and Prevent Waste of Groundwater Resources Within Refugio County for the Benefit of Refugio County's Landowners, Citizens, Economy, and Environment.

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Meeting Discussion: Mr. Andruss explained staff continue to develop projects to manage the administrative tasks to be completed during the fiscal year with project milestones.

Board Action: None.

11.1 – Report regarding Performance Management of the District for FY2022

Meeting Discussion: Mr. Andruss explained on April 17, 2023, the District compiled the annual performance report for the fiscal year ending September 30, 2022. Based on the review of the activities and projects of the Refugio Groundwater Conservation District between October 1, 2021, and September 30, 2022, and an assessment of the performance standards, management has determined that all goals and associated objectives established within the Management Plan of the District have been fully achieved during the fiscal year ending September 30, 2021. See attached report.

During the development of the annual report for FY2022, staff identified typographical errors and incorrect references within the Annual Report for FY2021. The errors have been corrected within the attached annual report for FY2021.

Board Action: Mr. Borden moved to accept and approve the 1) the annual performance report for the fiscal year ending September 30, 2022, and 2) the revised annual performance report for fiscal year ending September 30, 2021. Mr. Biery seconded the motion. The motion passed unanimously.

11.2 – Interlocal Agreement with VCGCD for FY2024

Meeting Discussion: Mr. Andruss explained on August 16, 2021, the board last considered the interlocal agreement with VCGCD through which services are provided to the district by VCGCD staff.

The agreement automatically renews for an additional one (1) year period on October 1 of each year unless either party provides 90-day written notice of their intent to not renew the agreement. The deadline to provide the notice falls on July 3 of each year. This district is not scheduled to meet again until after this notice deadline on July 17, 2023. The VCGCD board is scheduled to meet on April 21, 2023, and this matter will be presented for their consideration at that time.

Board Action: Mr. Borden moved to instruct the general manager to notify the board of the Victoria County Groundwater Conservation District of its intent to renew this agreement. Mr. Biery seconded the motion. The motion passed unanimously.

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11.3 – Website Hosting

Meeting Discussion: Mr. Andruss explained that presently, the website of the district is hosted by a service referred to as iPower and maintained using a service referred to as Weebly via iPower. Staff have encountered frequent issues with the websites hosted and maintained via iPower. On several occasions, the issues were significant and required significant time to resolve (e.g., rebuilding links and uploading replacement documents). While the technical support is generally responsive, the resolutions sometime require long periods of time for the resolution to propagate through the system.

In response to these issues and a general uncomfortable feeling regarding the reliability and maintenance of the website of the district, staff have reviewed a service provided by Streamline. Streamline is a California-based firm that develops website and communication products for local government districts.

The web hosting service provides districts with a simple to use interface for building and maintaining a website that is designed around the needs of local government needs such as RGCD. Of particular value to RGCD is the easy-to-use interface for maintaining/updating the district website and the in-country technical support provided by Streamline.

Staff obtained a quote from Streamline Web for hosting the website of the district. The monthly cost for hosting the district website is quoted at \$90 per month, \$1,080 per year. In FY2022, the district incurred expenses totaling \$1,015.33 for internet-related services which includes email hosting services.

Board Action: Mr. Biery moved to authorize the general manager to switch the hosting of the website of the district to Streamline, make any necessary adjustments to other inter-related services such as email hosting services, and pay associated fees. Mr. Borden seconded the motion. The motion passed unanimously.

11.4 – Cybersecurity Training for FY2023

Meeting Discussion: Mr. Andruss explained the state requires local government entities to complete cyber training on an annual basis. The training requirement applies to employees and elected officials (e.g., directors of the district). While a number of methods are available to satisfy this requirement, the simplest method and least time consuming is the viewing of one of the listed YouTube videos.

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Directors are encouraged to notify staff of their completion of the training for reporting purposes. The district is required to certify to the state the degree to which the requirements were satisfied each year.

Mr. Borden, Mr. Biery, Mr. Snyder, and Mr. Carter informed the general manager that they had watched the training videos prior to the meeting.

Board Action: None.

Agenda Item 13: Adjourn Meeting

Meeting Discussion: None.

Board Action: Mr. Borden moved to adjourn the meeting after concluding all business of the District at 8:02 PM. Mr. Carter seconded the motion. The motion passed unanimously.

The above and foregoing minutes were read and approved on this the 17th day of July, 2023.

ATTEST:

Cancee Borden
District Director

Freddie Biery
District Director