

# 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 July 18, 2022, 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	Absent
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	Present

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

Meeting Discussion: Mr. Borden called the meeting to order at approximately 6:00 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, as well as, complaints, investigations, and enforcement cases associated with permitting.

### 3.0 - Report regarding Groundwater Management

Meeting Discussion: Mr. Andruss explained that the District has initiated 27 permitting request cases (PRCs) since April 1, 2022. The District has 4 permitting request cases pending as of July 11, 2022.

Board Action: none.

### 3.1 – Review of Permitting Request Cases

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Meeting Discussion: Mr. Andruss presented a listing of permitting request cases that had been initiated since April 1, 2022 and a listing of pending permitting request cases as of July 11, 2022.

Board Action:

## 3.1 - Groundwater Production Permits

Meeting Discussion: Mr. Andruss explained as of July 11, 2022, the volume of groundwater production authorized for:

1. Water wells permitted under aggregate production permits (well fields and well systems) is 378.71 acre-feet per year.
2. Water wells not permitted under aggregate production permits is 845.5 acre-feet per year,
3. With a combined total of 1,224.21 acre-feet per year.

Board Action: none.

## 3.2 – Groundwater Production

Meeting Discussion: Mr. Andruss explained the District mailed out 38 notices regarding the reporting of non-exempt use production during calendar year 2021. Per the rules of the District, required groundwater production reports for calendar year 2021 should be submitted by January 31, 2022.

On April 28, 2022, the District sent a second notice to each well owner for which a production report was anticipated but no received requesting that he or she either 1) report the groundwater production of the subject well for calendar year 2021, or 2) amend the registration with the District of the subject well indicating the well is no longer used for non-exempt purposes.

As of July 11, 2022, the District has recorded groundwater production of 285.154 acre feet during calendar year 2021 from 28 groundwater production reports.

Attached was a list of wells that the District anticipated receiving groundwater production reports but did not receive.

The District initiated investigation INV-20220712.0917 - Failure to Report Groundwater Production for the purposes of carefully investigating potential violations of the rules of the district and attempt to resolve any potential violations administratively.

Board Action: none.

## 3.4.1 – Report on Groundwater Management Investigations

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Meeting Discussion: Mr. Andruss explained the District closed 18 investigations upon completion of the requirements for closing the investigations established by the Board at previous meetings.

As of July 12, 2022, the District has 2 active investigations related to groundwater management.

Board Action: none.

## 3.4.2 – Report on Groundwater Management Enforcement Cases

Meeting Discussion: Mr. Andruss explained that as of July 12, 2022, the District has 4 open enforcement cases related to groundwater management and 4 unresolved enforcement case violations related to groundwater management.

Board Action: none.

### 3.4.2.1 – Enforcement Case – EC-20220412.0958 – J. Dwayne Pawlik

**Meeting Discussion:** Mr. Andruss explained that the District initiated enforcement case RGCD – GP – CIE – Enforcement Case – EC-20220412.0958 – Improper Sealing of the Annular Space of a Well – Active to resolve potential violations of the Rules of the District identified through an investigation related to improper well completion.

The evidence developed through investigation INV-20161117-01A - Improper Well Completion indicates that Mr. J. Dwayne Pawlik potentially violated RULE 7.2: STANDARDS FOR COMPLETION OF WELLS by failing to seal the annular space of the subject well beyond 20 feet below the surface.

Item 3 of Rule 7.2, states "[t]he annular space between the borehole wall and the casing of a well shall be filled with an authorized annular space sealant such that:

- i. The annular space is sealed from ground level to the top of the water producing strata, or
- ii. The annular space is sealed from ground level to a depth of one hundred (100) feet below the land surface, or
- iii. The annular space is sealed with a minimum cumulative seal of one hundred (100) feet and such that:
  1. The annular space is filled from ground level to a depth of ten (10) feet as specified under Texas Administrative Code, Chapter 76, Water Well Drillers and Pump Installers Rules, and
  2. The seal must cross a confining layer having a thickness in excess of five (5) feet.

The primary purposes of the District establishing specific requirements relate to sealing the annular space of new wells was to 1) reduce the risk of the new wells contaminating or diminishing the quality of groundwater resources through the commingling of waters of

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different chemical quality, and 2) reduce the risk of new wells allowing pollutants migrate into groundwater resources through the annular space.

In the absence of reliable well construction records demonstrating adequate sealing of the annular space of a new well, other techniques may develop credible evidence that the annular space of a new well is not contaminating or diminishing the quality of groundwater resources through the commingling of waters of different chemical quality and is not allowing pollutants migrate into groundwater resources through the annular space. Techniques that could be investigated are cement-bond logging used in the oil and gas industry and various techniques used to assess the external mechanical integrity of certain injection wells.

Alternatively, a monitoring program could be designed and implemented that evaluates characteristics of groundwater produced from a well over time to identify issues likely related to sealing of new wells with improperly sealed annular spaces.

On April 18, 2022, the Board passed the following motion to:

- 1) find that Mr. Pawlik violated RULE 7.2: STANDARDS FOR COMPLETION OF WELLS by failing to seal the annular space of the subject well beyond 20 feet below the surface; and
- 2) offer to settle these violations if the following requirements are completed by September 15, 2022:
  1. Mr. Pawlik acknowledges the violation; and
  2. Mr. Pawlik submits evidence of a credible demonstration that:
    - 1) the subject well was re-worked/re-construct in a manner that satisfies the annular seal requirements of Rule 7.2; or
    - 2) the annular seal of the subject well is sufficient to minimize the potential for contamination, degradation, or commingling of waters of different chemical quality and prevent pollutants from entering the well.

The District created violation ECV- 20220418-01 - LEVEL 1 - Failure to Properly Seal the Annular Space of a Well.

The District created settlement ECS- 20220418-01 - Failure to Properly Seal the Annular Space of a Well and transmitted the settlement offer approved by the Board on April 18, 2022, to Mr. J. Dwayne Pawlik by certified mail (See Correspondence-Certified Mail - GCOCM - 20220512.1056 - 7021 0350 0000 2786 3835).

In response to receiving the 1st Notice of Violation letter, Mr. Pawlik informed the District that he wished to address the Board regarding the issue.

On June 20, 2022, the District informed Mr. Pawlik that the Board was scheduled to meet on July 18, 2022 by email.

**Board Action:** None.

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### 3.4.2.2 - Enforcement Case – EC-20220412.1040 – Edward J. Pawlik

Meeting Discussion: Mr. Andruss explained the District initiated enforcement case EC-20220412.1040 - Improper Sealing of the Annular Space of a Well to resolve potential violations of the Rules of the District identified through an investigation related to improper well completion.

Mr. Andruss also explained that the evidence developed through investigation INV-20161117-03A - Improper Well Completion indicates that Mr. Edward J. Pawlik potentially violated RULE 7.2: STANDARDS FOR COMPLETION OF WELLS by failing to seal the annular space of the subject well beyond 15 feet below the surface.

Item 3 of Rule 7.2, states “the annular space between the borehole wall and the casing of a well shall be filled with an authorized annular space sealant such that:

- i. The annular space is sealed from ground level to the top of the water producing strata, or
- ii. The annular space is sealed from ground level to a depth of one hundred (100) feet below the land surface, or
- iii. The annular space is sealed with a minimum cumulative seal of one hundred (100) feet and such that:
  1. The annular space is filled from ground level to a depth of ten (10) feet as specified under Texas Administrative Code, Chapter 76, Water Well Drillers and Pump Installers Rules, and
  2. The seal must cross a confining layer having a thickness in excess of five (5) feet.

The primary purposes of the District establishing specific requirements relate to sealing the annular space of new wells was to 1) reduce the risk of the new wells contaminating or diminishing the quality of groundwater resources through the commingling of waters of different chemical quality, and 2) reduce the risk of new wells allowing pollutants migrate into groundwater resources through the annular space.

In the absence of reliable well construction records demonstrating adequate sealing of the annular space of a new well, other techniques may develop credible evidence that the annular space of a new well is not contaminating or diminishing the quality of groundwater resources through the commingling of waters of different chemical quality and is not allowing pollutants migrate into groundwater resources through the annular space. Techniques that could be investigated are cement-bond logging used in the oil and gas industry and various techniques used to assess the external mechanical integrity of certain injection wells.

Alternatively, a monitoring program could be designed and implemented that evaluates characteristics of groundwater produced from a well over time to identify issues likely related to the sealing of new wells with improperly sealed annular spaces.

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On April 18, 2022, the Board passed the following motion to:

1. Find that Mr. Pawlik violated RULE 7.2: STANDARDS FOR COMPLETION OF WELLS by failing to seal the annular space of the subject well beyond 20 feet below the surface; and
2. Offer to settle these violations if the following requirements are completed by September 15, 2022:
  1. Mr. Pawlik acknowledges the violation; and
  2. Mr. Pawlik submits evidence of a credible demonstration that:
    1. The subject well was re-worked/re-constructed in a manner that satisfies the annular seal requirements of Rule 7.2; or
    2. The annular seal of the subject well is sufficient to minimize the potential for contamination, degradation, or commingling of waters of different chemical quality and prevent pollutants from entering the well.

The District created violation ECV-20220418-02 - LEVEL 1 - Failure to Properly Seal the Annular Space of a Well.

The District created settlement - ECS- 20220418-02 - Failure to Properly Seal the Annular Space of a Well and transmitted the settlement offer approved by the Board on April 18, 2022, to Mr. Edward J. Pawlik by certified mail (see Correspondence-Certified Mail – GCOCM – 20220512.1120 – 7021 0350 0000 2786 3842).

In response to receiving the 1<sup>st</sup> Notice of Violation letter, a representative of the family notified the District that Mr. Edward J. Pawlik had passed away.

Board Action: Mr. Biery moved to dismiss case EC-20220412.1040 upon confirmation that business is not operating under an assumed name (registered as a DBA) and the well driller license is no longer active. Mr. Borden seconded the motion. The motion passed unanimously.

### **3.4.2.3 – Enforcement Case – EC-20220412.1114 – Edward J. Pawlik**

Meeting Discussion: Mr. Andruss explained that the District initiated enforcement case EC-20220412.1114 – Failure to Properly Seal the Annular Space of a Well to resolve potential violations of the Rules of the District identified through an investigation related to improper well completion.

The evidence developed through investigation INV- 20161117-04A - Improper Well Completion indicates that Mr. Edward J. Pawlik potentially violated RULE 7.2: STANDARDS FOR COMPLETION OF WELLS by failing to seal the annular space of the subject well beyond 15 feet below the surface.

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Item 3 of Rule 7.2, states "[t]he annular space between the borehole wall and the casing of a well shall be filled with an authorized annular space sealant such that:

- i. The annular space is sealed from ground level to the top of the water producing strata, or
- ii. The annular space is sealed from ground level to a depth of one hundred (100) feet below the land surface, or
- iii. The annular space is sealed with a minimum cumulative seal of one hundred (100) feet and such that:
  1. The annular space is filled from ground level to a depth of ten (10) feet as specified under Texas Administrative Code, Chapter 76, Water Well Drillers and Pump Installers Rules, and
  2. The seal must cross a confining layer having a thickness in excess of five (5) feet.

The primary purposes of the District establishing specific requirements relate to sealing the annular space of new wells was to 1) reduce the risk of the new wells contaminating or diminishing the quality of groundwater resources through the commingling of waters of different chemical quality, and 2) reduce the risk of new wells allowing pollutants migrate into groundwater resources through the annular space.

In the absence of reliable well construction records demonstrating adequate sealing of the annular space of a new well, other techniques may develop credible evidence that the annular space of a new well is not contaminating or diminishing the quality of groundwater resources through the commingling of waters of different chemical quality and is not allowing pollutants migrate into groundwater resources through the annular space. Techniques that could be investigated are cement-bond logging used in the oil and gas industry and various techniques used to assess the external mechanical integrity of certain injection wells.

Alternatively, a monitoring program could be designed and implemented that evaluates characteristics of groundwater produced from a well over time to identify issues likely related to the sealing of new wells with improperly sealed annular spaces.

On April 18, 2022, the Board passed the following motion to:

1. find that Mr. Pawlik violated RULE 7.2: STANDARDS FOR COMPLETION OF WELLS by failing to seal the annular space of the subject well beyond 20 feet below the surface; and
2. offer to settle these violations if the following requirements are completed by September 15, 2022:
  1. Mr. Pawlik acknowledges the violation; and
  2. Mr. Pawlik submits evidence of a credible demonstration that:
    - i. the subject well was re-worked/re-construct in a manner that satisfies the annular seal requirements of Rule 7.2; or
    - ii. the annular seal of the subject well is sufficient to minimize the potential for contamination, degradation, or commingling of waters

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of different chemical quality and prevent pollutants from entering the well.

The District created violation ECV- 20220418-03 - LEVEL 1 - Failure to Properly Seal the Annular Space of a Well.

The District created settlement ECS- 20220418-03 - Failure to Properly Seal the Annular Space of a Well and transmitted the settlement offer approved by the Board on April 18, 2022, to Mr. Edward J. Pawlik by certified mail (see Correspondence-Certified Mail – GCOCM – 20220512.1141 – 7021 0350 0000 2786 3859).

In response to receiving the 1<sup>st</sup> Notice of Violation letter, a representative of the family notified the District that Mr. Edward J. Pawlik had passed away.

Board Action: Mr. Biery moved to dismiss case EC-20220412.1114 upon confirmation that business is not operating under an assumed name (registered as a DBA) and the well driller license is no longer active. Mr. Borden seconded the motion. The motion passed unanimously.

#### **3.4.2.4 – Enforcement Case – EC-20220412.1139 – Tomas Salinas**

Meeting Discussion: Mr. Andruss explained the District initiated enforcement case RGCD - GP - CIE - Enforcement Case - EC-20220412.1139 - Improper Sealing of the Annular Space of a Well - Active to resolve potential violations of the Rules of the District identified through an investigation related to improper well completion.

The evidence developed through investigation RGCD - GMa - CIE - Investigations - INV-20211203.0914 - Improper Well Completion - Closed indicates that Mr. Tomas Salinas potentially violated RULE 7.2: STANDARDS FOR COMPLETION OF WELLS by failing to seal the annular space of the subject well beyond 15 feet below the surface.

Item 3 of Rule 7.2, states "[t]he annular space between the borehole wall and the casing of a well shall be filled with an authorized annular space sealant such that:

- i. The annular space is sealed from ground level to the top of the water producing strata, or
- ii. The annular space is sealed from ground level to a depth of one hundred (100) feet below the land surface, or
- iii. The annular space is sealed with a minimum cumulative seal of one hundred (100) feet and such that:
  - 1) The annular space is filled from ground level to a depth of ten (10) feet as specified under Texas Administrative Code, Chapter 76, Water Well Drillers and Pump Installers Rules, and
  - 2) The seal must cross a confining layer having a thickness in excess of five (5) feet.

The primary purposes of the District establishing specific requirements relate to sealing the annular space of new wells was to 1) reduce the risk of the new wells contaminating 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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or diminishing the quality of groundwater resources through the commingling of waters of different chemical quality, and 2) reduce the risk of new wells allowing pollutants migrate into groundwater resources through the annular space.

In the absence of reliable well construction records demonstrating adequate sealing of the annular space of a new well, other techniques may develop credible evidence that the annular space of a new well is not contaminating or diminishing the quality of groundwater resources through the commingling of waters of different chemical quality and is not allowing pollutants migrate into groundwater resources through the annular space. Techniques that could be investigated are cement-bond logging used in the oil and gas industry and various techniques used to assess the external mechanical integrity of certain injection wells.

Alternatively, a monitoring program could be designed and implemented that evaluates characteristics of groundwater produced from a well over time to identify issues likely related to the sealing of new wells with improperly sealed annular spaces.

On April 18, 2022, the Board passed the following motion to:

1. find that Mr. Salinas violated RULE 7.2: STANDARDS FOR COMPLETION OF WELLS by failing to seal the annular space of the subject well beyond 20 feet below the surface; and
2. offer to settle these violations if the following requirements are completed by September 15, 2022:
  1. Mr. Salinas acknowledges the violation; and
  2. Mr. Salinas submits evidence of a credible demonstration that;
    - i. The subject well was re-worked/re-constructed in a manner that satisfies the annular seal requirements of Rule 7.2; or
    - ii. The annular seal of the subject well is sufficient to minimize the potential for contamination, degradation, or commingling of waters of different chemical quality and prevent pollutants from entering the well.

The District created violation RGCD - GMa - CIE - Enforcement Case Violation - ECV-20220418-04 - LEVEL-01 - Failure to Properly Seal the Annular Space of a Well - Active.

The District created settlement RGCD - GMa - CIE - Enforcement Case Settlement - ECS-20220418-04 - Failure to Properly Seal the Annular Space of a Well - Active and transmitted the settlement offer approved by the Board on April 18, 2022, to Mr. Tomas Salinas by certified mail (See RGCD - Adm - AO - Correspondence-Certified Mail - GCOCM - 20220512.1320 - 7021 0350 0000 2786 3866).

In response to receiving the 1st Notice of Violation letter, Mr. Shaun Grell of J and S Water Well Service on behalf of Mr. Salinas informed the District that he wished to address the Board regarding this issue.

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On June 20, 2022, the District informed Mr. Grell that the Board was scheduled to meet on July 18, 2022, by email.

Board Action: None.

## **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.**

### **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 July 12, 2022, the District had an active investigation (INV-20191202:1017 - Potential Contamination of Groundwater at Woodsboro Farmers Cooperative) related to groundwater protection. The District opened the investigation in response to notifications received from TCEQ regarding a contamination event. The District contacted TCEQ to obtain a status report for the case. As of March 29, 2022, the responsible party had installed additional monitoring wells, collected additional groundwater samples, and requested a 60-day extension to revising the affected parties report. The District has made numerous requests, most recently on July 1, 2022, for analytical results from water samples collected from monitoring well on the site. The District will continue to monitor the case and report to the Board regarding any changes at the meeting scheduled for October 17, 2022.

Board Action: none.

### **4.2 – Report regarding Enforcement Cases related to groundwater Protection**

Meeting Discussion: Mr. Andruss explained that as of July 12, 2022, the District has no active enforcement cases related to groundwater protection.

Board Action: none.

## **Agenda Item 5: Consideration of and possible action on matters related to Groundwater Monitoring.**

Meeting Discussion: Mr. Andruss explained the District completed the synoptic water level and water quality monitoring efforts in February 2022. The District received authorization to collect water level and water quality measurements from four wells within Refugio County not previously monitored.

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There was a graphic displayed that illustrates the sites at which the District has collected water level measurements in February 2022.

Another graph displayed illustrated the water level measurements stored within the groundwater monitoring database. Mr. Andruss explained generally, the depth to water has decreased from the first quarter of year 2021 to the first quarter of year 2022.

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 Refugio, Calhoun, Victoria, and Jackson Counties.

The report provides the following figure to illustrate the locations of the water level measurements used to analyze groundwater levels. The figure illustrates a relatively small number of measurements within Refugio County and neighboring San Patricio County, and no clustered sampling of the Chicot Aquifer on the northern boundary of Refugio County for year 2021. The measurement distribution may have skewed the estimation of water levels and biased the analysis to specific areas of interest (e.g., potential areas of concern of water level decline).

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

- the water level change of the Chicot Aquifer was -9.9 feet.
- the water level change of the Evangeline Aquifer was -7.9 feet.
- the combined water level change of the Chicot and Evangeline Aquifers was -8.4 feet.

The report presents annual water level estimates and water level changes as compared to year 2000.

Mr. Andruss explained while the estimate of water level change between year 2000 and year 2021 is -8.4 feet, which exceeds the 5 foot drawdown DFC for Refugio County, the 3-year average of water level change- between year 2019 and 2021 is -5.3 feet. The use of a 3-year average of water level changes moderates the effects of the estimates of a single year and represents a measure of the recent trend. The consideration of the 3-year average water level change in the context of the measurement distribution offers a possibility that the condition of the aquifer is significantly better than the water level change from year 2000 to year 2021 indicates.

Board Action: Mr. Borden 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 sufficient information is not presently available to determine that the desired future condition for Refugio County is not being achieved; and

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3. authorize the General Manager to pay the associated invoice from VCGCD in the amount of \$2,500.00 for reimbursement of the district's cost-share.

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

## 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/refugio>) indicates that 100% of Refugio County was experiencing severe drought conditions while 74.04% of Refugio County was experiencing exceptional drought as of July 5, 2022.

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 June 7 and 8, 2022, Dr. Le Sage-Clements and Dr. Dimitri Sobolev of University of Houston-Victoria conducted the professional development sessions proposed as part of the Conservation Education and Teacher Professional Development for FY2022 project that is co-sponsored by the District. The sessions were attended by approximately 10 teachers from school districts located within Victoria, Calhoun, Refugio, and Jackson Counties.

Board Action: none.

## 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 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.

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

### **8.0 – Adoption of GMA 15 DFC**

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;

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;

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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. Borden moved to adopt the above-described future conditions for Management Area 15 by resolution. Mr. Carter seconded the motion. The motion passed unanimously.

**Agenda Item 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.**

## 9.1 – Report regarding Groundwater Policy

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 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 Refugio County. See MFC-20220718-9.2 - Review of Draft Rule Revisions and Draft Fee Schedule.

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.

## 9.2 – Review of Draft Rule Revisions and Draft Fee Schedule

Meeting Discussion: Mr. Andruss explained the staff of the District have made significant progress, with the assistance of Mr. Allison, on the draft changes to the rules of the district. The draft revisions were developed simultaneously with draft revisions for VCGCC, CCGCD, and TGCD for the purpose of maximizing consistency regarding groundwater regulation in the region. Dr. Uddameri has been asked to review and provide comments on the technical elements within the draft rules.

To improve the readability of the rules, the sentence structure has been standardized to be consistent throughout the document (sentence structure: <the relevant persons> <shall, shall not, or may> <requirement>) and the items reorganized in terms of sequence and location within the document.

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 deep-saline groundwater management zones;
4. Creation of provisions for the establishment of special well construction areas;
5. Revision of spacing requirements for new wells relative to property lines;
6. Revision of the requirements related to production permitting associated with potentially high impact production permitting;
7. Clarification of the requirements for plugging deteriorated wells and the consequences of plugging water wells regarding existing production permits;
8. Creation of a requirement to install and use a meter in connection with transfer permits;
9. Creation of provisions for petitioning for changes to the rules of the district;
10. Creation of provision to establish excess production fees; and
11. Incorporation of the enforcement policies into the rules of the district.

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Board Action: Mr. Borden moved to authorize the general manager to 1) publicly post the draft rules of the district for the purposes of accepting public, 2) notify entities such as the County of Refugio, the City of Refugio, and the City of Woodsboro of the draft rules of the district, and 3) post the required notices of a rule making hearing regarding the draft rules scheduled for October 17, 2022. Mr. Carter seconded the motion. The motion passed unanimously.

## **Agenda Item 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.

## **Agenda Item 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 is scheduled for August 15, 2022 (Budget and Tax Rate Matters), and October 17, 2022, with each meeting to convene at 6:00 PM. 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 18, 2022, were sent to the board members prior to the meeting.

Board Action: Mr. Borden moved to accept and approve the meeting minutes for April 18, 2022, as drafted. Mr. Biery seconded the motion. The motion passed unanimously.

## **Agenda Item 12: Consideration of and possible action on matters related to Financial Management including the Annual Budget of the District, Bank Accounts, Investments, Financial Reports of the District, Bills and Invoices of the District.**

### **12.0 – Financial Reports and Records**

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.

Mr. Andruss notified the Board that he intended to develop a budget recommendation for fiscal year 2023 based on the anticipated adoption of the No-New-Revenue Tax Rate for Tax Year 2022 and would post the necessary notices regarding the budget and tax rate



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hearings to facilitate the adoption of the budget for FY2023 and the tax rate for TY202 on September 6, 2022.

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

## 12.0.1 – Financial Transaction Review

Meeting Discussion: Mr. Andruss presented a listing of each accounts payable and accounts receivable that was recorded since April 1, 2022, as of July 11, 2022.

Board Action: none.

## 12.2 – 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. Borden moved to authorize the general manager to pay the listed 4 invoices. Mr. Biery seconded the motion. The motion passed unanimously.

**Agenda Item 13: Consideration of and possible action on matters related to Office Administration and Management including Administrative Policies, election of Officers of the Board, Staffing, 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: none.

Board Action: none.

## 13.1 – IRS Filings for Fees of Office

Meeting Discussion: Mr. Andruss explained on March 30, 2022, Mr. Goldman of Goldman, Hunt and Notz expressed concern about the reporting of the fees of office paid to directors to the IRS using form MISC-1099 for independent contractors. He expressed his opinion that the appropriate approach would be to treat these payments a payroll.

On March 4, 2022, the comments made by Mr. Goldman were forwarded to Mr. Allison for review.

On June 13, 2022, staff at Catherine Ozment CPAs, the CPA firm used by VCGCD for payroll processing and end-of-year reporting, provided the necessary form to be completed to begin treating fees of office payments as payroll and complete the necessary tax withholdings and filings with the IRS.

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Apparently, it is the degree of control and independence held by the person relative to the company that determines whether a person is an independent contractor or employee. (See <https://www.irs.gov/businesses/small-businesses-selfemployed/independent-contractor-self-employed-or-employee> ).

A basis consideration of the degree of control and independence held by a director of the Refugio Groundwater Conservation District would likely result in the determination that a director is more akin to an independent contractor (as the directors has complete control over the services they provide, the work they perform, and is independent of any oversight by any other person within the organization) than an employee.

The District could submit a Form SS-8 to the IRS requesting a determination of the proper classification of RGCD directors.

Board Action: Mr. Biery moved to determine that directors of the district receiving fees of office are to be treated as independent contractors for federal tax purposes, and instruct the General Manager to submit a Form SS-8 to the IRS for a determination of the proper classification of directors receiving fees of office for federal tax purposes. Mr. Borden seconded the motion. The motion passed unanimously.

## 13.2 – Tax Collection Discount Rate

Meeting Discussion: Mr. Andruss explained on June 30, 2022, Ms. Turner, Refugio County Tax Assessor-Collector, requested the Board consider split payment of taxes for Tax Year 2022 and discounts for early payments.

On August 16, 2021, the Board 1) authorized the Refugio Tax Assessor-Collector to allow taxpayers to pay any remaining balance of taxes owed to the District for Tax Year 2021 by July 1, 2022, for any taxpayer who pays 50% or more of the taxes owed to the District for Tax Year 2021 before December 1, 2021; and 2) continue this policy for subsequent tax years until revised or terminated by the Board of Directors.

Board Action: Mr. Biery moved to 1) authorize the Refugio Tax Assessor-Collector to allow tax payers to pay any remaining balance of taxes owed to the District for Tax Year 2022 by July 1, 2023, for any tax payer who pays 50% or more of the taxes owed to the District for Tax Year 2022 before December 1, 2022; and 2) continue this policy for subsequent tax years until revised or terminated by the Board of Directors. Mr. Borden seconded the motion. The motion passed unanimously.

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

Meeting Discussion: none.

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Board Action: none.

## Agenda Item 15: Adjourn

### 15.0 – Adjourn Meeting

Meeting Discussion: none.

Board Action: Mr. Borden moved to adjourn the meeting after concluding all business of the District at 8:22 PM. Mr. Biery seconded the motion. The motion passed unanimously.

The above and foregoing minutes were read and approved on this the 6<sup>th</sup> day of September, 2022.

ATTEST:

Canell E. Borden  
District Director

[Signature]  
District Director