

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 January 9, 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	Absent
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 6:00 PM.

Board Action: No action taken.

Agenda Item 2: Receive public comments.

Meeting Discussion: None.

Board Action: None.

Agenda Item 8: Consideration of and possible action on matters related to groundwater policy including the Management Plan on the District, the hearing regarding the proposed Rules of the district, and the Rules of the District.

8.1 – Hearing regarding Proposed Rules

Meeting Discussion: Mr. Andruss explained prior to December 1, 2022, the RGCD website was updated to provide public access to the proposed rules and draft applications. See <https://rgcd.org/proposed-rule-revisions---2023.html>.

On November 22, 2022, the public notice for the rule making hearing on 20220109 was submitted to the County Clerk's Office, legal counsel, and directors of the district.

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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On November 23, 2022, the public notice for the rule making hearing on 20220109 was posted on the website of the district.

On November 25, 2022, the public notice for the rule making hearing on 20220109 was published in the Victoria Advocate newspaper.

On November 30, 2022, the public notice for the rule making hearing on 20220109 was posted at the offices of the district.

On December 1, 2022, courtesy notices were sent by mail to:

1. Licensed Well Drillers that submitted well logs since November 1, 2021;
2. Refugio County Commissioners Court c/o Judge Robert Blaschke, County Judge;
3. TCEQ-Active Public Water Systems with Groundwater Source;
4. Guadalupe-Blanco River Authority;
5. San Antonio River Authority.

As of January 3, 2023, staff had not received questions or comments regarding the proposed rules from the public.

During the public comment period, staff of the district have prepared for the anticipated adoption of the proposed rules. The preparation included the development of various forms that, in turn, required additional review of the proposed rules. As a result, several non-substantive revisions intended to clarify the policies articulated in the proposed rules have been drafted.

On December 30, 2022, Dr. Steve Young of Intera provided verbal comments to the district regarding his review of the proposed rules which he completed at the request of the district. As a result of these comments, additional non-substantive revisions to clarify the policies articulated in the proposed rules have been drafted.

On January 3, 2023, the draft revisions to the proposed rules were submitted to legal counsel for review.

Board Action: Mr. Borden moved to convene the public hearing. Mr. Snyder seconded the motion. The motion passed.

The public hearing convened at 6:00 PM, and the proposed rules were discussed.

Mr. Jose De Leon with the Town of Refugio was present and expressed no concerns with the rules.

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Board Action: Mr. Borden moved to close the public hearing after accepting all comments and question regarding the proposed rules. Mr. Snyder seconded the motion. The motion passed. The public hearing was closed at 6:50 PM.

8.1.1 – Adoption of Proposed Rules

Meeting Discussion: Mr. Andruss explained provided the board does not incorporate any substantive revisions to the proposed rules of the district and closes the rulemaking hearing for the proposed rules of the district, consideration of and possible adoption of the proposed rules of the district would be appropriate.

Board Action: Mr. Borden moved to adopt the proposed rules of the district with the non-substantive revisions accepted and incorporated by the board during the rule making hearing regarding the proposed rules. Mr. Snyder seconded the motion. The motion passed unanimously.

8.1.1.1 – Approval of Forms

Meeting Discussion: Mr. Andruss explained in anticipation of the adoption of the proposed rules of the district, staff have drafted forms used to implement the proposed rules of the district if adopted by the board. In addition to stand-alone forms, staff have assembled a "new well packet" for well drillers and well owners to complete the well drilling notification and well registration process associated with new wells.

Provided the proposed rules have been adopted with the the non-substantive revisions drafted by the general manager, approving and authorizing the use of the identified forms and packets would be appropriate.

Board Action: Mr. Biery moved to accept and authorize the general manager to use the draft forms and packets to implement the rules of the district. Mr. Carter seconded the motion. The motion passed unanimously.

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

5.1 – Baseline Water Quality Aquifer Monitoring District-Wide for FY2023

Meeting Discussion: Mr. Andruss explained in light of the general disinterest by well owners to participate in water quality monitoring, staff intends to a single, district-wide baseline water quality monitoring project for FY2023. Candidate wells will be identified by randomly selecting 20 wells within Refugio County with known

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depths. If this project is approved by the board, well owners of the candidate wells will be contacted by staff seeking access to the wells for sampling purposes. Samples will be submitted to Pace Analytical for processing with an estimate cost of \$300 per sample. To facilitate this project, staff intends to modify its synoptic aquifer monitoring program to focus on synoptic water level monitoring in the February to March timeframe and synoptic water quality monitoring (field conductivity measurements) in the August to September timeframe.

Board Action: Mr. Borden moved to authorize the general manager to implement a district-wide baseline water quality monitoring project for FY2023 and authorize the expenditure of \$6,000.00 for lab analysis work. Mr. Snyder seconded the motion. The motion passed unanimously.

5.2 – Monitoring Network Assessment and Improvement Project for FY2023

Meeting Discussion: Mr. Andruss explained on September 20, 2021, the board approved a motion to cooperate and cost-share with VCGCD, TGCD, and CCGCD on a project to be completed by Intera Inc. to improve and expand the District's effort to monitor groundwater levels. Intera delivered the final report on November 23, 2022. The report is extensive and contains scientifically-credible information and guidance to assist the District in significantly improving the aquifer monitoring efforts within Refugio County. Staff will use the report, if accepted by the board, to develop an implementation and cost schedule for aquifer monitoring sites in Refugio County for presentation to the board at the meeting scheduled for April 2023. Upon acceptance by all of the cooperating districts, the report will be posted on the websites of the cooperating districts.

Board Action: Mr. Borden moved to accept the report and deliverables provided by Intera under project PRJ-20221012.1320 and authorize the general manager to pay the associated cost share to VCGCD in an amount not to exceed \$13,750.00. Mr. Snyder seconded the motion. The motion passed unanimously.

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. The program produced mixed results. While the teacher-focused portion of the project was well attended and participates represented communities throughout the jurisdictions of the sponsoring districts

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including Refugio ISD, the student-focused workshops was not well attended with all seven students being from Victoria County. Future efforts, if approved by the boards, will be adjusted to respond to feedback provided by the teachers and increase student participation.

Board Action: Mr. Borden moved to accept the report and authorize the general manager to pay associated cost-sharing invoices for the project received from VCGCD. Mr. Snyder seconded the motion. The motion passed unanimously.

Agenda Item 8: consideration of and possible action on matters related to groundwater policy including the Management Plan of the District, the hearing regarding the Proposed Rules of the District, and the Rules of the District.

8.1.2 – Draft Fee Schedule

Meeting Discussion: Mr. Andruss explained in conjunction with the rule revision process undertaken by the district, staff has developed and publicly posted a draft fee schedule for the district. The draft fee schedule establishes the administrative and application fees, production fees and transfer fees for the district.

The administrative and application fees include the following: 1) a \$150.00 fee for processing a historic-use production permit request; and 2) a \$6,500.00 fee associated with processing a high-capacity non-historic-use permit request, a deep-saline non-historic use production permit, a transfer permit request, or a district waiver request. The fee schedule specifies that any portion of administrative and application fees collected by the district are to be refunded after final disposition of the permitting request.

The transfer fees is set to the legislative maximum of \$8.14 per acre-foot of groundwater transferred/transported out of the district under a transfer permit.

The production fees include the following: 1) a \$0.00 fee for production of groundwater for non-exempt use purposes up to the permitted amount; 2) a progressively increasing schedule for production of groundwater for non-exempt use purposes in excess of the permitted amount ranging from \$25 to \$300 per acre foot based on the percentage the overage represents of the permitted amount. The progress nature of the fee structure for the production fees for overproduction is designed to minimize the penalty for minor violations while increasing with the degree of violation (as measured as percentage of the permitted production amount).

When evaluating potential penalties, 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

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violation, and each day of a continuing violation constitutes a separate violation." (emphasis added) 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 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.

Board Action: Mr. Borden moved to adopt the draft fee schedule as the fee schedule of the district by resolution. Mr. Snyder seconded the motion. The motion passed unanimously.

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

9.1 – Minutes of the Previous Meeting

Meeting Discussion: Mr. Andruss explained the minutes for the meeting held on October 17, 2022, were sent to the board members prior to the meeting.

Board Action: Mr. Borden moved to accept and approve the meeting minutes for October 17, 2022, as drafted. Mr. Snyder 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, 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 the financial records for September, October and November 2022 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 September, October and November 2022. Mr. Borden seconded the motion. The motion passed unanimously.

10.1 – Unpaid Accounts Payable

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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 following items:

1. ACCTP-20221121-02 - \$690.00 - Allison, Bass & Magee, LLP
2. ACCTP-20230109-01 - \$250.00 - Carroll Borden - January Meeting
3. ACCTP-20230109-02 - \$250.00 - John Snyder - January Meeting
4. ACCTP-20230109-03 - \$250.00 - Fredric Biery - January Meeting
5. ACCTP-20230109-04 - \$250.00 - Scott Carter - January Meeting
6. ACCTP-20230109-05 - \$5,425.60 - VCGCD - District Invoice - ILA-202210-01-R - October 2022
7. ACCTP-20230109-06 - \$5,411.51 - VCGCD - District Invoice - ILA-202211-01-R - November 2022
8. ACCTP-20230109-07 - \$5,979.75 - VCGCD - District Invoice - ILA-202212-01-R - December 2022
9. ACCTP-20230109-08 - \$1,331.49 - VCGCD - District Invoice - ILA-20230105-01-R - UHV Cost Share

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

10.2 – Investments of the District

Meeting Discussion: Mr. Andruss explained the investment reports for September 2022, October 2022, and November 2022 have been sent to the board prior to the meeting.

As of November 30, 2022, the balance of funds held in interest-bearing demand accounts was \$605,337.01 earning interest at a rate of 0.10% APY. The district could increase the interest paid on these funds by investing a portion into certificates of deposit. Vantage Bank is currently offering the following interest rates on \$250,000.00 certificates based on maturity period: 2.60% APY on a 1-year CD (current rate); 1.25% APY on a 2-year CD (promotional rate); and 3.00% APY on a 2-year CD (promotional rate).

Board Action: Mr. Borden moved to 1) accept the investment reports for September 2022, October 2022, and November 2022, and 2) authorize the general manager to open a 2-year, \$250,000 certificate of deposit with Vantage Bank Texas with funds from the district interest-bearing demand account. Mr. Biery 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

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the district, 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.

11.1 – Election of Officers

Meeting Discussion: Mr. Andruss explained the By-Laws of the District require the election of four officers, President, Vice-President, Secretary, and Treasurer, each January. Currently, Mr. Borden serves as President of the Board; Mr. Carter serves as Vice-President of the Board; Mr. Biery as Secretary of the Board; and Mr. Snyder serves as Treasurer of the Board. The Board elected officers on January 19, 2021.

The District submitted an updated district information form to TCEQ on September 23, 2022.

Board Action: Mr. Biery moved to 1) elect: Mr. Borden as President of the Board; Mr. Carter as Vice-President of the Board; Mr. Biery as Secretary of the Board; and Mr. Snyder as Treasurer of the Board; and 2) authorized the general manager to submit an updated district information form to TCEQ. Mr. Snyder seconded the motion. The motion passed unanimously.

11.2 – Review of Administrative Policies

Meeting Discussion: Mr. Andruss explained on January 4, 2023, the policies were reviewed and no revisions to the policies have been drafted.

Board Action: Mr. Borden moved to:

1. revoke the Permitting Procedure Policy and the Enforcement Policy of the District; and
2. re-adopt the following policies as the administrative policies of the District:
 1. the By-Law of the District as adopted on April 18, 2022; and
 2. the Investment Policy of the District as adopted on April 18, 2022.

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

11.3 – Tax Levy Certification for Tax Year 2022

Meeting Discussion: Mr. Andruss explained the District received from the Refugio Tax Assessor Collector a request to certify the 2022 Tax Levy.

Board Action: Mr. Borden moved to approve the 2022 certified tax levy and authorize the Administrative Coordinator to send to the Refugio Tax Assessor Collector. Mr. Snyder seconded the motion. The motion passed unanimously.

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The meeting packet provided to the directors at the meeting, contained information on the following:

- Report regarding Groundwater Management
- Review of Permitting Request Cases
- Groundwater Production Reporting for CY2022
- Production Permit Renewals for FY2023
- Report regarding Groundwater Protection
- Report regarding Groundwater Monitoring
- Report regarding Groundwater Resource Planning
- Report regarding Groundwater Policy
- 88th Regular Session of the Texas Legislature
- Report on Meeting Management
- Financial Transaction Review
- Report regarding Administration and Management

Agenda Item 13: Adjourn Meeting

Meeting Discussion: None.

Board Action: Mr. Biery moved to adjourn the meeting after concluding all business of the District at 8:04 PM. Mr. Snyder seconded the motion. The motion passed unanimously.

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

ATTEST:

District Director



Canell E. Beach
District Director