Texana Groundwater Conservation District

Meeting Minutes for August 20, 2026

THE STATE OF TEXAS

JACKSON COUNTY

The Board of Directors of the Texana Groundwater Conservation District convened a meeting at LNRA Headquarters, Building C, 4631 F.M. 3131, Edna, Texas at 6:00 P.M.

Item 1 - Convene the meeting and receive a report from the general manager.

Topic 1.1 - Roll Call

Mr. Andruss explained that the staff completed the necessary public notification requirements for the meeting.

Management Recommendation:

Mr. Tupa called the meeting to order at 6:00 PM and called the roll of representatives:

__Present___: Precinct 1 Director: Mr. John Boone, Vice-President.

_____: Precinct 2 Director: Vacant.

__Present___: Precinct 3 Director: Mr. Clifford Born, Director.

__Present___: Precinct 4 Director: Mr. Charles Marr, Treasurer.

__Present___: At Large 1 Director: Mr. Johnny Dugger, Director.

__Present___: At Large 2 Director: Mr. Alton Tupa, President.

__Present___: At Large 3 Director: Mr. Robert Gendke, Jr., Secretary.

__Present___: General Manager: Tim Andruss.

__Present___: General Counsel: Jim Allison.

Item 2 - Receive Public Comment

No Comments were offered at the meeting.

Item 9 - Consideration of and possible action on matters related to administration and management including the minutes of previous meetings, amendments to the annual budget of

the district, budget recommendation for Fiscal Year 2027, tax rate for Tax Year 2026, certified tax roll for Tax Year 2026, bank accounts, investments, financial reports of the district, bills and invoices of the district, management goals and objectives of the district, administrative policies, staffing, consultant agreements, interlocal cooperation agreements, the financial audit for Fiscal Year 2025, the Annual Report of the District, budget preparation and tax rates, and support services provided to and from other groundwater conservation districts.

Topic 9.1 - Financial Audit Services

Mr. Andruss provided the following information:

On October 16, 2025, the board authorized Goldman, Hunt and Notz, LLP (GHN) to complete a financial audit of the district for the fiscal year ending September 30, 2025.

On July 23, 2026, Mr. Cox with GHN informed staff of their intention to present the financial audit report for the fiscal year ending September 30, 2025, to the Board

Mr. Cox with Goldman, Hunt, and Notz, LLP, was present and presented the Financial Audit for the fiscal year ending September 30, 2025.

Management Recommendation:

Mr. Genkde moved to 1) accept and approve the financial audit for FYE20250930, as presented, and 2) authorize the general manager to pay the invoice from GHN for the auditing services. Mr. Born seconded the motion. The motion passed unanimously.

Topic 9.2 - TWDB Groundwater Science, Research, and Data Collection Grant Program

Mr. Andruss provided the following information:

The Victoria County Groundwater Conservation District (VCGCD) submitted a grant application to the Texas Water Development Board (TWDB) under the Groundwater Science, Research, and Data Collection Grant Program for funding of a proposed project to complete a comprehensive subsidence analysis and installation of a long-term subsidence monitoring station, with a total estimated cost of $281,000. The grant application submitted on behalf of the cooperating districts sought a grant of $231,000.

On June 30, 2026, VCGCD received formal notification from TWDB that the application was selected for award. TWDB authorized the partial funding of the project in an amount of $158,500 for two of the four proposed tasks: Task 1 - InSAR Study: collect and analyze InSAR data and Task 4 - Install Subsidence Monitoring Station.

The effects of offering partial funding of tasks proposed in the project were reviewed by INTERA, the technical consultant of the proposed project, to evaluate the feasibility of the project as terms of proposed grant agreement are developed. INTERA informed the District that the completion of Task 1 and Task 4, without the completion of Task 2 and 3, would be beneficial and "help inform our understanding of subsidence and support long-term subsidence modeling and evaluation of model outputs."

On July 17, 2026, the District received the draft award agreements and requirements for review. The agreement materials were forwarded to legal counsel the INTERA for review.

On August 8, 2026, the Board of Directors of the VCGCD 1) authorized the presiding officer and general manager to execute all necessary grant agreements and documentation associated with the grant award for the proposed project offered by TWDB under the Groundwater Science, Research, and Data Collection Grant Program upon determination of legal sufficiency by legal counsel, 2) authorized the general manager to execute the Task 1 and Task 2 of the proposed project, pay associated bills and invoices, and 3) authorized the general manager to accept reimbursement of incurred expenses for the execution Task 1 and Task 4 of the proposed project from TWDB in accordance with the executed grant agreement.

Management Recommendation:

None.

Topic 9.3 - Budget for FY2027

Mr. Andruss provided the following information:

Management developed a draft budget for the fiscal year ending September 30, 2027, that attempts to fund the operations of the District in a manner which provides for 1) the accomplishment of the management plan goals and objectives, and 2) the completion of projects and tasks associated with the administration of the district, groundwater conservation, groundwater management and permitting, groundwater monitoring, groundwater policy development, groundwater protection, groundwater research, and groundwater resource planning.

To facilitate future comparisons of adopted budgets to financial audits and to simplify bookkeeping tasks, the draft budget has developed using a single fund referred to as the General Fund instead of developing a budget using two funds, Operating Fund and Reserve Fund.

The budget anticipates purchases and projects that are not routine in nature, including funding for conducting an election, increased legal expenses, increased district fees, expanded water level assessment, increased legislative support expenditures, site-specific monitoring and assessments, CGCBGF Model improvements, expanded DFC modeling.

On July 28, 2026, the District received the 2026 Tax Rate Calculation Worksheet from the Jackson County Tax Assessor-Collector.

On August 14, 2026, Management developed two draft budgets: 1) a budget anticipating the approval of a tax rate equal to the No-New-Revenue Tax Rate calculated by the Tax Assessor - Collector for Tax Year 2026, and 2) a budget anticipating the approval of a tax rate equal to the Voter-Approval Tax Rate calculated by the Tax Assessor - Collector for Tax Year 2026.

Management Recommendation:

None.

Topic 9.4 - Tax Rate for Tax Year 2026

Mr. Andruss provided the following information:

The Tax Rate for Tax Year 2025 is $0.00770/$100 value. The total tax levy for Tax Year 2025 is $302,700.

The No-New-Revenue Tax Rate for Tax Year 2026 is $0.00800/$100 value. The total tax levy for Tax Year 2026 anticipated from adopting the No-New-Revenue Tax Rate is $316,400.

The Voter-Approval Tax Rate for Tax Year 2026 is $0.00870/$100 value. The total tax levy for Tax Year 2026 anticipated from adopting the Voter-Approval Tax Rate is $344,100.

Management Recommendation:

Mr. Boone moved to propose a tax rate for Tax Year 2026 of $0.0086/$100 value and instruct staff to publish all necessary notices to consider and adopt a tax rate at the meeting of the Board of Directors scheduled for September 10, 2026. Mr. Born seconded the motion. The motion passed unanimously.

Topic 9.5 - Appraisal Roll for Tax Year 2026

Mr. Andruss provided the following information:

On July 24, 2026, the Chief Appraiser of the Jackson Central Appraisal District certified the 2026 Appraisal Roll.

The 2026 Certified Appraisal Roll should be adopted by order.

Management Recommendation:

Mr. Boone moved to accept and approve the appraisal roll for Tax Year 2026 and adopt the Order Approving the 2026 Appraisal Roll. Mr. Marr seconded the motion. The motion passed unanimously with a vote of 6 ayes and 0 nays.

Topic 9.6 - Unpaid Invoices and Bills

Mr. Andruss provided the following information:

The District has outstanding bills and invoices that are NOT considered regular and routine nor has the Board previously authorized the requested payment.

Management Recommendation:

Mr. Dugger moved to authorize the general manager to pay the following items:

1. ACCTP-20260803-01 - $1,470.00 - ABM, LLC Jan. 2026 - Legal Consultation
2. ACCTP-20260820-01 - $250.00 - A. Tupa - August Board Meeting
3. ACCTP-20260820-02 - $250.00 - C. Born - August Board Meeting
4. ACCTP-20260820-03 - $250.00 - Robert Gendke Jr. - August Board Meeting
5. ACCTP-20260820-04 - $31,500.00 - VCGCD - ILA-202608-01-T - RR Fees 3rd Qtr. 2027
6. ACCTP-20260820-06 - $3,250.00 - VCGCD - Intera Cost - ILA-20260817-01-T

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

Item 10 - Consideration of and possible action on matters related to legal counsel report.

Item 11 - Adjourn Meeting

Management Recommendation:

Mr. Boone moved to adjourn the meeting after concluding all business of the District at 6:45 PM. Mr. Dugger seconded the motion. The motion passed unanimously.

THE ABOVE AND FOREGOING MINUTES WERE READ AND APPROVED ON THIS THE _____ DAY OF _____ A.D. _____.

_____ Director of the Texana Groundwater Conservation District

ATTEST:

_____ Director of the Texana Groundwater Conservation District