
**Texana Groundwater Conservation District
Meeting Minutes for July 17, 2025**

THE STATE OF TEXAS
JACKSON COUNTY

The Board of Directors of the Texana Groundwater Conservation District convened a meeting at the LNRA Headquarters Building C., 4631 F.M. 3131, Edna, Jackson County, Texas on July 17, 2025, at 6:00 PM.

Item 1 - Call the meeting to order and welcome guests. Convene Meeting

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

Precinct 1: Mr. Boone, Vice-President, Present.

Precinct 2: Vacant.

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

Precinct 4: Mr. Marr, Treasurer, Present.

At Large 1: Vacant.

At Large 2: Mr. Tupa, President, Present.

At Large 3: Mr. Robert Gendke, Jr., Secretary, Present.

General Manager: Tim Andruss, Present.

General Counsel: Jim Allison, Present.

Item 2 - Receive public comments.

No public comments were offered at the meeting.

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.

Topic 3.1 - Report

Mr. Andruss provided the following information:

Regarding Well Registration Processing for FY2025.

As of July 11, 2025, staff had received 9 well registration applications (ARWs) since October 1, 2024.

As of July 11, 2025, staff had received 29 Notices of Intent to Drill a Well (NIDWs) since October 1, 2024.

Regarding Production Permit Renewal Processing for FY2025.

As of July 11, 2025, staff had received 3 production permit renewal requests (ARPs) since October 1, 2024.

Regarding Permit Processing for FY2025.

As of July 11, 2025, staff had initiated 4 permitting request cases (PRCs) since October 1, 2024.

As of July 11, 2025, staff had 1 permitting request cases pending.

1. PRC-20231107-01 - AVW-20230921-01 - JCWCID2 - Pending/Uncontested

As of July 11, 2025, staff had 149 active or approved production permits recorded in the permitting database with a combined amount of authorized groundwater production per year of 164,026 acre-feet.

Since October 2024, staff have been assisting representatives of Synergen Green Energy understand the production permitting process, associated rules and potential options for structuring a permitting request to the District. Discussion have significantly increased since June 2025. Synergen site for their energy plant in Jackson County and are exploring options to develop approximately 4,000 acre-feet groundwater per year to support the plant.

Regarding Groundwater Production Report Processing for CY2024.

As of July 11, 2025, staff had processed 212 groundwater production reports for the preceding calendar year since October 1, 2024.

As of July 11, 2025, staff had recorded groundwater production reports for 212 water wells reporting 21,932 acre-feet of groundwater production during CY2024. (TWDB estimated the volume of groundwater produced for rural domestic, livestock, mining, and rig supply exempt uses in Jackson County in Year 2020 was 1,581 acre-feet. See: TWDB - Projected Exempt Groundwater Use Estimates.)

As of July 11, 2025, staff had reviewed the draft irrigation water use estimates developed by TWDB for Year 2023. The estimate for Jackson County totaled 68,823 acre-feet.

Regarding Manage Investigations related to Permitting Violations for FY2025.

As of July 11, 2025, staff had initiated 3 investigation related to groundwater management (i.e., permitting) since October 1, 2024.

As of July 11, 2025, staff had 3 active investigations related to groundwater management (i.e., permitting).

1. INV- 20250414-01 - Failure to Satisfy Rules of the District - Production Reporting for CY2024 - Active
2. INV- 20250207-01 - Potential Violation of Failure to Report Groundwater Production - Rice Irrigation - Active
3. INV- 20250217-01 - Unpermitted Non-Exempt Use - Active

Staff will review all expired permits and unresolved permitting matters during the fiscal year, while processing permits due to expire during the fiscal year, to ensure all well owners and operators comply with the requirements established under the rules of the district regarding production permitting and production reporting.

Regarding Manage Enforcement Cases related to Permitting Violations for FY2025.

As of July 11, 2025, the Board had initiated 8 enforcement case violations related to groundwater management (i.e., permitting) since October 1, 2024.

As of July 11, 2025, staff had 8 unresolved enforcement cases related to groundwater management (i.e., permitting).

Topic 3.2 - Permitting Hearing - PRC-20231107-01 - Jackson County WCID 2

Mr. Andruss provided the following information:

Mr. Clifford Born of Jackson County WCID 2 seeks for Industrial Independent School District, under permitting request case PRC-20231107-01, a historic-use production permit protecting the historic production of groundwater from grandfathered well GW-00407 for public water supply in the amount of 75.03 acre-feet per year. The subject well is located on a 70.47-acre tract of land near the intersection of Garcitas Street and 5th Street in Jackson County, Texas.

See: Permitting Request Cases - PRC-20231107-01 - AVW-20230921-01 - JCWCID2 - Pending/Uncontested

The applications and supplemental information associated with this permitting request case are considered administratively complete and contains sufficient information to evaluate the request relative to the Rules of the District. Provided the resulting permit is properly conditioned, the operation of the existing well would satisfy the requirements as established within the Rules of the District without a waiver or variance.

The application includes an affidavit, executed by Mr. Clifford Born, regarding the evidence of historic use submitted in the application that states "1. I am 18 years of age or older and competent to submit this affidavit. 2. To the best of my knowledge and belief, the information contained in the attached application to validate the historic use of a well system is true and correct. 3. All available information

concerning groundwater production during the validation period has been provided to the Texana Groundwater Conservation District."

The application includes supplemental documentation containing the TWDB Water Use Survey (Survey Number: 0898200) for the subject well for calendar year 2002. The survey indicates the subject well produced 85,245,300 gallons in year 2002 (261.6 acre-feet).

On June 12, 2025, the public notice related to the consideration of the permit case was completed. See: [Public Notice - 20250717 - Permit Hearing - PRC-20231107-01](#)

As of July 14, 2025, the District had not received notice of intent to contest the permitting request.

Board Action: Mr. Boone moved to 1) cancel the permit hearing and proceed with the permitting case as an uncontested matter; 2) authorize the general manager to issue a historic use permit to Jackson County WCID 2 under application AVW-20230921-01 for well GW-00407, and authorize the production of 75.03 acre-feet of groundwater per year for public water supply use. Mr. Tupa seconded the motion. The motion passed unanimously. Mr. Born abstained from all consideration regarding this matter.

Topic 3.3 - Failures to Report Groundwater Production for CY2024 re Group 1

Mr. Andruss provided the following information:

On April 25, 2025, the compliance specialist of the District initiated 8 enforcement case violations related to potential failures to report groundwater production for calendar year 2024. Of the eight potential violations, five of the violations are associated with persons without previous violations of Rule 4.2.

As of July 14, 2025, the alleged violators associated with the five enforcement case violations have achieved compliance by submitting groundwater production reports for the associated wells for CY2024.

Enforcement Case Violation	Groundwater Production Report CY2024	Date Received
<u>ECV-20250425-03</u>	<u>GPR-20250508-01</u>	May 8, 2025
<u>ECV-20250425-04</u>	<u>GPR-20250514-01</u> <u>GPR-20250514-02</u>	May 14, 2025
<u>ECV-20250425-05</u>	<u>GPR-20250512-01</u>	May 12, 2025
<u>ECV-20250425-06</u>	<u>GPR-20250523-01</u>	May 23, 2025
<u>ECV-20250425-08</u>	<u>GPR-20250523-02</u>	May 23, 2025

Rule 11.10: PENALTIES of the Rules of the District, adopted on October 17, 2024 read as follows (emphasis added):

Rule 11.10: PENALTIES

1. The general manager shall recommend to the board of directors the following penalties to settle alleged violations:
 - 1.1. one hundred dollars (\$100.00) for a single alleged violation per incident;
 - 1.2. two hundred dollars (\$200.00) for each violation per incident when multiple violations are alleged;
 - 1.3. two hundred and fifty dollars (\$250.00) for each re-occurrence of a violation with a 5-year period; and
 - 1.4. one thousand dollars (\$1,000.00) for providing or performing the services of a water well driller without a current license issued by the Texas Department of Licensing and Regulation.
2. The board of directors may assess penalties in excess of the penalties recommended by the general manager as established within the rules of the district in accordance with Chapter 36.102 of the Texas Water Code.

NOTE: on October 17, 2024, the Board of Directors of the Texana Groundwater Conservation District approve a motion to to limit the acceptable forms of payment for penalties and settlement fees to cashier's check or money order made payable to the Texana Groundwater Conservation District.

Board Action: Mr. Boone moved to designate the violations resolved upon the associated alleged violator complying with the following settlement offer by August 30, 2025: 1) pay a \$100.00 settlement fee to the District, 2) acknowledge the violation in writing. Mr. Tupa seconded the motion. The motion passed unanimously.

Topic 3.4 - Failures to Report Groundwater Production for CY2024 re Group 3

Mr. Andruss provided the following information:

On April 25, 2025, the compliance specialist of the District initiated 8 enforcement case violations related to potential failures to report groundwater production for calendar year 2024. Of the eight potential violations, one of the violations are associated with persons with previous violations of Rule 4.2 within the previous 5-year period.

As of July 14, 2025, the alleged violator associated with the enforcement case violation has achieved compliance by submitting groundwater production reports for the associated wells for CY2024.

Enforcement Case Violation	Groundwater Production Report CY2024	Date Received
<u>ECV-20250425-02</u>	<u>GPR-20250603-01</u> <u>GPR-20250603-02</u>	June 3, 2025

Rule 11.10: PENALTIES of the Rules of the District, adopted on October 17, 2024 read as follows (emphasis added):

Rule 11.10: PENALTIES

1. The general manager shall recommend to the board of directors the following penalties to settle alleged violations:
 - 1.1. one hundred dollars (\$100.00) for a single alleged violation per incident;
 - 1.2. two hundred dollars (\$200.00) for each violation per incident when multiple violations are alleged;
 - 1.3. two hundred and fifty dollars (\$250.00) for each re-occurrence of a violation with a 5-year period; and
 - 1.4. one thousand dollars (\$1,000.00) for providing or performing the services of a water well driller without a current license issued by the Texas Department of Licensing and Regulation.
2. The board of directors may assess penalties in excess of the penalties recommended by the general manager as established within the rules of the district in accordance with Chapter 36.102 of the Texas Water Code.

NOTE: on October 17, 2024, the Board of Directors of the Texana Groundwater Conservation District approve a motion to to limit the acceptable forms of payment for penalties and settlement fees to cashier's check or money order made payable to the Texana Groundwater Conservation District.

Board Action: Mr. Tupa moved to designate the violation resolved upon the associated alleged violator complying with the following settlement offer by August 30, 2025: 1) pay a \$250.00 settlement fee to the District, 2) acknowledge the violation in writing. Mr. Gendke seconded the motion. The motion passed unanimously.

Topic 3.5 - Failures to Report Groundwater Production for CY2024 - ECV-20250425-01 - Christopher and Lauren Hajovsky

Mr. Andruss provided the following information:

On April 25, 2025, the compliance specialist of the District initiated 8 enforcement case violations related to potential failures to report groundwater production for calendar year 2024.

As of July 14, 2025, the alleged violator associated with violation ECV-20250425-01 has not achieved compliance. The potential violations represents the first violation of Rule 4.2 by the alleged violator. See: [ECV-20250425-01 - Christopher and Lauren Hajovsky - Failure to Report Groundwater Production CY2024 For Well\(s\) - Active](#).

On April 30, 2025, staff of the district mailed by certified mail the 1st Notice of Violation to the well owner, Christopher and Lauren Hajovsky, at 1512 FM 1157, Ganado, Texas 77962.

On April 30, 2025, staff of the district mailed by certified mail 1st Notice of Violation to the landowner of the associated appraisal district tax parcel, Christopher and Lauren Hajovsky, at 1512 FM 1157, Ganado, Texas 77962.

On April 30, 2025, staff of the District attempted to hand deliver the 1st Notice of Violation Letter to Christopher and Lauren Hajovsky.

On June 2, 2025, the District the 1st Notice of Violation was returned to the District. TGCD - Certified Mail Return to Sender - 7017 2620 0001 1726 4976 - Christopher and Lauren Hajovsky.pdf

On June 2, 2025, staff of the district mailed by certified mail the 1st Notice of Violation to the well owner, Christopher and Lauren Hajovsky, at 1512 FM 1157, Ganado, Texas 77962.

On June 20, 2025, staff of the district mailed by certified mail the Notice of Need to File Suit to the Christopher and Lauren Hajovsky at 1512 FM 1157, Ganado, Texas 77962.

On July 11, 2025, staff of the district attempted to hand deliver Notice of Need to File Suit to Christopher and Lauren Hajovsky.

As of July 14, 2025, the alleged violator associated with enforcement case violation ECV-20250425-01, Christopher and Lauren Hajovsky, has not achieved compliance by submitting groundwater production reports for the associated wells for CY2024.

The enforcement hearing meeting was convened and recorded at 8:06 p.m

There were no representatives present at the meeting for the alleged violator.

Board Action: Mr. Tupa moved to cease the recording at 8:12 p.m. after accepting public comments. Mr. Boone seconded the motion. The motion passed unanimously.

Board Action: Mr. Tupa moved to adopt the enforcement order for enforcement case violation ECV-20250425-01, and set the penalty for this violation to \$2,000.00 and \$250.00 every day thereafter. Mr. Boone seconded the motion. The motion passed unanimously.

Board Action: Mr. Tupa moved to consider the matter resolved if the violator submits a report acknowledging the violation in writing and pays a settlement fee of \$500.00 by August 31, 2025. Mr. Marr seconded the motion. The motion passed unanimously.

Topic 3.6 - Failures to Report Groundwater Production for CY2024 - ECV-20250425-07 - Mirage Industrial Group

Mr. Andruss provided the following information:

On April 25, 2025, the compliance specialist of the District initiated 8 enforcement case violations related to potential failures to report groundwater production for calendar year 2024.

As of July 14, 2025, the alleged violator associated with violation ECV-20250425-07 has not achieved compliance. The potential violations represents the first violation of Rule 4.2 by the alleged violator. See: [ECV-20250425-07 - Mirage Industrial Group LLC. - Failure to Report Groundwater Production CY2024 For Well\(s\) - Active.](#)

On April 30, 2025, staff of the district mailed by certified mail 1st Notice of Violation to the well owner, Mirage Industrial Group, at P.O. Box 100, Lolita, Texas 77971.

On April 30, 2025, staff of the district mailed by certified mail 1st Notice of Violation to the landowner of the associated appraisal district tax parcel, EPS Ventures LLC., at P.O. Box 100, Lolita, Texas 77971.

On April 30, 2025, staff of the District hand delivered the 1st Notice of Violation Letter to an employee of Mirage Industrial Group LLC at their offices at FM 1593, Lolita, Texas.

On June 2, 2025, staff of the district mailed by certified mail the 1st Notice of Violation to the well owner, Mirage Industrial Group LLC., at P.O. Box 100, Lolita, Texas 77971.

On June 2, 2025, staff of the District hand delivered 1st Notice of Violation Letter to employee of Mirage Industrial Group LLC at their offices at FM 1593, Lolita, Texas.

On June 20, 2025, staff of the district mailed by certified mail Notice of Need to File Suit to Mirage Industrial Group LLC.

On June 24, 2025, the District received certified mail returned address card from Mirage Industrial Group LLC.

On July 11, 2025, staff of the district hand deliver Notice of Need to file suit to employee of Mirage Industrial Group LLC at their offices at FM 1593, Lolita, Texas. As of July 14, 2025, the alleged violator associated with enforcement case violation ECV-20250425-07, Mirage Industrial Group LLC, had not achieved compliance by submitting groundwater production reports for the associated wells for CY2024. As of July 16, 2025, the alleged violator associated with the enforcement case violation has achieved compliance by submitting groundwater production reports for the associated wells for CY2024.

Staff estimates the additional costs associated with preparing for the associated enforcement hearing including developing and delivering the hearing notice, preparing for the hearing, and legal costs total \$500.00.

There were no representatives present at the meeting for the alleged violator.

Board Action: 1) The enforcement hearing meeting was convened and recorded at 8:32 p.m. 2) Mr. Tupa moved to cease the recording the enforcement hearing after accepting public comments or comments from the alleged violator at 8:38 p.m. Mr. Boone seconded the motion. The motion passed unanimously. 3) Mr. Tupa moved to adopt an enforcement order for the enforcement case violation ECV-20250425-07, and set the penalty for this violation at \$2,000.00. Mr. Marr seconded the motion. The motion passed with a vote of 5 Ayes, 0 Nays. 4) Mr. Gendke moved to designate the enforcement case violation ECV-20250425-07 resolved upon the associated alleged violator complying with the following settlement offer by August 31, 2025: 1) pay a \$100.00 settlement fee to the District, 2) acknowledge the violation in writing. Mr. Born seconded the motion. The motion passed unanimously.

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.

Topic 4.1 - Report

Mr. Andruss provided the following information:

Regarding Well Inspections for FY2025.

As of July 11, 2025, staff had recorded 18 well inspection forms (WIFs) since October 1, 2024.

Regarding Manage Investigations related to Groundwater Protection for FY2025.

As of July 11, 2025, staff had initiated 1 investigations related to groundwater protection since October 1, 2024.

As of July 11, 2025, staff had 1 active investigation related to groundwater protection.

1. INV-20250207.1435 - Potential Groundwater Contamination - Active

On July 9, 2025, staff received notice from TCEQ of the publication of the Texas Groundwater Protection Committee's Joint Groundwater Monitoring and Contamination Report, 2024. The report identifies three active cases/files located within Jackson County being processed by TCEQ and RRC.

Regarding Manage Enforcement Cases related to Groundwater Protection for FY2025.

As of July 11, 2025, the Board had initiated 0 enforcement case violations related to groundwater protection since October 1, 2024.

As of July 11, 2025, staff had 0 unresolved enforcement case violations related to groundwater protection.

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

Topic 5.1 - Report

Mr. Andruss provided the following information:

Regarding Monitor Drought Conditions for FY2025.

As of July 11, 2024, the U.S. Drought Monitor (<https://www.drought.gov/states/texas/county/jackson>) indicates that 0% of Jackson County was experiencing drought conditions.

As of July 11, 2024, drought condition information related to the district and the surrounding region of Texas collected from the Water Data for Texas website (<https://www.waterdatafortexas.org/drought>) indicates that 0% of Jackson County are experiencing moderate to severe drought conditions.

Regarding Synoptic Aquifer Monitoring for FY2025,

As of July 11, 2024, staff had collected 78 water level measurements since October 1, 2025.

Regarding Continuous Water Level Monitoring for FY2025.

As of July 11, 2024, staff had collected and processed 120 time-series aquifer monitoring datasets since October 1, 2025.

Regarding Baseline Water Quality Aquifer Monitoring for FY2025.

Regarding Ad-Hoc Baseline Water Quality Sampling for FY2025.

As of July 11, 2024, staff had collected 60 water quality field measurements since October 1, 2025.

As of July 11, 2024, staff had collected 0 water quality samples since October 1, 2025.

As of July 11, 2024, staff had received 0 water quality lab reports since October 1, 2025.

Regarding Annual Water Level Assessment for FY2025.

Regarding Annual Water Quality Assessment for FY2025.

Regarding Monitoring Network Assessment and Improvement Project for FY2025.

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

Topic 6.1 - Report

Mr. Andruss provided the following information:

Regarding Promote Conservation for FY2025.

On March 19, 2025, staff submitted an application to the Texas Water Development Board for the Fiscal Year 2025 Agriculture Water Conservation Grants Program on behalf of the Victoria County Groundwater Conservation District, the Calhoun County Groundwater Conservation District, the Refugio Groundwater Conservation District, and the Texana Groundwater Conservation District. The application seeks a total of \$179,200 as a grant from TWDB under this application. The cooperating districts will contribute \$60,912 to the project if the requested funding is granted by the Texas Water Development Board and accepted by the cooperating districts.

Regarding Conservation Education and Teacher Professional Development for FY2025.

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.

Topic 7.1 - Report

Mr. Andruss provided the following information:

Regarding Regional Water Planning Participation for FY2025.

The Lavaca Regional Planning Group (Region P) was scheduled to meet on May 15, 2025 at 12:30 PM at the LNRA Offices. See:

<https://www.lnra.org/water/lavaca-regional-water-planning-group/>.

Regarding GMA 15 Joint Planning for 4th Planning Cycle in FY2025.

The representatives of Groundwater Management Area 15 met on July 10, 2025, at the consolidated offices of Victoria County, Calhoun County, Refugio, and Texana GCD in Victoria, Texas. Mr. Andruss attended the meeting to participate in 4th Cycle of the Joint Planning as required under Chapter 36 of the Texas Water Code. The next meeting is scheduled for July 24, 2025, in Victoria, Texas. See: <https://www.vcgcd.org/groundwater-management-area-15>.

Topic 7.2 - Joint Planning and Desired Future Conditions

Mr. Andruss provided the following information:

Previous Consideration by the Board: Meeting Packet - 20250417.

As reported to the Board at the April 17, 2025 meeting, the District submitted two preliminary DFC statements for evaluation by the technical consultant for

GMA 15, Intera:

- Scenario 1 - Desired Future Condition for Jackson County expressed as a condition to not exceed an average drawdown of 10 feet in the Gulf Coast Aquifer at the end of year 2080 with the previous pumping distribution used to develop the DFC for Jackson County reduced by 33%.
- Scenario 2 - Desired Future Condition for Jackson County expressed as a condition to not exceed an average drawdown of 10 feet in the Chicot and Evangeline Aquifers, combined at the end of year 2080 with the previous pumping distribution used to develop the DFC for Jackson County reduced by 33% and as a condition to not exceed an average drawdown of 20 feet in the Burkeville and Jasper Aquifers, combined at the end of year 2080 with the previous pumping distribution used to develop the DFC for Jackson County increased to 40,000 acre-feet per year in the southern portion of Jackson County.

During the GMA 15 meeting on July 10, 2025, Intera reported that Scenario 2 (intended to investigate the predicted impacts of significant development (40,000 acre-feet per year) of deep brackish groundwater within Jackson County. Steve Young of Intera informed the representatives, that the request to simulate significant production using the CGC-GAM was not advisable and would yield unrealistic predictions due the limited structure and spatial extent of the deep formations within the model. Intera was asked to suspend all efforts to simulate deep brackish groundwater production.

A special meeting of GMA 15 has been posted for July 24, 2025. During the meeting, representatives will receive a report from Intera on their effort to assess the utility of the new groundwater availability model (GAM) for joint planning purposes and consider related action, if any, by the representatives including a request for TWDB to use the CGC-GAM for developing Modeled Available Groundwater (MAGs).

Item 8 - Consideration of and possible action on matters related to groundwater policy including the Management Plan of the District and the Rules of the District including a deadline for applying for historic use protection.

Topic 8.1 - Report

Mr. Andruss provided the following information:

Regarding Management Plan Revisions for FY2025.

Regarding Rule Amendments for FY2025.

Regarding Legislative Support and Lobbying for FY2024.

Topic 8.2 - Fees of Office

Mr. Andruss provided the following information:

Effective September 1, 2025, Section 8857.056, Special District Local Laws Code which prohibited directors of the Texana Groundwater Conservation District from receiving a salary or other compensation for service as a director is repealed by House Bill 4158 - 89R.

In anticipation that that the Board may revise its policy regarding compensation of directors, a draft revision of the By-Laws has been developed that Includes the following revisions:

Section 2.3(b) was revised to read as follows: "A Director is entitled to compensation for service on the Board of Directors as established by resolution of the Board, and may be reimbursed for actual expenses incurred in carrying out the duties of The District."

Section 3.1(b) was revised to read as follows: "A Director is entitled to compensation for service on the Board of Directors, and may be reimbursed for actual expenses incurred in carrying out the duties of The District."

Section 4.3(a) was revised to read as follows: Transportation costs for Directors on days when there are no scheduled District meetings will not be paid.

Board Action: Mr. Tupa moved to accept and approve the resolution concerning fees of office, and amend the By-Laws of the district accordingly. Mr. Marr seconded the motion. The motion passed unanimously. Mr. Boone moved to set the daily fees of the office amount at \$250.00. Mr. Tupa seconded the motion. The motion passed unanimously.

Item 9 - Consideration of and possible action on matters related to administration and management including the minutes of previous meetings, the annual budget of the district, 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, and support services provided to and from other groundwater conservation districts.

Topic 9.1 - Report

Mr. Andruss provided the following information:

Regarding Election Coordination for CY2025.

Regarding Financial Audit for FY2024.

Regarding Investment Management for FY2025.

Regarding Financial Record Processing and Reporting for FY2025.

Regarding Budget Development for FY2026.

Regarding Asset Tracking for FY2025.

Regarding Public Funds Training for FY2025.

Regarding Website Improvements for FY2025.

Regarding Public Notice and Meeting Coordination for FY2025.

The next meetings of the Board are scheduled for August 21, 2025, 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.

Regarding Performance Audit for FY2024.

Regarding Project Management for FY2025.

Regarding Administrative Policy Review for FY2025.

Regarding Transparency Reporting for FY2025.

Regarding Cybersecurity Training for FY2025.

Regarding Consultant Review for FY2025.

Regarding Open Government Training for FY2025.

Regarding District Liability Insurance Review and Renewal for FY2025.

Regarding Digital Record Archiving for FY2025.

Regarding Physical Record Archiving for FY2025.

Topic 9.2 - Minutes of Previous Meeting

Mr. Andruss explained that the minutes from the previous meeting were sent to the board members prior to the meeting.

Board Action: Mr. Born moved to accept and approve the meeting minutes for April 17, 2025 and June 5, 2025, as drafted. Mr. Gendke seconded the motion. The motion passed unanimously.

Topic 9.3 - Investments of the District

Mr. Andruss provided the following information:

The investment reports for March, April and May 2025, have been sent to the board prior to the meeting.

The balance of all funds of the district as of March 31, 2025 was \$1,100,362.47.

The balance of all funds of the district as of April 30, 2025 was \$1,062,794.60.

The balance of all funds of the district as of May 31, 2025 was \$1,065,642.97.

Board Action: Mr. Tupa moved to accept the investment report for March, April, and May 2025. Mr. Gendke seconded the motion. The motion passed unanimously.

Topic 9.4 - Financial Transaction Review

Mr. Andruss proved the following information:

Since April 1, 2025, as of July 17, 2025, there have been 6 accounts payable transactions and 10 accounts receivable transactions recorded.

Topic 9.5 - Financial Reports of the District

Mr. Andruss proved the following information:

Staff have revised the structure of the internal financial transaction tracking database to support the use of project and encumbrances for tracking transactions and budget performance.

Topic 9.6 - Unpaid Invoices and Bills

Mr. Andruss explained to the District the 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. Gendke moved to authorize the general manager to pay the following items.

1. ACCTP-20250626-01 - \$9,200.00 - Invoice 54258 - Goldman, Hunt and Notz, LLP - 20240930 Audit
2. ACCTP-20250509-01 - \$1,395.00 - Invoice-7559- ABM, LLC - July 2024
3. ACCTP-20250716-01 - \$1,516.02 - VCGCD - ILA-202507-02-T - Supplies and Mileage - March - May 2025

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

Topic 9.7 - TexPool

Mr Andruss explained the following information:

The District has historically invested funds in certificates of deposit at those institutions identified within the Investment Policy. The CDs have varied in terms of maturity periods ranging from 1 to 2 years. While considered liquid assets, the liquidation of a CD before maturity may result in loss of some or all interest earned on the investment. The District has not nor does it anticipate needing to liquidate current CDs. The use of CDs as investment vehicles complicates recordkeeping efforts as each CD represents an account that must be reconciled with the internal financial reports and accounted for in the investment reports of the district.

The use of investment pools, in particular TexPool (www.texpool.com), would reduce the recordkeeping efforts and improve liquidity of invested funds while receiving competitive interest rates. According to information provided by TexPool,

"TexPool is the oldest and largest local government investment pool in the State of Texas. TexPool seeks to preserve principal, liquidity, and yield of capital investment consistent with the Texas Public funds Investment Act. This local government investment pool is managed and serviced by Federated Hermes, Inc., one of the nation's leading investment managers. Thirty seven states rely on Federated Hermes for some form of liquidity management."

An important consideration of a decision to authorize the investment of funds into TexPool is not insured or guaranteed by any government or government agency such as FDIC.

On January 16, 2025, the Board re-adopted the Investment Policy of the District. The policy authorizes the investment of funds in pools as authorized under Chapter 2256, Texas Government Code but does not specifically authorize the investment of funds in Texas Local Government Investment Pools ("TexPool/TexPool Prime"). A draft revision of the investment policy of the district was developed that identifies Texas

Local Government Investment Pools ("TexPool/TexPool Prime") as a qualified broker/dealer with whom the District may engage in investment transactions (page 4).

Board Action: Mr. Tupa moved to adopt the revised investment policy, authorize the investment of reserve funds in the TexPool Investment Pool, and adopt the resolution authorizing participation in the Texas Local Government Investment Pools ("TexPool/TexPool Prime"). Mr. Born seconded the motion. The motion passed unanimously.

Topic 9.8 - RFQ for Auditing Services

Mr. Andruss provided the following information:

The District has obtained excellent financial auditing services from Donald Goldman of Goldman, Hunt, and Notz for over 10 years. Investigating all options for obtaining financial auditing services occasionally is considered appropriate to management. Staff have developed a Request For Qualifications for Auditing Services to solicit statements of accounting firms interested in providing auditing service to the District. If approved by the board, respondents would be required to deliver statements responsive to staff no later than 4:00 p.m., September 1, 2025.

Board Action: Mr. Born moved to authorize the General Manager to publish the RFQ for Auditing Services and a recommendation regarding qualified respondents to the Board of Directors at the regularly scheduled meeting for October 16, 2025. Mr. Gendke seconded the motion. The motion passed unanimously.

Topic 9.9 - Interlocal Agreement for Tax Assessment and Collection

Mr. Andruss proved the following information:

On June 16, 2025, staff received a copy of the interlocal cooperation agreement from the Jackson County Tax Assessor-Collector regarding tax collection services for Tax Year 2025. Mr. Allison reviewed the agreement and stated "it fulfills all requirements under the Tax Code and Chapter 791, Government Code."

Property Tax Code 6.29(b) reads "(b) A taxing unit whose taxes are collected by the collector for another taxing unit, by an officer or employee of another taxing unit or of an appraisal district, or by any other person other than the unit's own collector may require that collector, officer, employee, or other person to give bond conditioned on the faithful performance of his duties. To be effective, the bond must be made payable to and must be approved by and paid for by the governing body of the unit requiring bond in an amount determined by the governing body. The governing body may prescribe additional requirements for the bond."

Board Action: Mr. Boone moved to 1) authorize the president of the district to execute the agreement with the Jackson County Tax Assessor-Collector for Tax Year 2025 and 2) establish \$30,000 as the amount of the bond for tax collection services and authorize the

general manager to obtain the bond. Mr. Born seconded the motion. The motion passed unanimously.

Topic 9.10 - Budget Planning

Mr. Andruss provided the following information:

The District has transitioned to a project and encumbrance based approach to developing budgets, tracking financial transactions, and reporting on financial records and budget performance. Regarding budget development, this approach facilitates a simplified approach to developing the recommended and approved budgets, amending budgets, and dealing with carrying financial obligations forward to subsequent fiscal years when appropriate.

To facilitate the efforts of the Board to adopt a budget for FY2026 at the meeting scheduled for August 18, 2025, staff have prepared a preliminary budget schedule for consideration. The schedule was developed using the following assumptions:

1. the tax rate would be established to result in a tax levy equal to \$275,800 (Tax Year 2024 Tax Levy);
2. interest revenue was set to \$25,000 and \$500 for the Reserve Fund and Operating Fund, respectively;
3. the expense budget for VCGCD services was set to \$125,600 in accordance with the ILA and spread across each functional program;
4. the expense budget for fees of office were set to \$10,000 in anticipation of the Board establishing daily fees for director services;
5. the expense budgets for regularly recurring expenses such as the expenses associated with financial audits, property appraisals, tax assessing and collecting, information services subscriptions, and insurance fees were estimated based on past expenditures and other relevant documentation;
6. general expense reservations were established for each program (Administration, Groundwater Conservation, Groundwater Management, Groundwater Monitoring, Groundwater Policy, Groundwater Protection, Groundwater Research, Groundwater Resource Planning); and
7. general reservation budgets would be effectively amended when the Board took action to authorize expenditures for existing or new projects and encumber funds of the District.

The preliminary budget schedule is considered a surplus budget as the revenue budgets exceed the expense budgets by \$6,200.

Board Action: Mr. Boone moved to authorize the general manager to publish the required tax rate notices for the district based on the maximum percentage of 3.5% for Voter-Approval Tax Rate (VATR) as calculated by the Tax Assessor-Collector for the 2025. Mr. Tupa seconded the motion. The motion passed unanimously.

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

Mr. Allison provided his report and updates on the legislative session.

Item 11.0 - Adjourn

Board Action: Mr. Tupa moved to adjourn the meeting at 9:06 p.m. after concluding all business of the District. Mr. Born 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