

THE STATE OF TEXAS * GROUNDWATER CONSERVATION DISTRICT
COUNTY OF KENEDY * OF KENEDY COUNTY, TEXAS

On the 1st day of April, 2015, at 9:30 o'clock a.m., a regular meeting of the Kenedy County Groundwater Conservation District was held in Sarita, Texas, at the Kenedy County Courthouse Courtroom.

Directors present:

Chuck Burns, President
Homero Vera, Vice-President
Dave Delaney, Secretary
Craig Weiland, Member

Also present:

Leo Villarreal, Administrative Assistant
Andy Garza, General Manager
Luis Pena, Duval County GCD
Elsa Flores, Duval County GCD
Felix Saenz, Brush Country GCD

Absent:

Danny Butler, Member

1. Call Meeting to Order

Chuck Burns, President, called the meeting to order at 9:40 a.m.

2. Public Comments

No public comments were offered.

3. Discuss & Act on Minutes of February 20, 2015, Regular Meeting

Chuck Burns presented to the Board the minutes of the February 20, 2015, regular meeting of the Kenedy County Groundwater Conservation District.

Craig Weiland moved and Dave Delaney seconded the motion; the motion was passed unanimously that the February 20, 2015, regular meeting minutes be approved as presented.

4. Receive General Manager's Activity Report and Act, If Necessary, Regarding:

- a. **Communications**
- b. **Well registrations**
- c. **Brush Country GCD meeting**
- d. **Duval County GCD meeting**
- e. **Region N meeting: 3/12/2015**
- f. **TAMUK Advisory Committee**
- g. **Water chemistry sampling**
- h. **Drought report**
- i. **News articles**

Andy Garza, General Manager, reported on the following:

- a. **Communications:** Andy Garza reported that he had communicated with Harold Epperson, water sample; Joe Stiles, water sample; Andy Turcotte, water sample and U.S. Fish and Wildlife Service; district boundaries and registration of well.
- b. **Well registrations:** Garza reported that King Ranch and Headington Oil Co. had registered wells since the last meeting.
- c. **Brush Country GCD meeting:** Garza reported that he had attended 2 Brush Country GCD meetings since the last District meeting. The Brush Country GCD continues to register wells and issue permits. The Brush Country GCD has applied for a grant to provide cost-sharing for flow meters for agricultural irrigation.
- d. **Duval County GCD meeting:** Garza reported that he had attended the Duval County GCD meeting in February, 2015. The Duval County GCD was considering approval of a permit to transport water out of the district. Water would be used for oil and gas production in an adjoining county.
- e. **Region N meeting: 3/12/2015:** Garza reported that Tom Ballou, Region N member, had been replaced by Joe Almaraz who works for Valero. The Initially Prepared Plan for 2016 will be approved at the April 9, 2015 meeting. Bech Bruun, TWDB commissioner, reported that a total of \$5.5 billion had been requested through the SWIFT program, but, that only \$800 million would be allocated for each of the next 9 years.
- f. **TAMUK Advisory Committee:** Garza informed the directors that he had been asked by Dr. Lee Clapp and had accepted to serve on an advisory committee. Garza critiqued 2 presentations made by TAMUK graduate student teams on removal of uranium and arsenic from drinking water.
- g. **Water chemistry sampling:** Garza reported that he had sampled 2 additional wells in the Kenedy County GCD and had resampled 1 well for uranium. TestAmerica Lab will be doing the tests.
- h. **Drought report:** A quarterly drought report was given to the directors.
- i. **News articles:** Several news articles pertinent to water were given to the directors.

This being a report only, no vote was needed and none was taken.

5. **Receive Water Use Report for 2014**

Andy Garza presented the Board of Directors with the 2014 Water Use Report. The reports covered both permits and temporary rig supply. Overall, production was down for 2014. It appears that another company will taking over operation of the King Ranch Gas Plant which has several permits with the District. Dave Delaney suggested that Andy Garza make contact with Al Sandoval, ExxonMobil representative, to ensure that the permits are properly transferred to the new owner.

This being a report only, no vote was needed and none was taken.

6. **Receive Report on 84th Legislative Session and Act, If Necessary**

Andy Garza presented the Board of Directors with a 84th Legislative Session update. Garza reviewed various bills that are considered high priority for the District. Of particular interest are committee substitute for HB 30, HB 200 and SB 1101.

This being a report only, no vote was needed and none was taken.

7. **Discuss and Act, If Necessary, to Allocate Additional Funding for Legislative Services from Mary Sahs**

Andy Garza informed the board that additional funding would be needed to continue receiving legislative related services from Mary Sahs. Garza recommended that any services from Mary Sahs should be narrowed to specific bills with specific directions from the board.

Dave Delaney moved and Craig Weiland seconded the motion; the motion was passed unanimously to allocate \$2000.00 and instruct Mary Sahs to provide written feedback on HB 30, HB 200 and SB 1101.

8. **Receive Report on Landowners' Taxes in Adjacent Counties**

Leo Villarreal reported that the discrepancies in tax rolls had been rectified in all the adjoining counties with the exception of Hidalgo County. Villarreal stated that Hidalgo County had all the information necessary to correct the discrepancy.

The being a report only, no vote was needed and none was taken.

9. **Discuss & Act on 1st Quarter Investment Report**

Leo Villarreal submitted the 1st quarter, 2015, investment report. The District's beginning market value on January 1, 2015, was \$570,613.54 and the ending market value on March 31, 2015 was \$598,045.01. Certificate of Deposit #60104 will mature on May 12, 2015.

Homero Vera moved and Craig Weiland seconded the motion; the motion was passed unanimously that the 2015 First Quarter Investment Report be accepted as presented.

10. **Discuss & Act on John Womack & Co., P.C. for Engagement Letters for the 2014 Audit**

Leo Villarreal presented the Board of Directors with the proposed Engagement Letters for the 2014 audit from John Womack & Co., P.C. and Patrick Moore, CPA.

Dave Delaney moved and Homero Vera seconded the motion; the motion was passed unanimously that Chuck Burns be authorized to execute the engagement letters for the 2014 audit.

11. **Discuss & Act on Date for Next Regular Meeting Date**

Chuck Burns informed the Board of Directors that a date needed to be selected for the next regular meeting.

Homero Vera moved and Dave Delaney seconded the motion; the motion passed unanimously to hold the District's next meeting at 8:00 AM on April 22, 2015.

12. **Discuss & Act on Payment of Bills**

Chuck Burns presented the bills for consideration and payment.

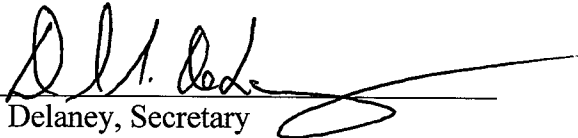
Craig Weiland moved and Homero Vera seconded the motion; the motion was passed unanimously to pay the bills as presented.

13. **Desal Plant Tour**

The directors toured the brackish groundwater desalination plant operated by the Southmost Regional Water Authority in Brownsville, TX. A microfiltration unit has been added to the plant since the last time the Directors toured the Southmost Regional Water Authority's brackish groundwater desalination plant.

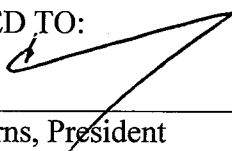
13. Adjournment

There being no other business to come before the Board of Directors, Homero Vera moved Dave Delaney seconded the motion; the motion passed unanimously that the meeting be adjourned at 3:00 p.m.



David Delaney, Secretary

ATTESTED TO:



Chuck Burns, President