

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

On the 20th day of April, 2016, at 10:00 o'clock a.m., a regular meeting of the Kenedy County Groundwater Conservation District was held at the Kenedy County Courthouse Courtroom in Sarita, Texas.

Directors present:

Chuck Burns, President
Dave Delaney, Secretary
Craig Weiland, Member
Danny Butler, Member

Also present:

Andy Garza, General Manager
Leo Villarreal, Administrative Assistant
Luis Pena, Duval County GCD
Justin Cantu, Hacienda Campo Alegre
John Bruciak, Brownsville PUB
Judy Adams, Brownsville PUB
Fidel Fernandez, Edward Jones Co.
Monica Jacobs, KellyHart
Louis E. Turcotte, III, Kenedy County Judge

Absent:

Homero Vera

1. Call Meeting to Order

Chuck Burns, President, called the meeting to order at 10:00 a.m.

2. Public Comments

There were no public comments offered.

3. Discuss & Act on Minutes of March 16, 2016 Regular Meeting

Chuck Burns presented the Board with the March 16, 2016 regular meeting minutes of the Kenedy County Groundwater Conservation District.

Craig Weiland moved and Dave Delaney seconded the motion; the motion passed unanimously that the March 16, 2016 regular meeting minutes be approved as presented

- 5. Receive General Manager's Activity Report & Act, If Necessary, Regarding:**
- a. Communications**
 - b. Well registrations**
 - c. Brush Country GCD meeting**
 - d. Region N meeting on April 14, 2016**
 - e. Groundwater Availability Model Run 16-009 from TWDB**
 - f. Reports from Kleberg and Kenedy County Appraisal Districts**
 - g. Stakeholder meeting on HB 30 in Pleasanton, TX**
 - h. Public hearing; Texas House Natural Resources Committee, April 26, 2016**
 - i. Copies of revised district rules**
 - j. News articles**
 - k. Other**

Andy Garza, General Manager, reported on the following:

- a. Communications:** Garza reported that he had communicated with the following individuals and/or entities: Justin Cantu with the Hacienda Campo Alegre Ranch regarding the location of a water well that will be monitored for water levels; Sandy Miller regarding a request for water chemistry information; Cody Fry, Armstrong Ranch, regarding water levels for one particular well on the ranch; Tammy Mendez, Kenedy County resident, regarding baseline water chemistry data for a well on her property; and TAMUK regarding a request for Andy Garza to serve as a judge for the annual Engineering Student Design Conference to held on April 29, 2016.
- b. Well registrations:** Garza informed the directors that Energy Transfer Co. will be drilling a permitted replacement well at the King Ranch Gas Plant. Garza and Leo Villarreal informed the directors that the CIAP(Coastal Impact Assistance Program) may cost-share up to 4 new water wells in Kenedy County if the funds are available.
- c. Brush Country GCD meeting:** Garza informed the directors that he had attended a meeting of the Brush Country GCD on March 22, 2016. Garza reported that the Brush Country GCD is in the process of approving a transport permit for Kinder Morgan Co. whereby water from a well located in the Brush Country GCD will be used to test a gas pipeline located in the Kenedy County GCD.
- d. Region N meeting:** Garza reported that he and Chuck Burns had attended a Region N meeting on April 14, 2016 in Robstown, TX. A copy of the meeting agenda was given to the directors and Andy Garza and Chuck Burns reviewed the most relevant items on the agenda.
- e. Groundwater availability model run 16-009 from TWDB:** Garza informed the directors that the District had received a copy of Groundwater Availability Model(GAM) Run 16-009. Garza stated that information contained in the GAM will be used when the District reviews and revises its management plan in 2017. The current District management plan expires on September 4, 2017.
- f. Reports from Kleberg and Kenedy County Appraisal Districts:** Garza provided the directors with preliminary information on the 2016 oil and gas appraised values outlook

for Kleberg and Kenedy counties. There will be substantial reductions in appraised values for both counties in 2016.

g. Stakeholder meeting on HB 30 in Pleasanton, TX: Garza reported that he had attended a stakeholder meeting on HB 30 on April 15, 2016 in Pleasanton, TX. This particular meeting pertained to the Carrizo-Wilcox aquifer, however, Garza stated that he had attended to get a feel for the actual process of identifying brackish groundwater production zones as mandated by HB 30. Garza stated that much attention is being paid to the existence of geologic barriers between fresh and brackish groundwater as the production zones are identified.

h. Public hearing; Texas House Committee on Natural Resources; April 26, 2016: Garza informed the directors that he would be attending a public hearing conducted by the Texas House Natural Resources Committee. The hearing, which will cover water quality and desalination, will be held on April 26, 2016 in Brownsville, TX.

i. Copies of revised district rules: Garza provided the directors with copies of the revised district rules.

j. News articles: Garza provided the directors with news articles pertinent to groundwater and related issues.

k. Other: There was nothing to report.

5. Discuss & Act, If Necessary, on GMA-16 Activities

Andy Garza informed the directors that a GMA-16 meeting had been held in Falfurrias, TX on March 22, 2016. Garza reported that final adoption of the proposed DFC was postponed until some issues related to well files for Kenedy and Bee counties are cleared with the TWDB.

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

6. Receive Report from Brownsville PUB

John Bruciak and Judy Adams with the Brownsville Public Utilities Board gave a presentation covering all aspects of the operation of the Brownsville PUB. The future water portfolio for the PUB shows surface water at 45 % and both brackish and seawater desalination at about 55%.

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

7. Discuss & Act, If Necessary, on Investment Options

Fidel Fernandez, representative with Edward Jones, made a brief presentation on what his company can offer in terms of investment options. Mr. Fernandez stated he would be in a position to offer some specific options once he is given some guidance on what the District can and cannot invest in. Leo Villarreal informed the directors that he will be attending an investment officer training offered by TAGD in May, 2016, after which he can offer Mr. Fernandez some guidance.

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

8. Discuss & Act on 2016 1st Quarter Investment Report

Leo Villarreal gave the directors an investment report for the 1st quarter of 2016. Villarreal reported the checking account balance was \$295,607.64 on January 1, 2016 and \$312,821.65 on March 31, 2016. The total for the district's two certificates of deposit was \$314,714.48 on March 31, 2016.

Craig Weiland moved and Dave Delaney seconded the motion; the motion passed unanimously to accept the 2016 1st quarter investment report as presented.

9. Discuss & Act on 2015 Audit Engagement Letter

Leo Villarreal informed the directors that the required engagement letter for the 2015 audit needed approval. The John Womack & Co. will prepare the 2015 audit.

Craig Weiland moved and Danny Butler seconded the motion; the motion passed unanimously to approve the engagement letter with the John Womack & Co. as presented.

10. Discuss & Act on Date for Next Board Meeting

Chuck Burns informed the directors that a date for the May, 2016 meeting needed to be set. Andy Garza informed the directors that he would be attending a TAGD quarterly meeting on May 18-19, 2016 in Austin, TX. Garza recommended either May 17 or May 20, 2016.

Dave Delaney moved and Danny Butler seconded the motion; the motion passed unanimously to hold the next meeting at 9:00 AM on May 17, 2016.

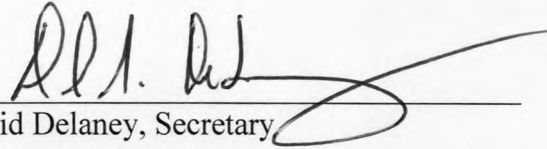
11. Discuss & Act on Payment of Bills

Chuck Burns presented the bills to the directors for consideration and payment.

Craig Weiland moved and Dave Delaney seconded the motion; the motion passed unanimously that the bills be paid as presented.


12. Adjournment

There being no other business to come before the Board of Directors, Danny Butler moved and Craig Weiland seconded the motion; the motion passed unanimously that the meeting be adjourned at 11:10 AM.



David Delaney, Secretary

ATTESTED TO:



Chuck Burns, President