

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

On the 21st day of April, 2021, at 9:00 AM, a regular meeting of the Kenedy County Groundwater Conservation District was held in the Kenedy County Courthouse Courtroom. Both a phone number, 866-899-4679, and an access code, 596085133, were provided for those who desired to participate in the meeting via telephone.

Directors present:

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

Also present:

Andy Garza, General Manager
Leo Villarreal, Administrative Assistant
Monica Jacobs, La Paloma Ranch (via telephone)
Verl Cash, King Ranch, Inc.(via telephone)
Mary Sahs, Legal counsel
Louie Pena, Brush Country GCD (via telephone)
George Gonzalez, Duval County GCD (via telephone)
Phil Esquivel, New York Life agent
Marco Esquivel, New York Life agent
Jacob Mokry, New York Life agent
Edward Bordovsky

1. Call Meeting to Order

Chuck Burns, President, called the meeting to order at 9:00 AM with a quorum being present.

2. Public Comments

No comments were received from the public.

3. Discuss & Act on Minutes of March 17, 2021 Regular Meeting

President Chuck Burns presented to the Directors the minutes of the March 17, 2021 regular meeting.

Homero Vera moved and Dave Delaney seconded the motion; the motion passed unanimously that the March 17, 2021 regular meeting minutes be accepted as presented.

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

- a. Communications**
- b. Well registrations**
- c. Brush Country GCD meeting**
- d. Duval County GCD meeting**
- e. TAGD legislative committee meeting/Legislative process**
- f. GMA-16 meeting**
- g. Draft 2022 State Water Plan comment period**
- h. City of Alice well**
- i. IRS depletion program for Ogallala aquifer**
- j. Major Rivers educational program**
- k. Report to Commissioners Court**
 - l. News articles**
- m. Other**

Andy Garza, General Manager, reported on the following:

a. Communications: Garza reported that since the District's March, 2021 meeting, he had communicated with Heather Dodson, TWDB program specialist, regarding water well level measurements on wells normally monitored by TWDB; Ricardo Perez, Kleberg County landowner, regarding the requirement of pressure-cementing a water well on his property and Amber Blount, general manager of the Sandy Land UWCD, regarding the cost depletion allowed by the IRS to cropland irrigators who pump from the Ogallala aquifer.

b. Well registrations: Garza reported that the District had received a driller's report from the King Ranch.

c. Brush Country GCD meeting: Garza informed the Directors that he attended a meeting of the Brush Country GCD on March 23, 2021 and reviewed the highlights of the meeting. Garza stated the Brush Country GCD is contemplating the requirement to pressure-cement all water wells drilled in the future.

d. Duval County GCD meeting: Garza reported that the Duval County GCD had met on March 30, 2021 and reviewed the highlights of the meeting.

e. TAGD legislative committee meeting/Legislative process: Garza provided the Directors with a brief update on TAGD actionable groundwater bills being considered by the legislature. Garza also provided the Directors with a handout explaining the legislative process that legislation must go through.

f. GMA-16 meeting: Garza reported that GMA-16 had met on March 24, 2021 and adopted proposed DFCs. Garza reviewed the DFCs with the Directors. Dave Delaney requested some follow-up information on the DFCs and Garza stated that he would reach out to Dr. Uddameri.

g. Draft 2022 State Water Plan comment period: Garza informed the Directors that the public comment for the Draft 2022 State Water Plan is now open and that the TWDB will receive public comments until May 26, 2021.

h. City of Alice well: Garza reviewed the driller's report on a water well that the City of Alice has drilled for desalination purposes.

i. IRS depletion program for Ogallala aquifer: Garza shared with the Directors information on the cost depletion allowed by the IRS to farmers who draw water from the Ogallala aquifer.

j. Major Rivers educational program: Garza informed the Directors that he would be using the Major Rivers educational program during the 2021-2022 school year.

k. Report to Commissioners' Court: Andy Garza reported that he had made a presentation to Kenedy County commissioners' court on April 12, 2021.

l. News articles: Various news articles pertinent to groundwater issues were provided to the Directors.

m. Other: There was nothing to report under this item.

5. Discuss & Act to Approve District Rule Amendments Regarding Brackish Groundwater Production Permits as Per HB 722

Mary Sahs reviewed in detail all of the proposed rule amendments provided by La Paloma Ranch through Monica Jacobs and each one was considered by the Directors.

Dave Delaney moved and Craig Weiland seconded the motion; the motion passed unanimously to approve proposed rule amendments regarding brackish groundwater production permits as per HB 722.

6. Discuss & Act on Formal Proposal and Scheduling a Public Hearing to Consider Rule Amendments Regarding Brackish Groundwater Production Permits as Per HB 722

Mary Sahs explained the steps needed to be taken before the proposed rule amendments can receive final adoption from the Board of Directors.

Craig Weiland moved and Dave Delaney seconded the motion; the motion passed unanimously to schedule a public hearing at 10:30 AM on June 16, 2021 to consider rule amendments regarding brackish groundwater production permits as per HB 722.

7. Discuss & Act to Accept Mary Sahs' Legislative Activities Report

Mary Sahs provided the Directors with the latest information coming out of the current legislative session and reviewed some of the more pertinent groundwater bills.

Being that it was only a report, no vote was needed and none was taken.

8. Discuss & Act on Investment Proposals from New York Life

Phil Esquivel, Marco Esquivel and Jacob Mokry with New York Life informed the Board of Directors of the regulation of the annuity bonds and corporate bonds would 1) protect the principal; 2) the principal would be liquid and readily available when needed; 3) the investments' higher rate of 1.5% regarding the annuity bonds and 4.9% on the corporate bonds; and that the combination of these two bonds would yield 3.5% interest. The Texas Class funds need to be withdrawn and 60% be invested in Annuity Bonds and the balance of 40% in the Corporate Bonds.

Dave Delaney moved and Craig Weiland seconded the motion; the motion passed unanimously that the funds currently in the Texas Class fund be withdrawn and the funds be invested as follows: 60% be invested in Annuity Bonds and the balance of 40% in the Corporate Bonds with New York Life.

9. Discuss & Act on 2021 First Quarter Investment Report

Leo Villarreal presented the 2021 First quarter investment report and reported that, as of March 31, 2021, the checking had a balance of \$311,007.07 and the Texas Class account had a balance of \$532,443.10.

Dave Delaney moved and Danny Butler seconded the motion; the motion passed unanimously to accept the 2021 First quarter investment report as presented.

10. Discuss & Act on Date for Next Regular Board Meeting

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

Craig Weiland moved and Homero Vera seconded the motion; the motion passed unanimously to hold the next regular board meeting at 9:00 AM on May 19, 2021 in Sarita, TX.

11. Discuss & Act on Payment of Bills for April, 2021

Chuck Burns presented the bills from March, 2021 to the Directors for consideration and payment.

Craig Weiland moved and Dave Delaney seconded the motion; the motion passed unanimously to officially approve the April, 2021 bills as presented.

12. Discuss & Act to Accept Craig Weiland's Resignation as Director of Precinct 2

Craig Weiland, representing Precinct 2 of the Kenedy County GCD, submitted his resignation, effective immediately, to the Board of Directors. Weiland explained that his retirement from La Paloma Ranch had prompted his resignation.

Homero Vera moved and Dave Delaney seconded the motion; the motion passed unanimously to accept Craig Weiland's resignation from the Board of Directors of the Kenedy County GCD effective immediately.

13. Discuss & Act to Appoint New Director for Precinct 2

Craig Weiland introduced Edward Bordovsky to the Board of Directors to consider appointing Edward Bordovsky to represent Precinct 2 in the Kenedy County GCD. Mr. Bordovsky informed the Directors that he lives in Precinct 2 and has been employed by La Paloma Ranch for the last 28 years.

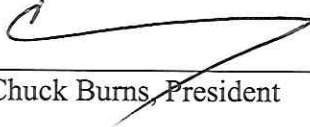
Homero Vera moved and Dave Delaney seconded the motion; the motion passed unanimously to appoint Edward Bordovsky to represent Precinct 2 on the Board of Directors of the Kenedy County GCD.

14. Adjournment

There being no other business to come before the Board of Directors, Craig Weiland moved and Danny Butler seconded the motion; the motion passed unanimously that the meeting be adjourned at 11:30 AM.

David Delaney, Secretary

ATTESTED TO:



Chuck Burns, President