

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

On the 19th day of May, 2021, at 10:30 AM, a regular meeting of the Kenedy County Groundwater Conservation District was held in the Kenedy County Courthouse Courtroom. Both a phone number, 877-309-2073, and an access code, 924040653, were provided for those who desired to participate in the meeting via telephone.

Directors present:

Chuck Burns, President
Homero Vera, Vice-President
Edward Bordovsky, Member

Also present:

Andy Garza, General Manager
Leo Villarreal, Administrative Assistant
Monica Jacobs, La Paloma Ranch (via telephone)
Verl Cash, King Ranch, Inc.
Louie Pena, Brush Country GCD (via telephone)
George Gonzalez, Duval County GCD (via telephone)
Sonny Burns, Kenedy County rancher

Absent:

Dave Delaney, Secretary
Danny Butler, Member

1. Call Meeting to Order

Chuck Burns, President, called the meeting to order at 10:55 AM with a quorum being present.

2. Public Comments

No comments were received from the public.

3. Discuss & Act on Minutes of April 21, 2021 Regular Meeting

President Chuck Burns presented to the Directors the minutes of the April 21, 2021 regular meeting.

Homero Vera moved and Edward Bordovsky seconded the motion; the motion passed unanimously that the April 21, 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
- f. Region N newsletter
- g. 2019 irrigation survey as per TWDB
- h. Auditor's letter
- i. 2021 preliminary taxable values
- j. Drought report
- k. American Ground Water Trust
- l. News articles
- m. Other

Andy Garza, General Manager, reported on the following:

a. Communications: Garza reported that since the District's April, 2021 meeting, he had communicated with Katie Sherer, Headington Energy analyst, regarding the acquisition of a copy of GCD rules; Leah Martinsson, TAGD executive director, regarding the coordination of a meeting of the TAGD Bylaws Committee; Guero Dieterle, Kenedy Memorial Foundation assistant manager, regarding water wells that will be drilled or plugged in the near future and Reyna Guerra, Starr County GCD director, regarding attending the TAGD quarterly meeting in Austin, TX on June 8-9, 2021.

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

c. Brush Country GCD meeting: Garza informed the Directors that the Brush Country GCD had met on April 27, 2021 and reviewed the highlights of the meeting.

d. Duval County GCD meeting: Garza reported that the Duval County GCD had met on April 28, 2021 and reviewed the highlights of the meeting. Garza stated that he had made a brief presentation on the DFC to their directors.

e. TAGD legislative committee meeting: Garza provided the Directors with a brief update on TAGD actionable groundwater bills being considered by the legislature. Garza stated that very few water bills will make it to the Governor's desk.

f. Region N newsletter: Garza provided the Directors with a copy of the latest newsletter from the TWDB.

g. 2019 irrigation survey as per TWDB: Garza provided the Directors with a copy of the 2019 irrigation survey requested by the TWDB. Garza stated that the irrigation figures for both Kleberg and Brooks counties are based on water use reports that the GCD receives annually.

Edward Bordovsky moved and Homero Vera seconded the motion; the motion passed unanimously to accept the 2019 irrigation survey as presented by Garza.

h. Auditor's letter: Garza reminded the Directors to return the auditor's questionnaire as soon as possible

i. 2021 preliminary taxable values: Garza reviewed the 2021 preliminary taxable values provided by the various appraisal districts. Garza stated that the 2021 taxable values, when certified in July, 2021, will be lower than in 2020.

j. Drought report: Garza provided the Directors with a drought map from the Drought Monitor.

k. American Ground Water Trust: Andy Garza reported that he will be attending a seminar hosted by the American Ground Water Trust on July 1, 2021 in Austin, TX.

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

m. Other: Garza reminded the Directors that the cybersecurity training must be completed by June 14, 2021.

5. Review DFC Process and Numbers

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 the proposed rule amendments regarding brackish groundwater production permits required by HB 722.

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

Mary Sahs provided the Directors with a handout covering the latest information from the current legislative session. Sahs indicated that the current legislative session will end on May 31, 2021.

Homero Vera moved and Edward Bordovsky seconded the motion; the motion passed unanimously to accept the legislative activities report as provided by Mary Sahs.

7. Receive Report on Census Count for Consideration of 2020 Precincts

Leo Villarreal reported that Dave Delaney will assist the Kenedy County GCD in acquiring a census count for Precinct 5 and the part of Precinct 1 that covers the Laureles Division of the King Ranch in Kleberg County.

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

8. Discuss & Act to Approve Resolution Authorizing Homero Vera and Leo Villarreal to be Contact Persons With New York Life Investments and to have e-Signature Access with New York Life

Chuck Burns read the resolution, prepared by Leo Villarreal, that is needed to authorize Homero Vera and Leo Villarreal to be contact persons with New York Life Investments and to have e-Signature access with New York Life as follows:

**KENEDY COUNTY GROUNDWATER CONSERVATION DISTRICT'S
RESOLUTION AUTHORIZING HOMERO VERA, DIRECTOR, AND LEO
VILLARREAL, ADMINISTRATIVE ASSISTANT OF THE KENEDY COUNTY
GROUNDWATER CONSERVATION DISTRICT TO SERVE AS POINTS OF
CONTACT REGARDING INVESTMENTS WITH NEW YORK LIFE**

WHEREAS, on April 21, 2021, Phil Esquivel with New York Life represented that the investments with New York Life in annuity bonds and corporate bonds would 1) protect the investment's principal; 2) that the principal would be liquid and readily available when needed; and 3) that the combination of the higher rate of 1.5% regarding the annuity bonds and 4.9% on the corporate bonds would yield 3.5% interest; therefore, the District's investments would be invested as follows: 60% in Annuity Bonds and 40% in the Corporate Bonds; and

WHEREAS, the Kenedy County Groundwater Conservation District is the Owner and Beneficiary of the aforementioned funds being invested with New York Life; and

WHEREAS, the Kenedy County Groundwater Conservation District Board of Directors directed that Homero Vera, Board Member, and Leo Villarreal, Administrative Assistant, be appointed as Points of Contact for the New York Life investments and that Homero Vera and Leo Villarreal be authorized to sign all documents necessary to effectuate the District's investments with New York Life.

NOW, THEREFORE, IT IS HEREBY RESOLVED that Kenedy County Groundwater Conservation District invest all of the funds withdrawn from Texas Class with New York Life as follows: 60% in Annuity Bonds and 40% in the Corporate Bonds; and

BE IT FURTHER RESOLVED, that Homero Vera, Board Member, and Leo Villarreal, Administrative Assistant, are appointed as Points of Contact for the New York Life investments and that Homero Vera and Leo Villarreal are authorized to sign all documents necessary to effectuate the District's investments with New York Life

BE IT FURTHER RESOLVED, that this Resolution shall become effective and operative upon all of the Board of Directors affixing their signature hereto; and

BE IT FURTHER RESOLVED, that this Resolution be spread upon the Kenedy County Groundwater Conservation District Minutes.

IN WITNESS HEREOF, we, Chuck Burns, David Delaney, Homero Vera, Daniel Butler and Edward Bordovsky, Members of the Board of Directors of the Kenedy County Groundwater Conservation District, on the 19th day of May, 2021, in Sarita, Texas, sign and effectuate this Resolution.

Edward Bordovsky moved and Homero Vera seconded the motion; the motion passed unanimously to adopt the following Resolution as follows:

**KENEDY COUNTY GROUNDWATER CONSERVATION DISTRICT'S
RESOLUTION AUTHORIZING HOMERO VERA, DIRECTOR, AND LEO
VILLARREAL, ADMINISTRATIVE ASSISTANT OF THE KENEDY COUNTY
GROUNDWATER CONSERVATION DISTRICT TO SERVE AS POINTS OF
CONTACT REGARDING INVESTMENTS WITH NEW YORK LIFE**

WHEREAS, on April 21, 2021, Phil Esquivel with New York Life represented that the investments with New York Life in annuity bonds and corporate bonds would 1) protect the investment's principal; 2) that the principal would be liquid and readily available when needed; and 3) that the combination of the higher rate of 1.5% regarding the annuity bonds and 4.9% on the corporate bonds would yield 3.5% interest; therefore, the District's investments would be invested as follows: 60% in Annuity Bonds and 40% in the Corporate Bonds; and

WHEREAS, the Kenedy County Groundwater Conservation District is the Owner and Beneficiary of the aforementioned funds being invested with New York Life; and

WHEREAS, the Kenedy County Groundwater Conservation District Board of Directors directed that Homero Vera, Board Member, and Leo Villarreal, Administrative Assistant, be appointed as Points of Contact for the New York Life investments and that Homero Vera and Leo Villarreal be authorized to sign all documents necessary to effectuate the District's investments with New York Life.

NOW, THEREFORE, IT IS HEREBY RESOLVED that Kenedy County Groundwater Conservation District invest all of the funds withdrawn from Texas Class with New York Life as follows: 60% in Annuity Bonds and 40% in the Corporate Bonds; and

BE IT FURTHER RESOLVED, that Homero Vera, Board Member, and Leo Villarreal, Administrative Assistant, are appointed as Points of Contact for the New York Life investments and that Homero Vera and Leo Villarreal are authorized to sign all documents necessary to effectuate the District's investments with New York Life

BE IT FURTHER RESOLVED, that this Resolution shall become effective and operative upon all of the Board of Directors affixing their signature hereto; and

BE IT FURTHER RESOLVED, that this Resolution be spread upon the Kenedy County Groundwater Conservation District Minutes.

IN WITNESS HEREOF, we, Chuck Burns, David Delaney, Homero Vera, Daniel Butler and Edward Bordovsky, Members of the Board of Directors of the Kenedy County Groundwater Conservation District, on the 19th day of May, 2021, in Sarita, Texas, sign and effectuate this Resolution.

9. Receive Update on GCD Investments

Leo Villarreal reported that he had covered GCD investments in agenda #8.

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

10. Receive Report on Publication of Notice of Public Hearing Regarding Amended District Rules

Leo Villarreal informed the Directors that the notice of public hearing regarding the proposed amended district rules will be published on May 28, 2021 in the Corpus Christi and Valley Morning Star newspapers.

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

11. Discuss & Act to Designate Edward Bordovsky as Signatory to GCD Checking Account

Leo Villarreal informed the Directors that as Edward Bordovsky, as a new director, needed to be designated as a signatory to the GCD checking account.

Chuck Burns moved and Homero Vera seconded the motion; the motion passed unanimously to designate Edward Bordovsky as a signatory to the GCD checking account.

12. 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.

Edward Bordovsky moved and Homero Vera seconded the motion; the motion passed unanimously to hold the next regular board meeting at 9:00 AM on June 16, 2021 in Sarita, TX.

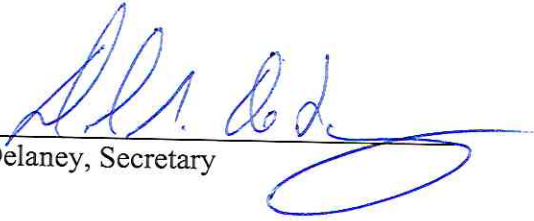
13. Discuss & Act on Payment of Bills for May, 2021

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

Homero Vera moved and Edward Bordovsky seconded the motion; the motion passed unanimously to approve the May, 2021 bills as presented.

14. Adjournment

There being no other business to come before the Board of Directors, Edward Bordovsky moved and Homero Vera seconded the motion; the motion passed unanimously that the meeting be adjourned at 11:55 AM.



David Delaney, Secretary

ATTESTED TO:



Chuck Burns, President