

**MINUTES OF MEETING
OF
BOARD OF DIRECTORS**

THE STATE OF TEXAS §
 §
BRUSH COUNTRY GROUNDWATER §
CONSERVATION DISTRICT §

The Board of Directors of Brush Country Groundwater Conservation District (the “District”) met at a regular meeting, open to the public, June 25th, 2024 at the Brush Country Groundwater Building 732 W. Rice Falfurrias, Texas, in accordance with the duly posted notice of said meeting.

1. The meeting was called to order at 9:34 a.m. and the roll was called. Board members’ presence at the meeting or absence is as follows:
 - i. David Kelly present
 - ii. Bill Botard present
 - iii. Mario Martinez absent
 - iv. Robert Scott absent
 - v. A.C. Jones IV present
 - vi. Humberto Martinez absent
 - vii. Paul Goranson absent
 - viii. Jesse Howell present
 - ix. Mauro Garcia present

Also in attendance were General Manager Luis Pena, Bill Dugat Legal Counsel via telephone, Marco Ramirez administrative assistant Brush Country GCD, Robert Howard Legislative consultant. Felix Saenz Brush Country Consultant and Mr. Andy Garza Kenedy County GCD, George Gonzalez Duval County Groundwater Conservation District. Dario Guerra Red Sands Groundwater Conservation District. Ericelda DeLeon from First National Bank of Falfurrias. Mr. Benny Cantu with Laborcitas Ranch, Mr. Byron Blair auditor for Brush Country and Mrs. Irma Menchaca citizen of Brooks County.

2. Pledge of Allegiance. Pledge of Allegiance was recited.
3. Public Comment. Mrs. Irma Menchaca mentioned that she missed our meetings and mentioned that we are the heartbeat of the community. Water is life, we need to protect it, thanked us for networking.
4. Discuss, consider, and possibly act on Minutes of the Regular Meeting on May 28th, 2024. Motion was made by Bill Botard to approve the minutes, seconded by Jesse Howell, motion carries unanimously.

5. Discuss, consider, and possibly act on General Manager's Report:
 - A. TAGD business meeting June 5-7, 2024
 - B. Report on Training for Water Well Drillers Seminar June 13th, 2024 Noon-5:00 pm.
 - C. Report on Kenedy County GCD meeting June 19th, 2024.
 - D. Report on NRBA Summit Portland June 19th-June 21, 2024.
 - E. Report on conduct and results of monthly bank account reconciliation, delivery of account statement to bookkeeper and bookkeeper's review.
 - A. General Manager Louie Pena mentioned that he had attended the TAGD business meeting, he had to renew his certification for the public funds investment training that was presented by Greg Ellis. Mr. Pena also mentioned that the business meeting for the TAGD was well attended.
 - B. Mr. Pena mentioned that the training for the Water Well Drillers was well attended, he thanked Mr. Andy Garza and Kenedy County for sponsoring half of the meal. He also thanked George Gonzalez Duval County General Manager for helping with the meeting.
 - C. Mr. Pena mentioned that he had attended Kenedy County's GCD meeting, mentioned that Mr. Danny Butler had retired and was being replaced with Justin Cantu. Mr. Pena also asked Mr. Andy Garza to talk about the permit for the Carbon Capture project on the King Ranch. Mr. Garza mentioned that (Oxy) will ask for a production permit for 6,000 ac.ft.yr. from the brackish zones from 3,500 to 4,000 feet. Mr. Garza also mentioned that they are looking into the option of purchasing the tax appraisal district's building from the County.
 - D. Mr. Pena asked Mr. George Gonzalez to report on the NRBA Summit held in Portland, Mr. Gonzalez mentioned that it was well attended and that many different agencies had attended.
 - E. Mr. Pena reported that he had worked closely with Mrs. Ericelda Deleon and presented a table on the unauthorized transactions. Mr. Pena mentioned that \$76,723.97 was fraudulent, \$36,672.41 was returned and \$40,051.56 would be losses, then \$22,500.00 could be recouped from TMLIRP/Beazley with a total loss of \$17,551.56. Mr. Pena also mentioned that he had sent Mr. Carlos Martinez all of the check stubs, copies, deposits, receipts of the bill list. Informational purposes only.
6. Discuss, consider, and possibly act on payment of bills June 2024. A motion to pay the June bills was made by Dick Jones and seconded by Bill Botard, motion carries unanimously.
7. Discuss, consider, and possibly act on monthly financial statement and pledge report. Mr. Pena gave the monthly financial statement and mentioned that we were securely pledged with having \$79,447.46 over pledged. Mr. Pena also mentioned that the interest rate at First National Bank of Falfurrias had gone up from 4.37% to 4.79%. A motion to approve Financial Statements was made by Mr. Mauro Garcia, seconded by Mr. A.C. Jones, motion carries unanimously.

8. Review, discuss, and possibly act on unauthorized transactions from District's bank account. This agenda item was covered on general manager's report 5.E. Informational purposes only.
9. Review, discuss, and possibly act on Texas drought monitor. Mr. Pena mentioned that with the recent local rains our district presently was not in severe drought, however; with the above average heat temperatures, we could possibly be back at severe drought conditions. A motion was made by Bill Botard to accept the drought monitor as presented, seconded by Mauro Garcia, motion carries unanimously.
10. Discuss, consider, and possibly act on updating and adopting the investment policy by resolution. Mr. Pena read the new investment policy and mentioned that he had just completed the public funds investment training in Round Rock, Texas. The investment policy was signed with proper signatures from the District and from the First National Bank of Falfurrias. Motion was made by Mauro Garcia to accept the new updated investment policy by resolution and seconded by Jesse Howell, motion carries unanimously.
11. Discuss, consider, and possibly act on proposal from Byron Blair regarding financial security protocols. Mr. Byron Blair gave out two handouts, one titled Internal Controls: Things you can do to prevent fraud. And the other handout 5 internal controls for the very small non-profit. General Manager Louie Pena read the handouts out loud and Mr. Blair had a brief discussion on the importance to prevent fraud. Informational purposes only.
12. Discuss, consider, and possibly act on legislative report from Robert Howard. Legislative Consultant Mr. Robert Howard mentioned that he would be brief, the primary run-off elections were on May 28th, Speaker David Phelan barely survived his challenge. None of the legislators representing our GCD were on the ballot. There were 15 Republicans incumbents who lost their races either in the March primary or May 28th. The composition and tenor of the house could be greatly influenced. Informational purposes only.
13. Discuss, consider, and possibly act on GMA 16 issues. Mr. Pena mentioned that the GMA 16 will be meeting later today June 25, 2024 at 1:00 pm. Informational purposes only.
14. Review, discuss, and possibly act on the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of District employees. Mr. Pena mentioned that Royce Carrera had turned in a letter of resignation and Mr. Marco Ramirez had been hired as the new administrative assistant. Informational purposes only.
15. Review, discuss, and possibly act on District's transition to new general counsel including issuing a Request for Qualifications. Mr. David Kelly mentioned that he would like for our legal counsel, along with our hiring committee to help in the briefing of the proposed candidates who turn in their Request for Qualifications. Mr. Dugat mentioned that we should select someone by October to transition them over since there is no meeting in December, sooner than later is preferred. A motion was made by Bill Botard to authorize and move forward with the request for qualifications process. Mr. Mauro Garcia seconded the motion, motion carries unanimously.

16. Discuss, consider, and possibly act on new business and select date for next meeting. The board decided that our next meeting will be held on July 24th,2024 at 9:30 a.m. Informational purposes only.

17. Adjourn. Motion to adjourn was made by A.C. Jones seconded by Jesse Howell, motion carries unanimously. The meeting adjourned at 11:19 AM.

Passed and approved this 24th, day of July, 2024.

President, Board of Directors

Attest by:

Secretary, Board of Directors