

**REGULAR BOARD MEETING
GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT
MEETING OF THE BOARD OF DIRECTORS**

The Directors of the Gonzales County Underground Water Conservation District will meet in a public session on February 13, 2024 scheduled at 5:30 p.m. at the Gonzales County Underground Water Conservation District Office located at 522 Saint Matthew Street, Gonzales, Texas.

Note: Members of the public wishing to comment **must** attend the meeting in-person. However, any person may view or listen to the meeting via audio and video conference call. No participation or public comments will be allowed via video or conference call. The Audio and Video Conference Opens 5 minutes before the 5:30 p.m. beginning of the meeting.

GCUWCD February 13, 2024 Board Meeting

Feb 13, 2024, 5:30 – 6:30 PM (America/Chicago)

Please join my meeting from your computer, tablet or smartphone.

<https://meet.goto.com/312000021>

You can also dial in using your phone.

Access Code:

312-000-021

United States (Toll Free): [1 877 309 2073](tel:18773092073)

United States: [+1 \(646\) 749-3129](tel:+16467493129)

Get the app now and be ready when your first meeting starts:

<https://meet.goto.com/install>

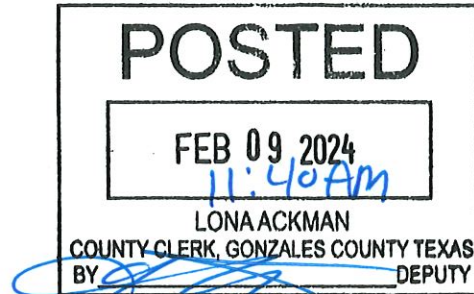
The agenda is as follows:

1. Call to Order.
2. Public Comments. Limit to 3 minutes per person.
3. Consent Agenda (Note: These items may be considered and approved by one motion of the Board. Directors may request to have any consent item removed from the consent agenda for consideration and possible action as a separate agenda item):
 - a. Approval of minutes of January 09, 2024 Public Hearing Draft Management Plan.
 - b. Approval of minutes of January 09, 2024 Regular Board Meeting.
 - c. Approval of the Financial Report.
 - d. Approval of the District's bills to be paid.
 - e. Approval of District Manager, Administrative Staff, Board Member, Field Technician, and Mitigation Manager Expenses.
 - f. Approval of Manager's Report (monthly report, transporter usage, drought index).
 - g. Approval of Well Mitigation Manager's Report (well mitigation progress).
 - h. Approval of Field Technician's Report (well registrations, water levels, water quality).
4. Discuss and possibly take action on any item removed from Consent Agenda.
5. Discuss and possibly take action on the permit request from J Bar B for a domestic water well in the Queen City Aquifer.
6. Discuss and possibly take action on a permit amendment request for Canyon Regional Water Authority in the Carrizo Aquifer.
7. Discussion on the District's January water level report.
8. Discuss and possibly take action on a Capital Campaign Letter from Gonzales Noon Lions Club.
9. Presentation of annual audit report from Montemayor Britton Bender PC and possible action on accepting the report.
10. Presentation of legislative/legal updates from legal counsel.
11. Discussion of other items of interest by the Board and direction to management based on the items set forth above.
12. Adjourn.

The above agenda schedule represents an estimate of the order for the indicated items and is subject to change at any time. These public meetings are available to all persons regardless of disability. If you require special assistance to attend the meeting, please call 830.672.1047 at least 24 hours in advance of the meeting to coordinate any special physical access arrangements.

At any time during the meeting and in compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, the Gonzales County Underground Water Conservation District Board may meet in executive session on any of the above agenda items or other lawful items for consultation concerning attorney-client matters (§ 551.071); deliberation regarding real property (§ 551.072); deliberation regarding prospective gift (§ 551.073); personnel matters (§ 551.074); and deliberation regarding security devices (§ 551.076). Any subject discussed in executive session may be subject to action during an open meeting.

POSTED THIS THE 8th DAY OF FEBRUARY 2024 AT _____ O'CLOCK by _____



**REGULAR BOARD MEETING
GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT
MEETING OF THE BOARD OF DIRECTORS**

The Directors of the Gonzales County Underground Water Conservation District will meet in a public session on February 13, 2024 scheduled at 5:30 p.m. at the Gonzales County Underground Water Conservation District Office located at 522 Saint Matthew Street, Gonzales, Texas.

Note: Members of the public wishing to comment must attend the meeting in-person. However, any person may view or listen to the meeting via audio and video conference call. No participation or public comments will be allowed via video or conference call. The Audio and Video Conference Opens 5 minutes before the 5:30 p.m. beginning of the meeting.

GCUWCD February 13, 2024 Board Meeting

Feb 13, 2024, 5:30 – 6:30 PM (America/Chicago)

Please join my meeting from your computer, tablet or smartphone.

<https://meet.goto.com/312000021>

You can also dial in using your phone.

Access Code:

312-000-021

United States (Toll Free): [1 877 309 2073](tel:18773092073)

United States: [+1 \(646\) 749-3129](tel:+16467493129)

Get the app now and be ready when your first meeting starts:

<https://meet.goto.com/install>

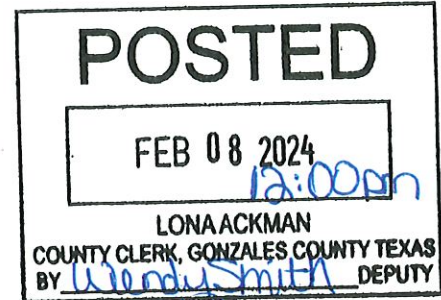
The agenda is as follows:

1. Call to Order.
2. Public Comments. Limit to 3 minutes per person.
3. Consent Agenda (Note: These items may be considered and approved by one motion of the Board. Directors may request to have any consent item removed from the consent agenda for consideration and possible action as a separate agenda item):
 - a. Approval of minutes of January 09, 2024 Regular Board Meeting.
 - b. Approval of the Financial Report.
 - c. Approval of the District's bills to be paid.
 - d. Approval of District Manager, Administrative Staff, Board Member, Field Technician, and Mitigation Manager Expenses.
 - e. Approval of Manager's Report (monthly report, transporter usage, drought index).
 - f. Approval of Well Mitigation Manager's Report (well mitigation progress).
 - g. Approval of Field Technician's Report (well registrations, water levels, water quality).
4. Discuss and possibly take action on any item removed from Consent Agenda.
5. Discuss and possibly take action on the permit request from J Bar B for a domestic water well in the Queen City Aquifer.
6. Discuss and possibly take action on a permit amendment request for Canyon Regional Water Authority in the Carrizo Aquifer.
7. Discussion on the District's January water level report.
8. Discuss and possibly take action on a Capital Campaign Letter from Gonzales Noon Lions Club.
9. Presentation of annual audit report from Montemayor Britton Bender PC and possible action on accepting the report.
10. Presentation of legislative/legal updates from legal counsel.
11. Discussion of other items of interest by the Board and direction to management based on the items set forth above.
12. Adjourn.

The above agenda schedule represents an estimate of the order for the indicated items and is subject to change at any time. These public meetings are available to all persons regardless of disability. If you require special assistance to attend the meeting, please call 830.672.1047 at least 24 hours in advance of the meeting to coordinate any special physical access arrangements.

At any time during the meeting and in compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, the Gonzales County Underground Water Conservation District Board may meet in executive session on any of the above agenda items or other lawful items for consultation concerning attorney-client matters (§ 551.071); deliberation regarding real property (§ 551.072); deliberation regarding prospective gift (§ 551.073); personnel matters (§ 551.074); and deliberation regarding security devices (§ 551.076). Any subject discussed in executive session may be subject to action during an open meeting.

POSTED THIS THE 8th DAY OF FEBRUARY 2024 AT _____ O'CLOCK by _____



Gonzales County Underground Water Conservation District
Minutes of the Board of Directors
January 09, 2024
Public Hearing Draft Management Plan

The Board of Directors of the Gonzales County Underground Water Conservation District (the District) held a public hearing for the purpose of receiving comments on the Draft Management Plan for the District. Present for the meeting were directors: Mr. Bruce Tieken, Mr. Barry Miller, Mr. Mark Ainsworth, Mr. Kermit Thiele, and Mr. Mike St. John. Also present for the meeting were District General Manager, Ms. Laura Martin-Preston, and legal counsel, Ms. Natasha Martin, and Mr. Bobby Salehi. Other Attendees included: (See Attached List)

Call to order.

President of the Board to make comments.

Mr. Bruce Tieken, Board President and Presiding Officer, called the public hearing for the Gonzales County Underground Water Conservation District Public Hearing Draft Management Plan to order at 5:32 p.m. He made opening comments and called for comments from the attendees.

Receive comments from the public on the Draft Management Plan.

Mr. Mark Ploeger, landowner, Mr. Larry Dunbar, attorney, Mrs. MaryAnn Menning, landowner, Ms. Sally Ploeger, landowner, Ms. Autumn Selman, Mr. Dunbar's assistant, Mr. Leroy Menning, landowner, and Mr. Ted Boriack, landowner, made public comments. A recording of the board meeting and comments received are filed at the District office, and on the District website.

Adjourn:

A motion was made by Mr. Mark Ainsworth to adjourn the public hearing and Mr. Mike St. John seconded the motion. The motion passed unanimously, and the meeting adjourned at 5:50 p.m.

Approved By:

February 13, 2024

HS

Gonzales County Underground Water Conservation District
Minutes of the Board of Directors
January 09, 2024
Regular Board Meeting

Call to Order.

The regular meeting of the Board of Directors of the Gonzales County Underground Water Conservation District (the District) was called to order at 5:51 p.m. Present for the meeting were directors: Mr. Bruce Tieken, Mr. Barry Miller, Mr. Mark Ainsworth, Mr. Kermit Thiele, and Mr. Mike St. John. Also present for the meeting was GCUWCD General Manager, Mrs. Laura Martin-Preston, and legal counsel, Ms. Natasha Martin, and Mr. Bobby Salehi. Other Attendees included: (See Attached List)

Public Comments. Limit to 3 minutes per person.

Public comments were received from Mr. Mark Ploeger, landowner, Mr. Larry Dunbar, attorney, Ms. Sally Ploeger, landowner, Mr. LeRoy Menning, landowner, Mr. Ted Boriack, landowner, and Ms. Trish Carls, attorney. A recording of the meeting is available in the District office and on the District's website.

Consent Agenda (Note: These items may be considered and approved by one motion of the Board. Directors may request to have any consent item removed from the consent agenda for consideration and possible action as a separate agenda item):

Approval of minutes of December 12, 2023 Regular Board Meeting.

Approval of the Financial Report.

Approval of the District's bills to be paid.

Approval of the Mitigation Funds bills to be paid.

Approval of District Manager, Administrative Staff, Board Member, Field Technician, and Mitigation Manager Expenses.

Approval of Manager's Report (monthly report, transporter usage, drought index).

Approval of Well Mitigation Manager's Report (well mitigation progress).

Approval of Field Technician's Report (well registrations, water levels, water quality).

Mr. Barry Miller made a motion to approve the Consent Agenda with the exception of removing the District's bills to be paid. Mr. Mike St. John seconded the motion. The motion passed unanimously. Copies of District documents are available at the District office. No listed items were removed from the Consent Agenda for further discussion.

Discuss and possibly take action on any item removed from Consent Agenda.

Mr. Mark Ainsworth made a motion to amend and approve the District's bills to be paid. Mr. Kermit Thiele seconded the motion. The motion passed unanimously.

Discuss and possibly take action on approval of the GCUWCD Management Plan Resolution.

Mr. Miller made a motion to adopt the proposed GCUWCD Management Plan Resolution with the direction of the District's General Manager, Mrs. Laura Martin-Preston to make the terminology consistent with the desired future conditions adopted by Groundwater Management Area 13 (GMA 13). Mr. St. John seconded the motion. The motion passed unanimously.

Discuss and possibly take action on a resolution to add General Manager to have bank access to the Randolph Brooks Federal Credit Union accounts.

Mr. Ainsworth made a motion to pass the resolution to add the District's General Manager, Mrs. Martin-Preston, to have bank access to the Randolph Brooks Federal Credit Union accounts for reporting purposes. Mr. Thiele seconded the motion. The motion passed unanimously.

Discuss and possibly take action on scheduling a workshop of GCUWCD Rules amendments and calling of a public hearing.

No action at this time. A Rules Committee of Mr. Miller and Mr. St. John was formed.

Discuss and possibly take action on Judge Stephen Ables, hearing examiner's proposal for decision regarding party status.

Mr. Miller made a motion to accept Judge Stephen Ables findings and to accept the amendment finding of fact #13 that stated that Mr. Ted Boriack submitted a document titled "Affidavit" which did not comply because it was not verified. Mr. St. John seconded the motion. The motion passed unanimously.

Executive session pursuant to § 551.071 Government Code for discussion of attorney-client matters.

The Board entered into executive session at 7:18 p.m. The meeting resumed at 7:38 pm. No action taken at this time.

Discuss and possibly take action on a permit amendment request for Canyon Regional Water Authority in the Carrizo Aquifer.

No action was taken at this time.

Presentation of legislative/legal updates from legal counsel.

Legal counsel to the District, Ms. Natasha Martin, discussed with the Board ongoing legislative updates.

Discussion of other items of interest by the Board and direction to management based on the items set forth above.

None.

Adjourn:

A motion was made by Mr. Miller to adjourn the meeting and Mr. St. John seconded the motion. The motion passed unanimously. The meeting adjourned at 8:09 p.m.

Approved By:

February 13, 2024

HS

**Gonzales County Underground Water Conservation District
Investment Report
January 09, 2024**

CD Information - District Funds							
Account	Place	Purchase Date	Purchase Value	Interest Rate	Maturity Date	As of	Amount
CD #11	Sage Capital Bank	8/4/2023	\$152,818.77	5.15%	2/4/2025	12/31/2023	\$173,090.80
CD #365	Randolph Brooks FCU	3/28/2023	\$271,523.86	4.50%	9/28/2024	12/31/2023	\$271,589.47
CD #49	Sage Capital Bank	8/14/2023	\$250,000.00	5.15%	8/14/2024	12/31/2023	\$274,761.91
Total CD's to Date							\$719,442.18
Market Comparisons							
	Tex Pool			5.36%		1/5/2024	
	6 Mo. Treasury Yield			5.25%		1/5/2024	

Banking Information - District Funds			
Account	Place	As of	Amount
#59 Money Market	Sage Capital Bank	12/31/2023	\$1,440,340.31
#61 Operating	Sage Capital Bank	12/31/2023	\$18,192.31
#356 Savings	Randolph Brooks	12/31/2023	\$1.00
Total Cash to Date			\$1,458,533.62
Banking Information - Western Mitigation Fund			
Account	Place	As of	Amount
#35 Money Market	Sage Capital Bank	12/31/2023	\$185,757.89
#70 Operating	Sage Capital Bank	12/31/2023	\$2,499.59
Total Cash to Date			\$188,257.48
Banking Information - Eastern Mitigation Fund			
Account	Place	As of	Amount
#64 Money Market	Sage Capital Bank	12/31/2023	\$277,509.02
#98 Operating	Sage Capital Bank	12/31/2023	\$42,500.69
Total Cash to Date			\$320,009.71
			\$2,686,242.99

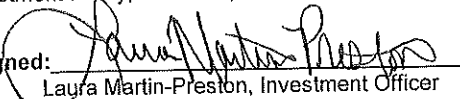
Weighted Average Maturity (WAM)

Using the Current Date and Maturity Date: Weighted Average Maturity (WAM) =

The overall sum of each security's par amount multiplied by its number of days to maturity, divided by the total of all investments.

Security Description	Investment Amount	CD Start Date	Repricing Period Date	Mat. Date	Mat. in Days (DTM)	WAM	CD Term
Sage Capital CD #11	\$173,090.80	8/4/2023	12/31/2023	2/4/2025	401	96.477	18 mo
Randolph Brooks CD #365	\$271,589.47	3/28/2023	12/31/2023	9/28/2024	272	102.680	18 mo
Sage Capital CD #49	\$274,761.91	8/14/2023	12/31/2023	8/14/2024	227	86.693	12 mo
CD Total	\$719,442.18					285.850	
#59 Money Market	\$1,440,340.31				1	0.732	
#61 Operating	\$18,192.31				1	0.009	
#365 Savings	\$1.00				1	0.000	
#35 Money Market	\$185,757.89				1	0.094	
#70 Operating	\$2,499.59				1	0.001	
#64 Money Market	\$277,509.02				1	0.141	
#98 Operating	\$42,500.69				1	0.022	
Fund Total	\$1,966,800.81					1.000	
Grand Totals	\$2,686,242.99					WAM 286.850	

The portfolio of the Gonzales County Underground Water Conservation District is believed to be in compliance with the District's Board approved Investment Policy, State law, and the Investment Strategy.

Signed: 
Laura Martin-Preston, Investment Officer

Dated: 01/05/2024

GCUWCD BILLS TO BE PAID**February 13, 2024**

GVTC (Local & Long Distance & Internet)- Paid	\$279.23
City of Gonzales (Utilities) - Paid	\$132.89
Intuit Quickbooks (annual fee)	\$1,980.98
Intuit Quickbooks (Enhanced Payroll)- Paid	\$631.06
Intuit Quickbooks (Enhanced Payroll)- Refund	-\$572.60
Ricoh (Copier Rental+ overnight shipping cost)- Paid	\$140.12
Ricoh (overnight shipping)	-\$45.00
Montemayor Britton Bender PC (2022-2023 FY Audit)	\$200.00
State Office of Administrative Hearings (SOAH Hearing-December)- Paid	\$207.90
State Office of Administrative Hearings (SOAH Hearing-January)	\$207.90
Quality Environmental Containers (Water Quality Containers)	\$724.94
USPS (postage)- Paid	\$48.16
Dropbox (annual subscription)	\$127.79
Synergistic, LLC (IT Services)	\$789.00
McElroy Sullivan Miller & Weber LLP (General Manager Legal Counsel)	\$4,536.45
GoTo Meeting (Monthly Telephone)	\$9.52
Office Depot Office Max (supplies)- Paid	\$102.21
Greg Sengelmann (Hydrologist services)	\$2,701.95
TOTAL	\$12,202.50

GCUWCD WMF BILLS TO BE PAID
February 13, 2024

Montemayor Britton Bender PC (2022-2023 FY Audit)	\$200.00
TOTAL	\$200.00

GCUWCD EMF BILLS TO BE PAID

February 13, 2024

Montemayor Britton Bender PC (2022-2023 FY Audit)	\$200.00
TOTAL	\$200.00

Gonzales County Underground Water Conservation District Expense Report

Laura Martin

Nature of Trip/Date	From	To	Beginning Mileage	Ending Mileage	Total Miles
1/23 Office Depot (Tax Forms)	Home	Seguin	87324	87372	48
	Seguin	Home	87372	87420	48
1/30 Office Depot (Tax Forms)	Home	Seguin	87525	87573	48
	Seguin	Home	87573	87621	48
					0
				Total Miles	192
				Current Rate X	0.67
			Mileage X Rate	Subtotal	\$128.64
Telephone					\$70.00
Office Depot (Tax Forms)					\$81.25
Office Depot (Recycling Credit)					-\$18.00
Office Depot (Tax Forms)					\$38.96
Period Covered January 1-31, 2024				Total Due	\$300.85
Approved By:					
Date: February 13, 2024					

Office DEPOT OfficeMax®

SEGUIN - (830) 372-2310
01/23/2024 10:26 AM



VTVTPEPP3Y6XYXMR

2741-3-3331-1042516-23.12.2

44 RECYCLING PROG		0.08
@ 0.01		
You Pay		0.08SS
676 TAX,1099,ENV,2		18.99
upon - 57021322		-2.23
You Pay		16.76SS
1293 1099NEC,FORMS,		23.99
upon - 57021322		-2.82
You Pay		21.17SS
652 W2,FORMS,50		41.99
upon - 57021322		-4.94
You Pay		37.05SS
44 RECYCLING PROG		0.01
upon - 57021322		-0.01
You Pay		0.00SS
upon Number - 57021322		
Subtotal:		75.06
Sales and Use Tax	6.19	
Total:		81.25
MasterCard 2232:		81.25

Thank you for recycling your ink and toner cartridges at Office Depot or OfficeMax!

Get \$2 back per cartridge (up to 10 per month) next day. Please keep your recycling receipts for your records. To learn more or view your account, visit officedepot.com/rewards.

Recycling Rewards:

\$10 qualifying purchase required in same month, excluding tax, delivery fees, purchases of all gift and prepaid gift cards, postage stamps, and purchases made with Office Depot OfficeMax Rewards and Merchandise Cards/Certificates. We do not accept damaged cartridges. Subject to Office Depot OfficeMax Rewards Program Terms and Conditions.

includes: Open software, CDs, DVDs and video

Office DEPOT OfficeMax®

SEGUIN - (830) 372-2310
01/30/2024 2:08 PM



VTVT95PP5YYYEXXCE

SALE	2741-2-7248-1050973-24.1.1	
5510361 1099MISC,FORMS		35.99 SS
Subtotal:		35.99
Sales and Use Tax	2.97	
Total:		38.96
Rewards Cert 7617:		18.00
MasterCard 2232:		20.96

AUTH CODE 01282P
TDS Chip Read
AID A0000000041010 CAPITAL ONE
TVR 0000008000
CVS No Signature Required



PO BOX 489
NEWARK, NJ 07101-0489

Account: 788600115-00001
Invoice: 4603243853
Billing period: Dec 13 - Jan 12, 2024

Questions about your bill?

verizon.com/support
800-922-0204

KEYLINE



LAURA MARTIN
PO BOX 363
GONZALES, TX 78629-0363

Ways to pay

My Verizon app

You can check your bill easily with the My Verizon app available in App Store or Google Play.

Online

Go to go.vzw.com/bill and sign in to review your bill.

By phone

Simply dial #PMT (#768) on your phone and follow the instructions to pay.

Cash

Go to www.verizon.com/stores to find a Verizon Wireless store near you or find a Check Free Pay or Western Union near you to make a cash payment.

Snapshot of your bill

(details on page 3)

Balance from last bill	\$0.00
This month's charges	\$139.51
Total due on Feb 4	\$139.51

You have Auto Pay scheduled for Feb 1, 2024.

You'll be charged up to 1.5% per month (18% per year) on the unpaid balance, or a flat \$7 per month, whichever is greater, if allowed by law in the state of your billing address.



LAURA MARTIN
PO BOX 363
GONZALES, TX 78629-0363

Bill date January 12, 2024
Account number 788600115-00001
Invoice number 4603243853

Total Amount Due

Deducted from bank account on 02/01/24
DO NOT MAIL PAYMENT

\$139.51

Please see back for instructions on writing to us.

PO BOX 16810
NEWARK, NJ 07101-6810



46032438530107886001150000100000013951000000139510





Account: 788600115-00001
Invoice: 4603243853
Billing period: Dec 13 - Jan 12, 2024

Your January bill is \$139.51

Due Feb 4

Since your last bill

-  You paid \$139.49.
-  Your bill increased by \$0.02.

Bill summary by line

Account-wide charges & credits	-\$25.00
Laura Martin Smartphone (830-339-0893)	\$65.97
Lilah Floch Smartphone (830-339-1643)	\$98.54
Total:	\$139.51

Questions about your bill?
[verizon.com/support](https://www.verizon.com/support)
 800-922-0204

Review your bill online

An itemized bill breakdown of all charges and credits is available on the My Verizon app and online.

Scan the QR code with your camera app or go to go.vzw.com/bill.



Surcharges, taxes and gov fees

The total amount due for this month includes surcharges of \$9.62 and taxes and gov fees of \$2.66. For an itemized list of taxes, fees and surcharges visit go.vzw.com/bill.



JEWELL BENSON
2974 COUNTY ROAD 284
HARWOOD, TX 78632-4131

Page: 1 of 5
Issue Date: Jan 11, 2024
Account Number: 786686977

Managing your AT&T bills, products, and services on the go? It's a snap with myAT&T. Go to att.com/myatt to sign in or sign up.

Total due


\$280.14

AutoPay is scheduled for:
Jan 19, 2024

Account summary

Your last bill	\$280.14
Payment, Dec 19 - Thank you!	-\$280.14
Remaining balance	\$0.00

Service summary

 Wireless	\$280.14
Total services	
	\$280.14

Total due **\$280.14**

AutoPay is scheduled to charge your card on Jan 19, 2024

Ways to pay and manage your account:



Call 611 or
800.331.0500
TTY: 866.241.6567

Scan to pay





LINDA A. BENSON
806.773.0903



LINK B. ANDREWS
806.939.3677



LINK BENSON
830.203.1722



JULIE BENSON
830.203.1744



Read bill & payment info, news & offers

Bill total

\$280.14

NOTIFICATION

 AutoPay was charged to your MASTERCARD ending in 2564 on Dec 19, 2023.

Advertisement

Find a store

Make a store appointment



Gonzales County Underground Water Conservation District
Field Technician
Expense Report

James Benedict

Nature of Trip/Date	From	To	Beginning Mileage	Ending Mileage	Total Miles
1/4 Water levels	Home	N. Gonzales Co. & S. Caldwell Co.	60,004	60,097	93
1/8 Water levels	Home	N. Gonzales Co.	60,207	60,278	71
1/10 Water levels	Home	N. & NE. Gonzales Co.	60,301	60,388	87
1/11 Water levels	Home	N. Gonzales	60,388	60,431	43
1/17 Water levels	Home	E. Gonzales Co.	60,505	60,597	92
1/18 Water levels	Home	C. Gonzales Co.	60,620	60,747	127
1/19 Water levels	Home	W. Gonzales Co.	60,747	60,871	124
1/26 Water levels on Walker wells	Home	SH 304	60,945	60,956	11
1/29 Water levels	Home	N. Caldwell Co.	60,956	60,980	24
1/30 Water levels	Home	SW. Gonzales Co.	61,005	61,122	117
				Total Miles	789
				Current Rate X	0.67
				Mileage Subtotal	\$528.63
					\$14.04
				Total Due	\$542.67
Expenses					
AAA Batteries + Tax					
Period Covered: January 1-31 2024					
Approved By:					
Date: February 13, 2024					

**Gonzales County Underground Water Conservation District
Manager's Report
January 2024**

On January 23, I went to Seguin to Office Depot to purchase tax forms and to recycle the copier toner cartridges.

On January 30, I went to Seguin to Office Depot to purchase additional tax forms.

Throughout the month of January I worked on the SOAH contested case hearing, management plan, and other reports. I worked a total of 41.25 hours for the month of January.

AQUA's December production was about 43 ac-ft which is about 11% of the monthly allowable production.

CRWA's January production was about 610 ac-ft which is about 99% of the monthly allowable production.

GBRA's January production was 0.0 ac-ft which is 0% of the monthly allowable production.

SAWS January production was about 892 ac-ft which is about 92% of the monthly allowable production.

SSLGC's January production was about 1,071 ac-ft which is about 66% of the monthly allowable production.

The Palmer Drought Index, as of January 30, 2024, indicates that the District is currently under no drought conditions to abnormally dry conditions. The latest drought outlook from the National Weather Service is more optimistic for drought recovery in Texas than previous versions and predicts additional improvements across Central and East Texas by the end of April. January precipitation was well above average for large areas of Central and East Texas. That rainfall helped reduce drought and refill water supply reservoirs in those parts of the state.

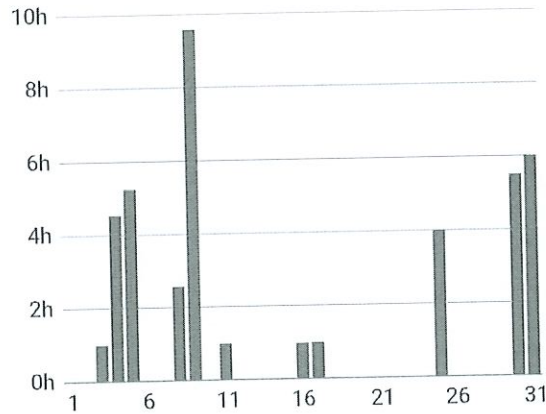
Reports

This month
Total: 41:25:00



Time tracked

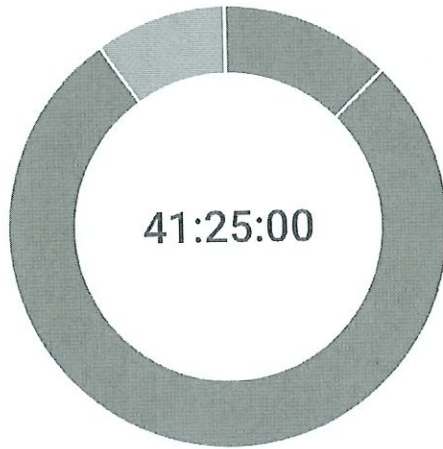
Total: 41:25:00
Billable: 41:25:00



January 2024
hours

Grouped by project

Total: 41:25:00
Billable: 41:25:00



Financial Reports Total: 05:15:00

Office duties Total: 32:10:00

Permit Total: 04:00:00

Advanced reports via web
Create shared reports
Schedule your reports



**AQUA Water Supply Corporation
Meter Reading - Usage
2023**

Date	F255		F256		Meter	Transported	Meter	Usage	Delhi #2	Transported	Meter	Usage	Hinton Well	Fees
	Meter	Delhi #1	Meter	Delhi #2										
January	692,110,400	3,136.60	860,502,000	8,002.00	0.00	0.00	0.00	0.00	0.00	6,925.26	0.00	0.00	0.00	241.00
February	692,130,600	20.20	872,152,000	11,650.00	0.00	0.00	0.00	0.00	0.00	10,444.24	0.00	0.00	0.00	261.56
March	692,133,500	2.90	880,228,000	8,076.00	0.00	0.00	0.00	0.00	0.00	6,500.55	0.00	0.00	0.00	162.57
April	696,960,700	4,827.20	889,128,000	8,900.00	0.00	0.00	0.00	0.00	0.00	8,061.69	0.00	0.00	0.00	310.86
May	703,618,900	6,658.20	895,540,000	6,412.00	0.00	0.00	0.00	0.00	0.00	5,574.16	0.00	0.00	0.00	284.06
June	710,672,200	7,053.30	902,909,000	6,769.00	0.00	0.00	0.00	0.00	0.00	5,498.16	0.00	0.00	0.00	280.68
July	718,579,500	7,907.30	909,900,000	7,591.00	0.00	0.00	0.00	0.00	0.00	6,225.20	0.00	0.00	0.00	317.74
August	726,294,600	7,715.10	917,702,000	7,802.00	0.00	0.00	0.00	0.00	0.00	6,293.59	0.00	0.00	0.00	312.93
September	733,444,700	7,715.01	925,176,000	7,474.00	0.00	0.00	0.00	0.00	0.00	6,335.85	0.00	0.00	0.00	309.93
October	740,501,300	7,056.60	932,725,000	7,549.00	0.00	0.00	0.00	0.00	0.00	6,738.00	0.00	0.00	0.00	325.91
November	747,222,500	6,721.20	939,494,000	6,769.00	0.00	0.00	0.00	0.00	0.00	6,032.45	0.00	0.00	0.00	300.56
December	75,419,000	6,967.50	946,472,000	6,978.00	0.00	0.00	0.00	0.00	0.00	3,093.43	0.00	0.00	0.00	154.56
Total Gallons*		65,781		93,972										
Total AC/FT		201.87		288.39										
Current Month Production in AC/FT		42.80												
Percentage of monthly allowable for current month				10.26										
Total AC/FT for year		490.26												
Total Dollars														\$3,262.35

0

93,972

65,781

42.80

10.26

0.00

288.39

201.87

490.26

9.81

0.00

6,032.45

6,967.50

3,093.43

9.81

0.00

6,032.45

6,967.50

3,093.43

9.81

0.00

6,032.45

6,967.50

3,093.43

9.81

0.00

6,032.45

6,967.50

3,093.43

9.81

0.00

6,032.45

6,967.50

3,093.43

9.81

0.00

6,032.45

6,967.50

3,093.43

9.81

0.00

6,032.45

6,967.50

3,093.43

9.81

0.00

6,032.45

6,967.50

3,093.43

9.81

0.00

6,032.45

6,967.50

3,093.43

9.81

0.00

6,032.45

6,967.50

3,093.43

9.81

0.00

6,032.45

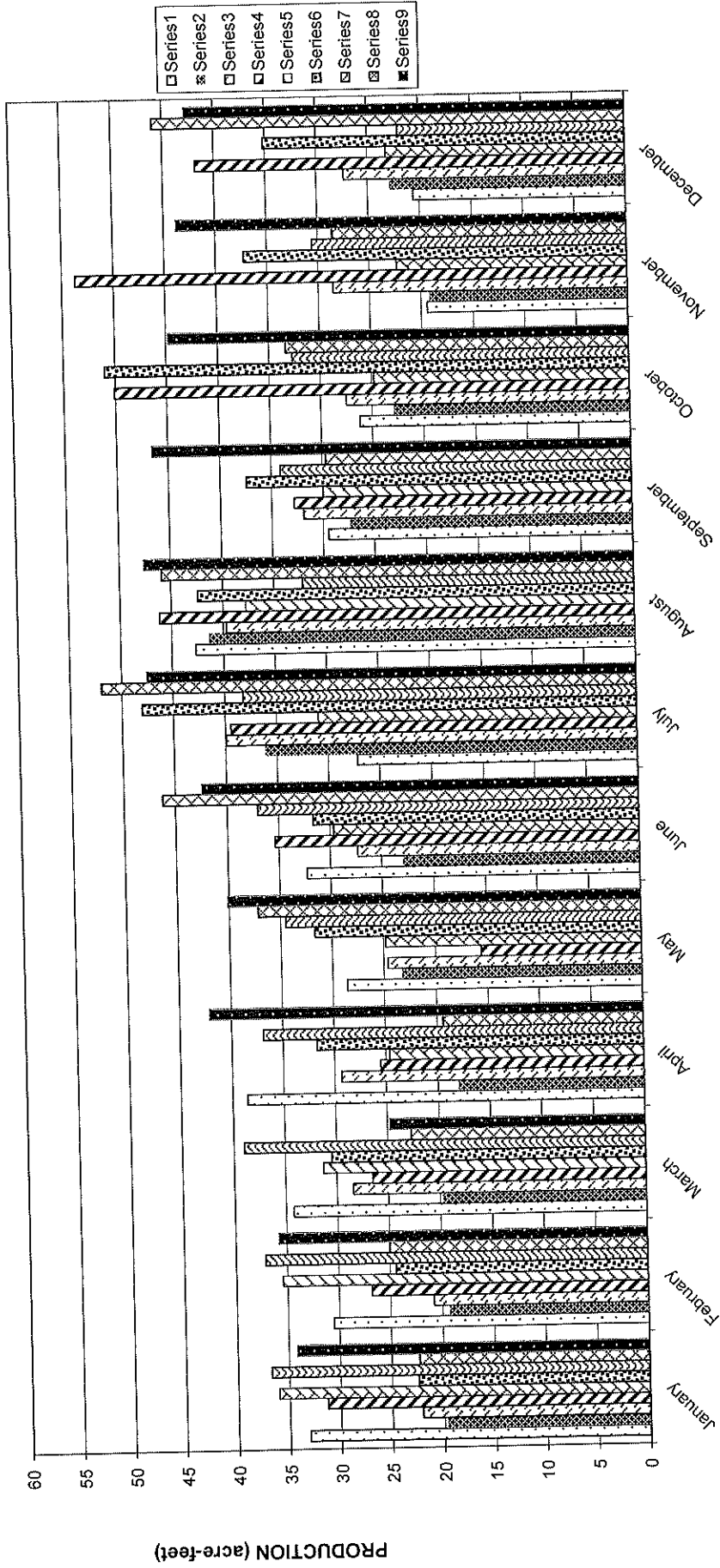
6,967.50

3,093.43

9.81

*gallons in thousands

AQUA Monthly Production



December 2023

**Canyon Regional Water Authority
Wells Ranch Water Meter Reading - Usage**

2024

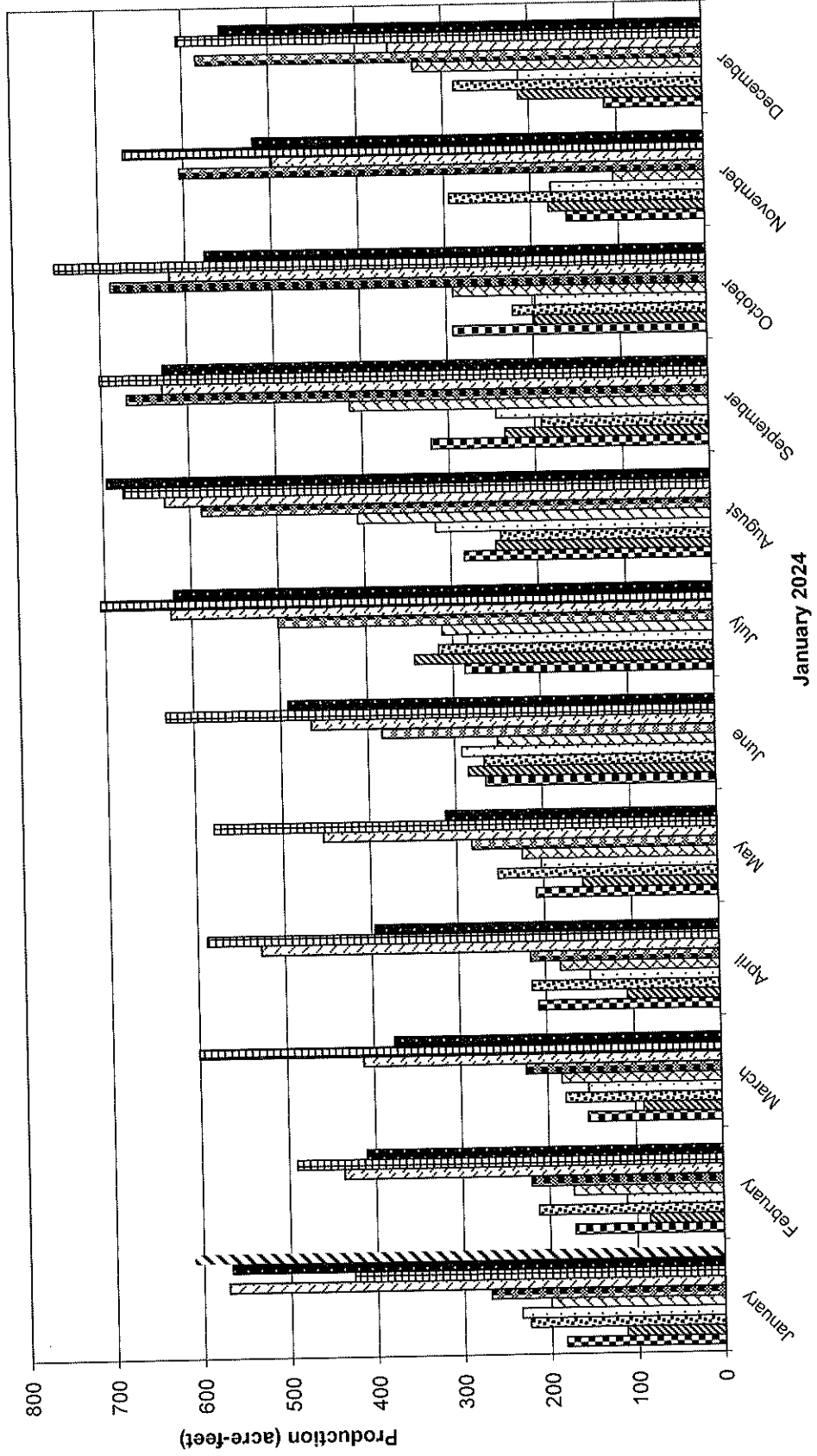
Date	P030 Well #12 Bultrap Well		P029 Well #11 Coastal Field Well		P028 Well #9 Camp House Well		P027 Well #1 Tommy's Well		P086 Well #8 Chicken House		L188 Well #5 Littlefield		L189 Well #13 Bond West		L190 Well #14 Christian West		L191 Well #15 Bond East		L192 Well #16 Christian East		
	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	
Jan	1,344,354	14,161	1,565,444	16,816	2,142,729	19,144	1,574,167	15,632	776,335	19,491	1,120,341	21,564	947,830	21,373	1,026,863	19,733	1,693,983	37,103	501,288	13,906	
Feb																					
March																					
April																					
May																					
June																					
July																					
Aug																					
Sept																					
Oct																					
Nov																					
Dec																					
Total Gallons*	14161	16816	1565444	16816	2142729	19144	1574167	15632	776335	19491	1120341	21564	947830	21373	1026863	19733	1693983	37103	501288	13906	
Total AC/FT	43.46	51.61	51.61	51.61	58.75	47.67	47.67	47.67	59.82	59.82	66.18	66.18	66.18	65.59	65.59	60.56	60.56	113.86	113.86	37.103	42.68
Current Month Production in AC/FT																					
Percentage of monthly allowable for current mo.																					
Total AC/FT for yr	610.17	610.17	610.17	610.17	610.17	58.75	47.67	47.67	59.82	59.82	66.18	66.18	66.18	65.59	65.59	60.56	60.56	113.86	113.86	37.103	42.68

Percentage of yearly production 8.25

* gallons in thousands

CRWA Monthly Production

- Series 1
- Series 2
- Series 3
- Series 4
- Series 5
- Series 6
- Series 7
- Series 8
- Series 9
- Series 10



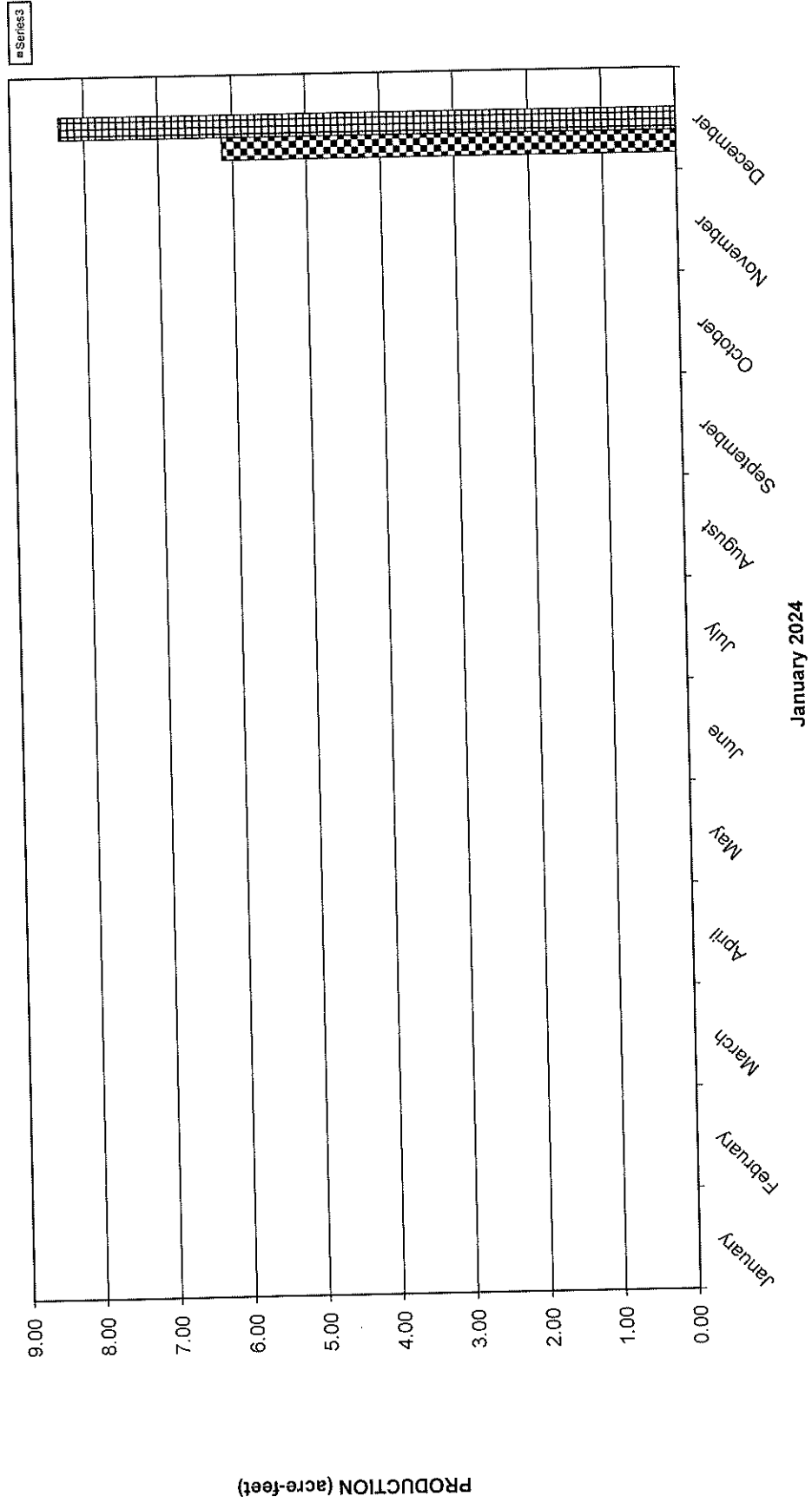
Gudalupe-Blanco River Authority
Meter Reading - Usage
2024

Date	P059 Well #1		P060 Well #2		P061 Well #3		P062 Well #4		P063 Well #5		P064 Well #6		P065 Well #7		B/W	Fees														
	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage																
Jan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$0.00														
Feb																														
Mar																														
Apr																														
May																														
June																														
July																														
Aug																														
Sept																														
Oct																														
Nov																														
Dec																														
Total Gallons*																0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	
Total ac/ft																0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Current Mo. Production in ac/ft																0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
% of monthly allowable for current mo.																0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total ac/ft for yr																0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% of prod. for year																0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

\$0.00

gallons in thousands

GBRA Monthly Production



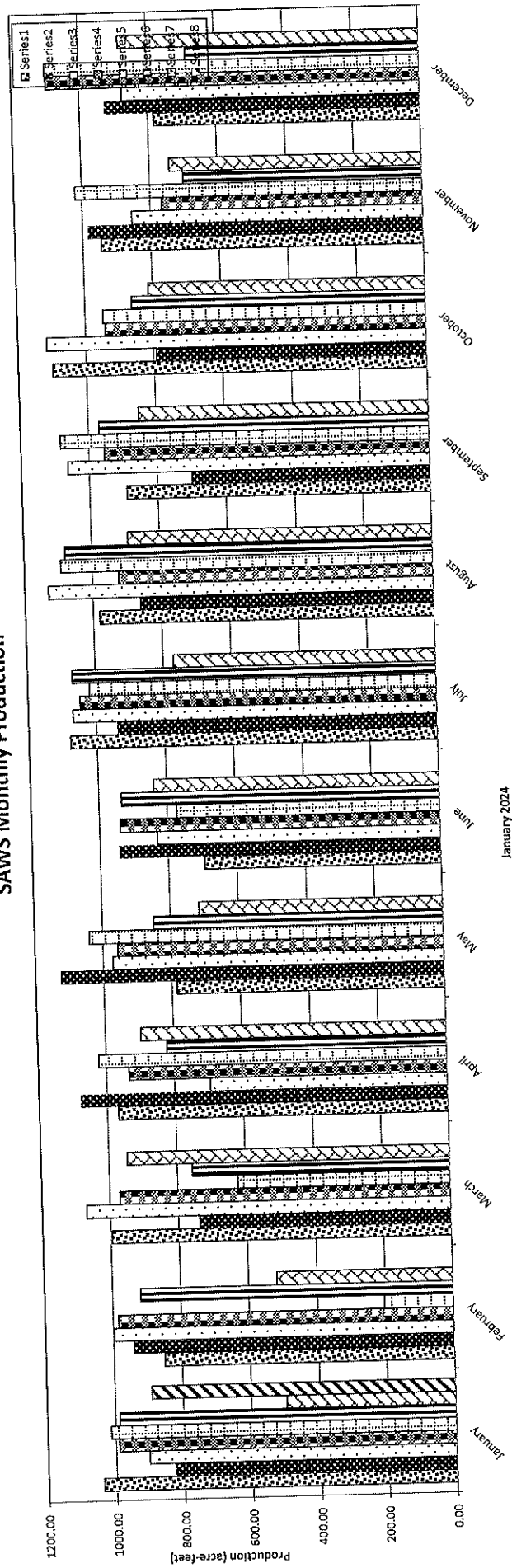
San Antonio Water System
 Meter Reading - Usage
 2024

Date	P036 Well WG-2		P039 Well WG-5		P040 Well WG-6		P041 Well WG-7		P042 Well WG-8		P043 Well WG-9		P044 Well WG-10		P047 Well WG-14		P048 Well WG-15		Fees		
	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage		B/W	
Jan	2,987,811	46,420	3,080,151	53,775	4,328,423	0	528,455	29,742	4,235,138	3	276,716	59,432	3,045,050	54,354	4,645,916	3	3,525,513	46,907	6594.7	\$7,101.03	
Feb																					
Mar																					
Apr																					
May																					
June																					
July																					
Aug																					
Sept																					
Oct																					
Nov																					
Dec																					
Total Gallons*	46,420		53,775		0		29,742		4,235,138	3	276,716	59,432	3,045,050	54,354	4,645,916	3	3,525,513	46,907	6594.7	290,636	
Total acft	142.46		165.03		0.00		91.27		182.39	0.01	0.01	182.39	166.81	143.95	891.93	0.01	891.93	143.95	891.93	891.93	
Current Month Production in acft																					
% of monthly allowable for current month																					
Total acft for year	891.93		91.57				7.63														\$7,101.03

% of prod. for year

gallons in thousands

SAWS Monthly Production



Schertz-Seguin Local Government Corporation
 Meter Reading - Usage
 2024

Date	P007 Well #1		P008 Well #2		P009 Well #3		P010 Well #4		P011 Well #5		P012 Well #6		P016 Well #7		P017 Well #8		P031 Well #9		P032 Well #10		P033 Well #11		P034 Well #12		Fees			
	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage		Meter	Usage	
Jan	890,980	16,920	287,534	0	835,744	43,511	365,702	35,496	287,672	4,309	541,090	36,977	331,250	7,043	611,391	43,064	2,868,556	43,975	2,348,304	43,703	3,151,746	0	4,557,111	74,128	7922	\$8,530.10		
Feb																												
Mar																												
Apr																												
May																												
June																												
July																												
Aug																												
Sept																												
Oct																												
Nov																												
Dec																												
Total Gallons*	16,920		0		43,511		35,486		4,309		36,977		331,250		7,043		43,064		43,703		0		74,128		349,126			
Total acft	51.93		0.00		133.53		108.93		13.22		113.48		7.043		21.61		192.16		134.12		0.00		227.49		1071.43			
Current Mo. Production in acft	1071.43																											
% of monthly allowable for current mo.	66.42																											
Total acft for yr	1071.43																											
Total Dollars																											\$8,530.10	

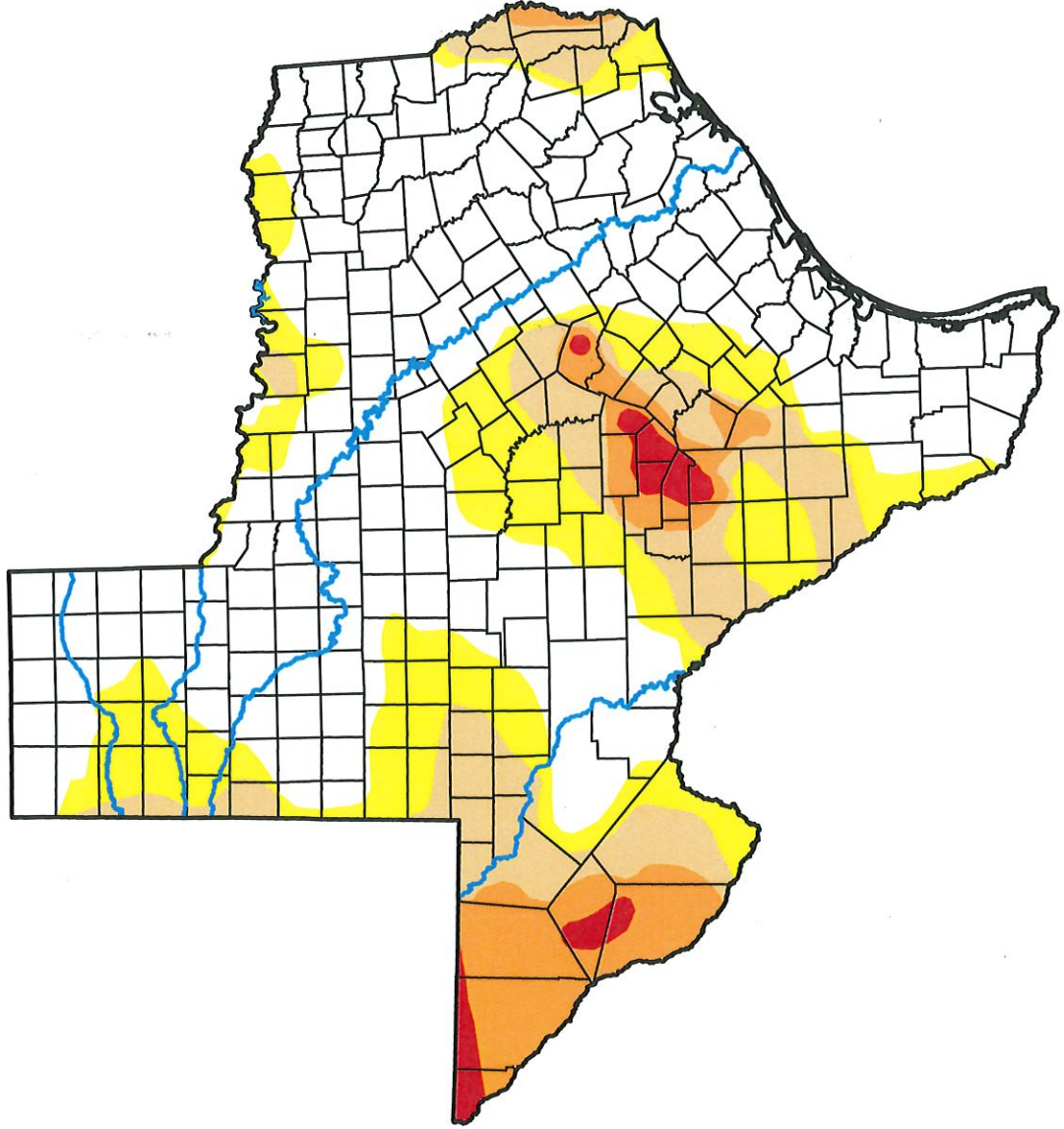
gallons in thousands

U.S. Drought Monitor Texas

January 30, 2024
 (Released Thursday, Feb. 1, 2024)
 Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	56.93	43.07	22.75	9.68	1.92	0.00
Last Week <i>01-23-2024</i>	48.36	51.64	26.66	11.82	3.25	0.00
3 Months Ago <i>10-31-2023</i>	13.61	86.39	65.37	38.54	10.94	1.78
Start of Calendar Year <i>01-02-2024</i>	39.60	60.40	39.47	17.78	5.68	0.68
Start of Water Year <i>09-26-2023</i>	3.03	96.97	80.64	59.66	38.06	12.68
One Year Ago <i>01-31-2023</i>	19.54	80.46	53.35	28.62	7.89	1.80



Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:
 Brian Fuchs
 National Drought Mitigation Center



Water Weekly

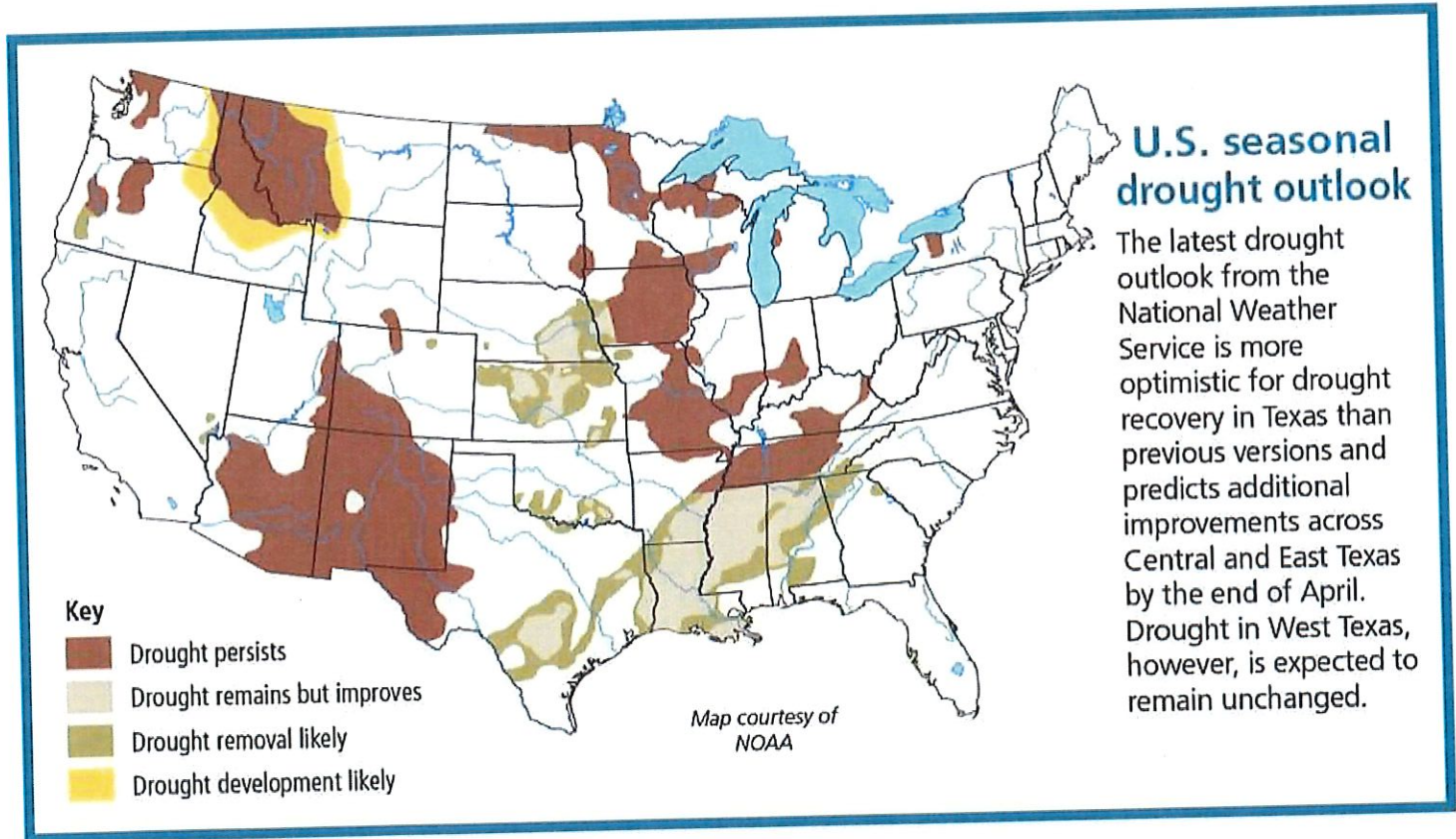
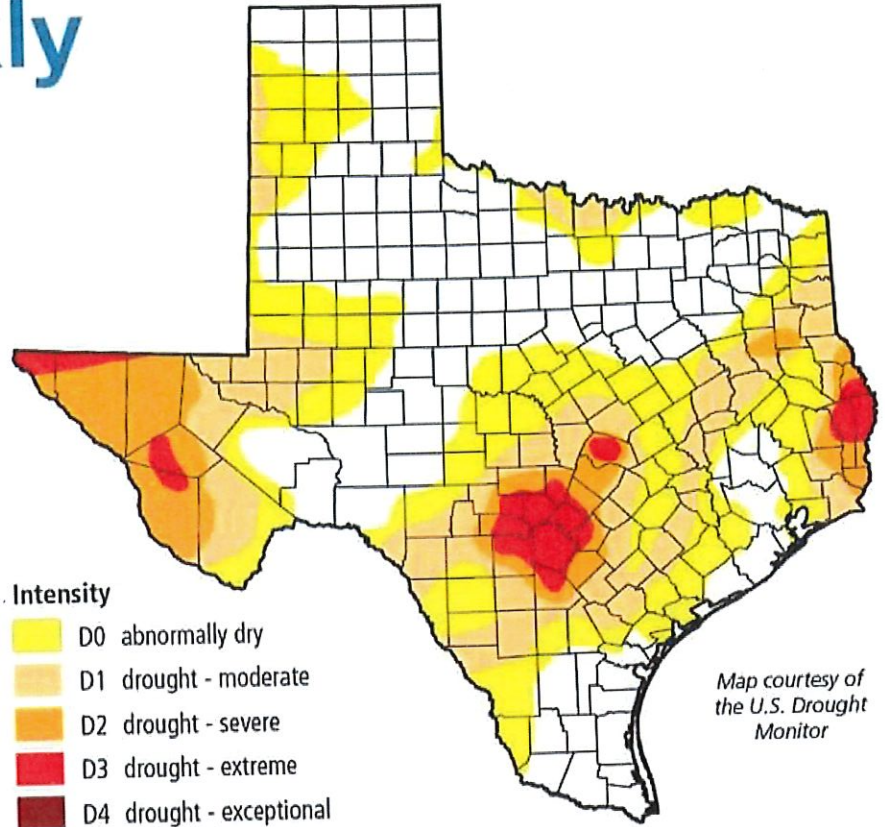
For the week of 01/22/24

Water conditions

The latest drought map for conditions as of January 16 shows a small increase in drought from the previous week. Drought expanded slightly in South Texas but was unchanged elsewhere. Expect that increase in drought to be short lived. Recent rainfall should bring large improvements to next week's map.

Drought conditions

- ◆ 31% now
- ◆ 30% a week ago
- ◆ 74% three months ago
- ◆ 55% a year ago



Written by Dr. Mark Wentzel — Dr. Mark Wentzel is a hydrologist in the TWDB's Office of Water Science and Conservation.

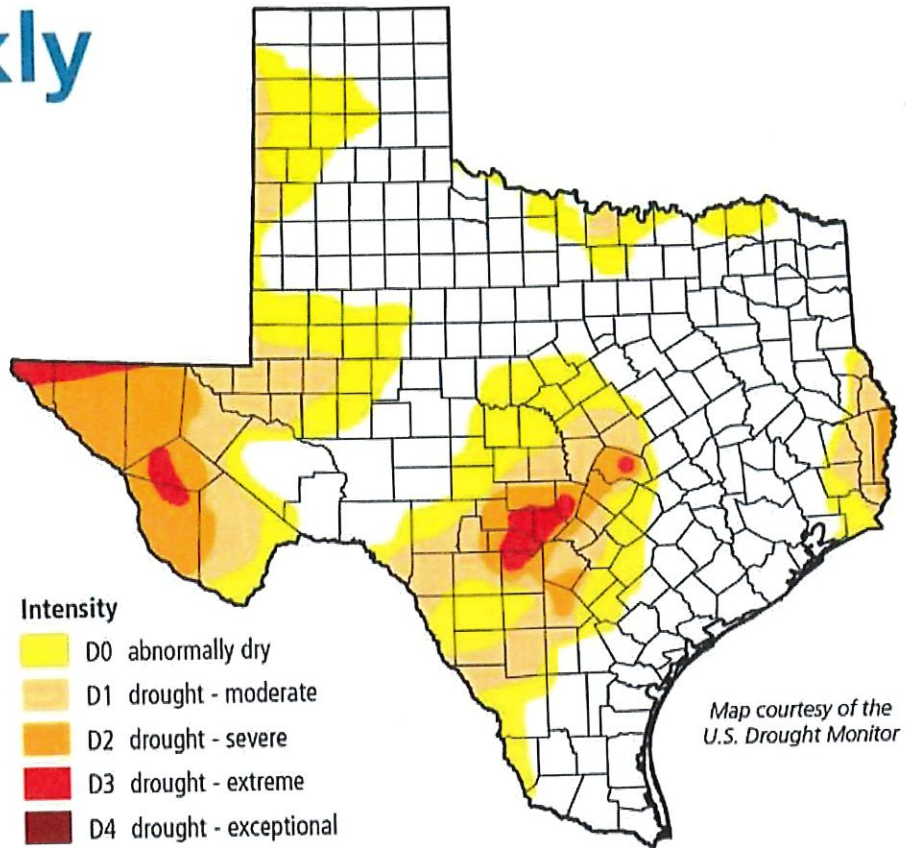
Bryan McMath, Government Relations | bryan.mcmath@twdb.texas.gov | 512-463-7850
 Media Relations | MediaRelations@twdb.texas.gov | 512-463-5129

Water Weekly

For the week of 02/05/24

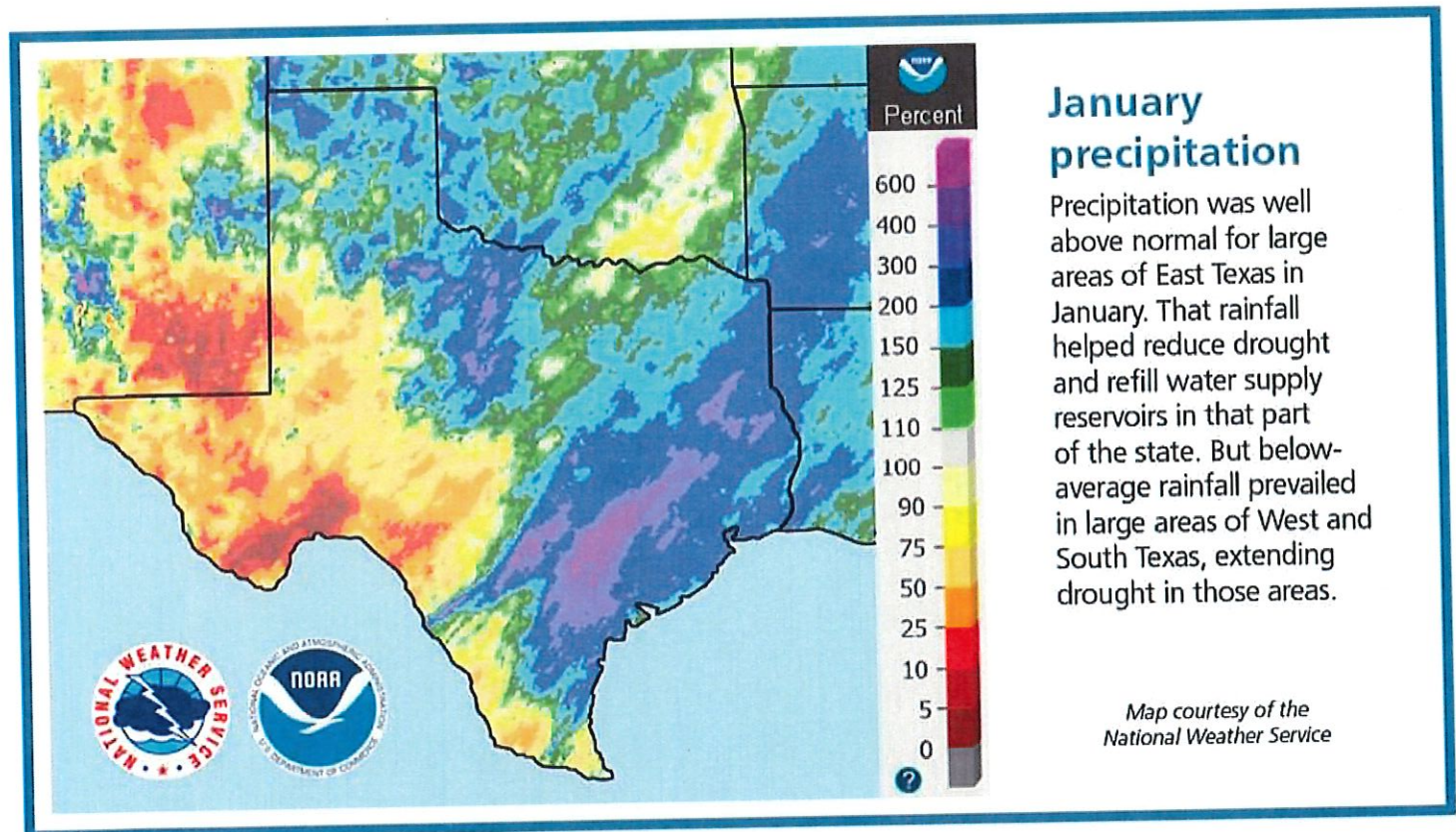
Water conditions

The latest drought map for conditions as of January 30 shows a 16 percentage point decrease in drought area since late December. Parts of East Texas have seen a three category reduction in drought Intensity during that time. Drought area has reached its lowest value since mid-June 2023.



Drought conditions

- 23% now
- 27% a week ago
- 65% three months ago
- 53% a year ago



Written by Dr. Mark Wentzel — Dr. Mark Wentzel is a hydrologist in the TWDB's Office of Water Science and Conservation.

Bryan McMath, Government Relations | bryan.mcmath@twdb.texas.gov | 512-463-7850
Media Relations | MediaRelations@twdb.texas.gov | 512-463-5129

**Gonzales County Underground Water Conservation District
Mitigation Fund Manager's Report
January 2024**

On January 2nd, I went to Ottine to the Parker well to review a potential well mitigation.

On January 25th, I went San Marcos to the Texas Groundwater Show to visit with TDLR.

On January 31st, I went to Nixon to meet with Wagener's Well Service to discuss mitigation and plugging.

DRAFT

**Gonzales County Underground Water Conservation District
Field Technician Report
January 2024**

On January 4th, I obtained water levels on wells in north Gonzales County and south Caldwell County.

On January 8th, I obtained water levels on wells in north Gonzales County.

On January 10th, I obtained water levels on wells in north and northeast Gonzales County.

On January 11th, I obtained water levels on wells in north Gonzales County.

On January 17th, I obtained water levels on water wells in east Gonzales County.

On January 18th, I obtained water levels on water wells in central Gonzales County.

On January 19th, I obtained water levels on water wells in west Gonzales County.

On January 26th, I obtained water levels on two Walker wells on State Highway 304.

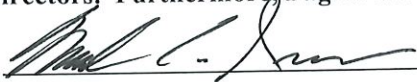
On January 29th, I obtained water levels on wells in north Caldwell County (Palmer, CR 151).

On January 30th, I obtained water levels on wells in southwest Gonzales County (Williams, Bar T, Frisbee).

**GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT
DRILLING AND PRODUCTION APPLICATION FORM**

Acknowledgments

I agree that this well will be drilled within 50 feet of the location specified, and that I will furnish the District a complete State of Texas Well Report and any geophysical log that might be made within 60 days of completion of this well. I agree to abide by the District Rules, Management Plan, and orders of the Board of Directors. Furthermore, I agree not to produce this well in a wasteful manner.

Signature: 

Date: 11-6-23

Printed Name: Mark A. Ince

Title: Agent

District Use Only

Date Application Received: 11/09/2023 Date Fee Received: 11/06/2023 Check No.: 11357

Field Inspection Date: _____ Field Inspector: _____



Southwest Engineers

307 St. Lawrence
Gonzales, TX 78629
Phone: 830.672.7546
www.swengineers.com
TPBE No. F-1909

November 6, 2023

Ms. Laura Martin
General Manager
Gonzales County Underground Water Conservation District
P. O. Box 1919
522 St. Matthew Street
Gonzales, Texas 78629

RE: APPLICATION FOR WELL PERMIT

Dear Ms. Martin,

On behalf of Danny V. Janecka and J BAR B Water Supply, we request to install a water well into the Queen City Aquifer in Waelder, Texas. The well site will be located at 100 Blk NE First Street in Waelder, Texas. Attached are deeds to the property. GPS coordinates are 29° 41' 37.5" N and 97° 17' 51.8" W.

The purpose of the well is to provide a secondary water source for J & B Sausage. J & B Sausage presently receives water from the City of Waelder and the City of Waelder well is not in good condition. Failure of the City well would result in the shutdown of J & B Sausage. J & B Sausage is also required by the international Safe Quality Foods (SQF) organization to have a back-up water supply. Many J & B sausage customers require SQF accreditation, thus it is required that J & B Sausage obtain a secondary water supply.

Attached is the deed showing 272.1 Acres owned by J & B Sausage. J & B Sausage and Danny Janecka also own 5.34 acres within the city. Their total acreage is 277.4 acres. J & B Sausage will lease the water rights from this property to J-B Water Supply for allocation of water to this well. J & B Water Supply has also leased the water rights from Hopkinsville Lodge #18 A F & A M. The closest neighbor not leased or owned by J & B Water Supply is Curtis Hadnot located 200 feet from the proposed well.

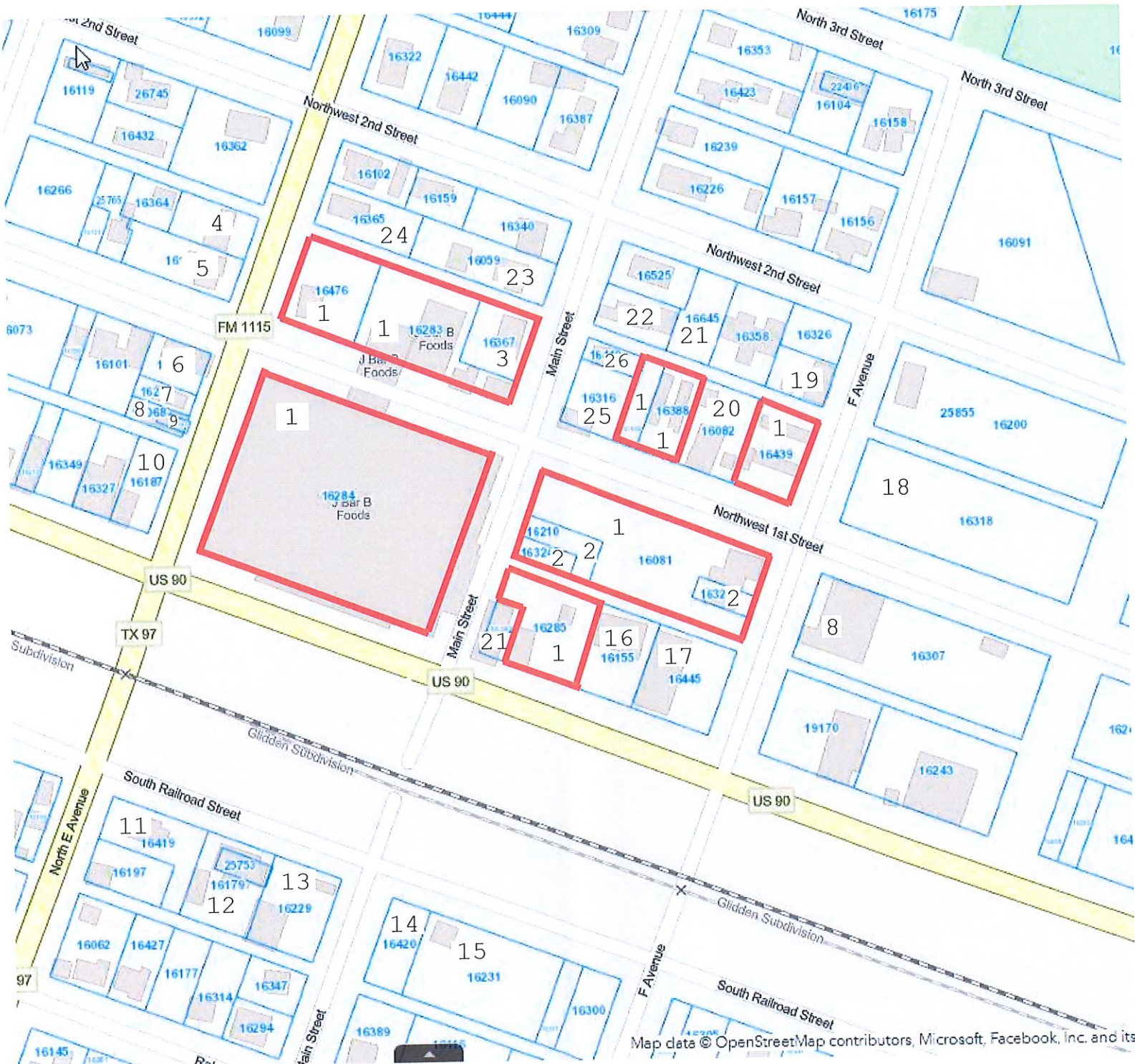
Danny Janecka dba J & B Water Supply requests an allotment of 277 AC-FT/yr at a rate not to exceed 200 GPM. The proposed well would potentially replace water currently received from the City of Waelder thus not increase demand upon the aquifer.

If you any questions, please contact me at mark.ince@swengineers.com or 830-672-7546.

Respectfully submitted,

Mark A. Ince, P.E.

ENCL.



Map data © OpenStreetMap contributors, Microsoft, Facebook, Inc. and its



Laura Martin

From: Natasha J. Martin <NMartin@gdhm.com>
Sent: Thursday, February 1, 2024 12:55 PM
To: Trish Erlinger Carls
Cc: Trey Wilson - R L WILSON LAW; Laura Martin; Gregory M. Ellis (Greg@gmellis.law)
Subject: Request for Additional Information
Attachments: Observation Wells Near CRWA Well Field.pdf; CRWA Well Field Map.pdf

You don't often get email from nmartin@gdhm.com. [Learn why this is important](#)

Trish –

I am following up on the Board's consideration of the Canyon Regional Water Authority ("CRWA") permit amendment application. As you know, until January 9, 2024, the Board was not able to act on CRWA's amendment application because it was contested. Now that the application is uncontested, the Board can continue to process your application and consider it at an upcoming board meeting. At the January 9, 2024 meeting, the Board raised 3 main issues, described below, regarding CRWA's request to increase production at "Well 14-Christian West" from 495 gallons per minute (gpm) to 1,065 gpm with a corresponding increase in CRWA's operating and export authorizations of 920.05 acre-feet/year. As can be seen from the questions below, the Board's concerns are related to whether the application, if granted, will result in unreasonable effects on existing groundwater resources or existing users under District Rule 11.A.4.

On behalf of the Gonzales County Underground Water Conservation District General Manager, I am requesting the following information:

1. **Phased Production** - The current permit breaks the permitted production into 2 interim stages. The Board asked whether CRWA would need the full amount of the additional 920 acre-foot per year increase in production now, or if it could be phased in.
 - a) When will CRWA, or its member entities, beneficially use the requested amount of groundwater? Please provide a brief description of how the total production requested meets the CRWA's needs and how it will be put to a beneficial use and the timeline for that use.
 - b) Are there any technical impediments to using the full requested amount upon authorization?
 - c) If additional phasing were included as a special condition by the Board, how would CRWA propose to phase in the use for phases II and a new phase III?

2. **Monitoring Wells** - The Board asked whether existing monitoring wells near CRWA's pumping were adequate to monitor impacts from the additional 920 acre-foot production. Specifically, the General Manager noted during the meeting that there is an area in the monitoring well network with a gap, or limited coverage, in observation wells. Two well maps are

attached. See *Observation Wells Near CRWA Well Field* and *CRWA Well Field Map*. The gap being considered is on and near County Road 104 near CRWA's well field. Without adequate monitoring, the District will not be able to anticipate mitigation needs for wells near CRWA's pumping. If additional monitoring were included as a special condition by the Board, how would CRWA propose to monitor impacts from CRWA's increased pumping in the monitoring well gap?

3. **Mitigation** – Based on mitigation funds expended to date, there are concerns that there will be a shortage of mitigation funds once CRWA begins production of the requested increased amount. The District spent \$208,282 in mitigation funds in November 2022 to mitigate wells near Leesville, Texas, not far from CRWA's current production. That year, CRWA was permitted to produce 7,400 acre-feet per year and produced 7,426 acre feet. Because additional mitigation is anticipated from the increase in production, and the expected shortfall in funds, the District General Manager plans to renegotiate the mitigation agreement with CRWA. Does CRWA agree with the special condition drafted below?

Amended Participation Agreement in the Western Gonzales County Dedicated Mitigation Fund, by and between Canyon Regional Water Authority and the District, executed to be effective on December 17, 2012 (see Attachment 1, the "Mitigation Agreement"). The Mitigation Agreement is subject to amendment by the parties for consistency with the District's adopted mitigation program. Permittee will work with the District to amend the Mitigation Agreement to address impacts from production on existing groundwater and surface water resources or existing permit holders on mutually agreeable terms which are substantially similar to the terms and conditions required by the District of similarly-situated permittees.

After receipt of the requested information, the General Manager will take the applications and a draft permit to the Board for consideration. Please provide your response by March 5, 2024, in advance of the March 12th board meeting.

Thank you,

Natasha J. Martin | Attorney
Direct: (512) 480-5639 | Fax: (512) 536-9939
401 Congress Avenue, Suite 2700, Austin, Texas 78701



**GRAVES
DOUGHERTY
HEARON &
MOODY**

www.gdhm.com | [Bio](#) | [LinkedIn](#)



Board of Directors

Cindy Rodriguez
President

Cynthia Green
Secretary

Britney Jones Caka
Treasurer

Charlie Gray
Director

David Haug
Director

Jessica Barnett
Director

Bruce Maulding
Director

Lions Park
Improvement
Committee

Garen Reese
Chairperson

Robert Bland
Britney Jones Caka
Kenneth Gottwald
Cynthia Green
Darrell Haug
Greg McLain
Cindy Rodriguez
Loretta Shirley
Deidra Voigt

Dear Valued Community Member,

On behalf of the Gonzales Noon Lions Club, we are thrilled to announce an exciting project, renovation of the Lions Park playground area. The project will establish an ADA compliant playground that can be utilized by all members of the community.

Our main focus is the removal of the 25-year-old playscape and installation of exciting all-inclusive, ADA safety compliant features and additional park seating.

As you may know, the Gonzales Noon Lions Club has been an instrumental service organization in Gonzales for over 83 years. Countless lives have been impacted by the club's service. Our work is widely supported by generous donors, grants and Lions Club International. The goal for this project is \$275,000. Once again, we are excited to involve our community in our latest fundraising efforts. The City of Gonzales and the Pilot Club of Gonzales have committed to helping us achieve the goals of the project; however, we still need your support.

I respectfully ask you to consider making a tax-deductible donation to our project through the Gonzales Noon Lions Club Foundation (GNLC Foundation). Any amount is appreciated and no amount is too small. You will be directly contributing to the inclusiveness needs of our community and will be appropriately recognized for your generosity as a capital campaign donor.

As Lions Club members, our motto is "WE SERVE". Together we can make a positive impact in our city. Thank you for your consideration of support in helping to reach our fundraising goal.

Sincerely,

Cindy Rodriguez
Foundation President

Garen Reese
Park Improvement Chairperson

Cynthia Green
Gonzales Noon Lions Club, President



Funds are being raised for this project through the Gonzales Noon Lions Club Foundation. The GNLC Foundation was formed exclusively for charitable purposes and to offer support to the community of Gonzales. Contributions are tax deductible as provided by law. The GNLC Foundation is a 501(c)(3) charity, EIN# 47-5288150. Acknowledgment of donation will be mailed to the donor's address listed below.

Donor's Name: _____

Address: _____

City/State/Zip: _____

Email: _____

Phone: Home: _____ **Cell:** _____

Choose gift level by checking appropriate box or designating amount:

- | | | |
|---|--|---|
| <input type="checkbox"/> \$25,000 Diamond | <input type="checkbox"/> \$10,000 Platinum | <input type="checkbox"/> \$5,000 Gold |
| <input type="checkbox"/> \$2,500 Silver | <input type="checkbox"/> \$500 Bronze | <input type="checkbox"/> Other \$ _____ |

This gift is in honor/memory of: Cindy Wilder Maya Ford

Please initial if you'd like for your gift to remain anonymous: _____

**Please send your check payable to the "Gonzales Noon Lions Club Foundation" to:
P.O. Box 1881, Gonzales, TX 78629**

For more information please contact: Cindy Rodriguez 830-263-5502 or Garen Reese 830-857-3114 or Britney Jones Caka 830-857-6269

Gonzales County Underground Water Conservation District

522 Saint Matthew
PO Box 1919
Gonzales, Texas 78629
Phone 830.672.1047

Bruce Tieken
Gonzales County Underground
Water Conservation District
P.O. Box 1919
Gonzales, Tx 78629

February 13, 2024

To Whom it May Concern:

On behalf of Gonzales County Underground Water Conservation District, we would like to express our support for the greatly needed renovation of the Lions Park playground area in the City of Gonzales by the Gonzales Noon Lions Club Foundation (GNLCF).

The current 25-year-old plus equipment is out of date and in some cases dangerous. The project plan of having an all-inclusive, ADA compliant playscape for the community will further community involvement and provide a significantly needed

area for play, socialization, and a safe place to enjoy outdoor activities in the historic City of Gonzales.

The GNLCF has worked tirelessly in campaigning and allocating funding for this project and are committed to seeing this project to fruition. Receiving the requested grant would bring the GNLCF one step closer to achieving their goal for their playground project. We would like to recommend approval of the requested grant by GNLCF.

Sincerely,

Bruce Tieken
Board President

Kermit Thiele
Board Vice-President

Barry Miller
Board Secretary Treasurer

Mark Ainsworth
Board Director

Mike St. John
Board Director

Bruce Tieken

Kermit Thiele

Barry Miller

Mark Ainsworth

Mike St. John

President

Vice-President

Secretary

Director

Director



Montemayor Britton Bender PC
CERTIFIED PUBLIC ACCOUNTANTS

27 October 2023

Board of Directors and Management
Gonzales County Underground Water Conservation District
P.O. Box 1919
Gonzales, Texas 78629

We are pleased to confirm our understanding of the services we are to provide Gonzales County Underground Water Conservation District (District) for the year ended September 30, 2023.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the years ended September 30, 2023. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited.

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedules

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always

2110 BOCA RATON DRIVE
BUILDING B, SUITE 102
AUSTIN, TEXAS 78747
PHONE: 512.442.0380
FAX: 512.442.0817
www.montemayor.team



27 October 2023
Board of Directors and Management
Gonzales County Underground Water Conservation District
Page 2

detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Director's and management of the District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions,



27 October 2023
Board of Directors and Management
Gonzales County Underground Water Conservation District
Page 3

including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures - Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

1. management override of controls,
2. improper revenue recognition,
3. completeness of revenue and liabilities,
4. validity of expenses and assets, and
5. significant estimates made by management, if any.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also assist in preparing the financial statements of the District in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior



27 October 2023
Board of Directors and Management
Gonzales County Underground Water Conservation District
Page 4

management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.



27 October 2023
Board of Directors and Management
Gonzales County Underground Water Conservation District
Page 5

With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

Engagement Administration, Fees, and Other

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We understand that your employees will prepare all cash, accounts receivable, revenue, and other confirmations we request and will locate any documents selected by us for testing.

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

The audit documentation for this engagement is the property of Montemayor Britton Bender PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Regulators or their designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Montemayor Britton Bender PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the Regulators or their designee. The Regulators or their designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Sean Bender, CPA is the engagement principal and is responsible for supervising the engagement and signing the report. We expect to begin our audit in December each year and to issue our report no later than March each year.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Our fee for these services will be \$8,600. We will require payment of a 25% retainer prior to starting our work. Additional invoices for these fees will be rendered semimonthly as work progresses and are payable on presentation.

In accordance with our firm policies, work may be suspended if your account becomes 15 days or more overdue and may not be resumed until your account is paid in full. We will assess interest at the rate of 18% per annum on all past due amounts. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that



27 October 2023
Board of Directors and Management
Gonzales County Underground Water Conservation District
Page 6

unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of District's financial statements. Our report will be addressed to management and those charged with governance of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Respectfully,

Montemayor Britton Bender PC

RESPONSE: This letter correctly sets forth the understanding of the District.

Signature:

Title: General Manager Date: 10/27/2023

Board of Directors and Management
Gonzales County Underground Water Conservation District

COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE

We have audited the financial statements of Gonzales County Underground Water Conservation District (District) for the year ended 30 September 2023, and have issued our report thereon dated DATE. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated information related to the planned scope and timing of our audit in our letter to you dated 27 October 2023. Professional standards also require that we provide you with the following information related to our audit.

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2023. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the District's financial statements was:

Management's estimates of the useful lives of fixed assets, and the related estimate of depreciation expense are based on general knowledge of the assets involved and customary lives used by other organizations for similar assets. We evaluated the key factors and assumptions used to develop the estimated useful lives of fixed assets (and related accumulated depreciation), in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated DATE.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, and the general fund, eastern mitigation fund and western mitigation fund budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

DATE
Austin, Texas

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

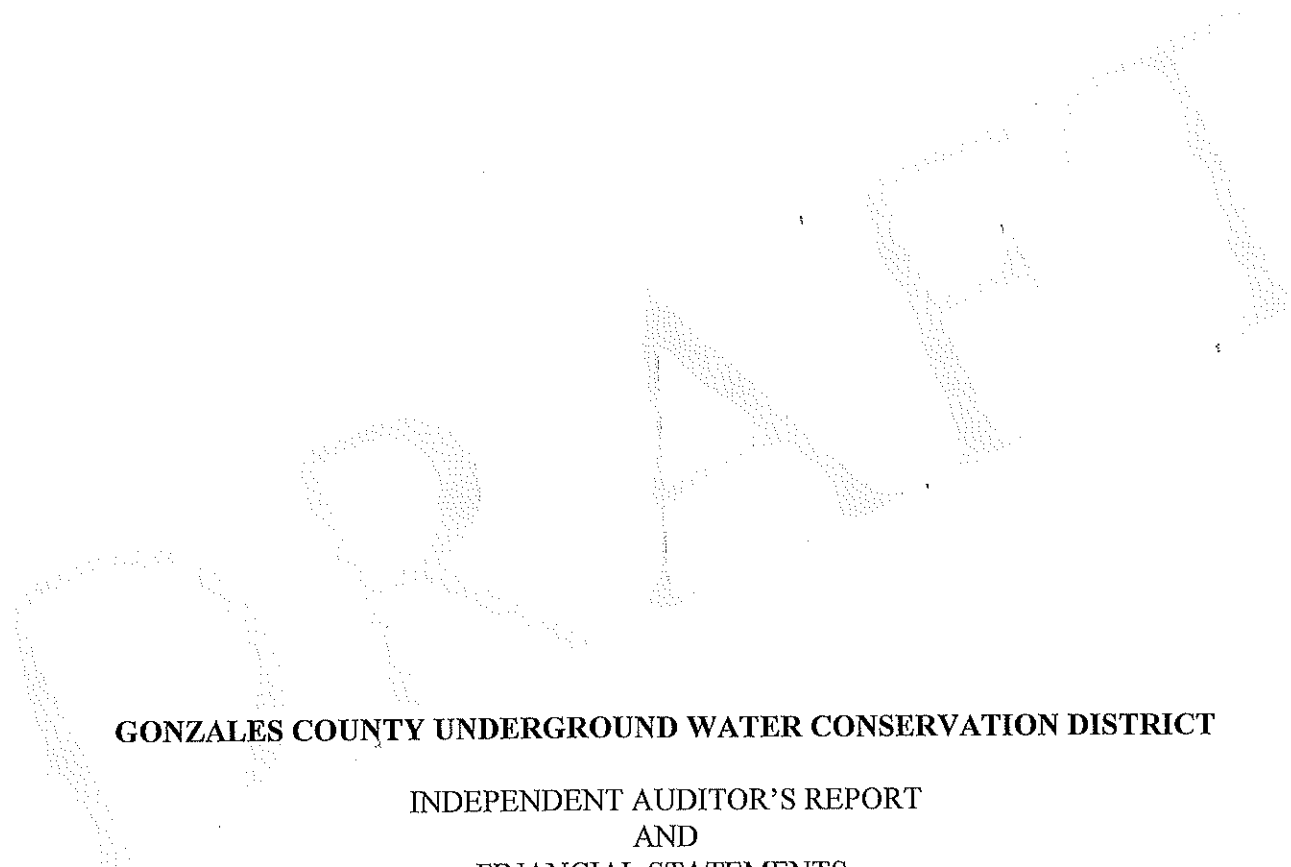
UNCORRECTED MISSTATEMENTS

30 SEPTEMBER 2023

<u>Account</u>	<u>Debit</u>	<u>Credit</u>
Prepaid expenses	1,554	
Insurance-building expense		1,554

DRAFT

RECEIVED JAN 18 2024



GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS**

30 SEPTEMBER 2023

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

TABLE OF CONTENTS

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-7
Statement of Net Position	8
Statement of Activities	9
Governmental Funds Balance Sheet	10
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	11
Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balances	12
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Notes to Financial Statements	14-19
General Fund Budgetary Comparison Schedule	20
Eastern Mitigation Fund Budgetary Comparison Schedule	21
Western Mitigation Fund Budgetary Comparison Schedule	22

Board of Directors
Gonzales County Underground Water Conservation District

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Gonzales County Underground Water Conservation District (District) as of and for the year ended 30 September 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of 30 September 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-7, and the general fund, eastern mitigation fund and western mitigation fund budgetary comparison schedules on pages 20-22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we

obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

DATE
Austin, Texas

DRAFT

Gonzales County Underground Water Conservation District

Management's Discussion and Analysis

Fiscal Year Ending 30 September 2023

The following Management's Discussion and Analysis narrative provides an overview and summary-level analysis of the significant activities and situations that have financial reporting consequence for the fiscal year. This information is provided in conjunction with our financial statements that follow.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of Gonzales County Underground Water Conservation District (District):

- A. The statements on pages 10 and 12 are the fund financial statements that focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements. The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending.
- B. The statements on pages 8 and 9 are the government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the District's tax base.

The government-wide financial statements of the District include its governmental activities. The District's basic service is to provide water conservation services to our district. Property taxes and fees charged to water purveyors help finance most of this activity. The District has no business-type activities.

CONDENSED FINANCIAL INFORMATION

The following table presents comparative condensed financial information on assets, liabilities and net position.

Condensed Statement of Net Position 30 September 2023 and 2022

	<u>2023</u>	<u>2022</u>
Current assets	\$2,434,647	\$2,344,164
Capital assets	<u>372,302</u>	<u>386,528</u>
Total assets	<u>2,806,949</u>	<u>2,730,692</u>
Total liabilities	<u>377,203</u>	<u>532,497</u>
Net position:		
Net investment in capital assets	372,302	386,528
Unrestricted	<u>2,057,444</u>	<u>1,811,667</u>
Total net position	<u>\$2,429,746</u>	<u>\$2,198,195</u>

The following table presents comparative condensed financial information on revenues, expenses, and changes in net position.

Condensed Statement of Activities Years Ended 30 September 2023 and 2022

	<u>2023</u>	<u>2022</u>
Program Revenues:		
Charges for services	\$730,802	\$543,476
General Revenues:		
Property taxes	141,822	151,068
Legal services	28,000	0
Other	<u>32,287</u>	<u>26,876</u>
	<u>932,911</u>	<u>721,420</u>
Expenses for underground water conservation	<u>701,360</u>	<u>530,264</u>
Change in net position	231,551	191,156
Beginning net position	<u>2,198,195</u>	<u>2,007,039</u>
Ending net position	<u>\$2,429,746</u>	<u>\$2,198,195</u>

FINANCIAL HIGHLIGHTS OF CHANGES IN OPERATING REVENUES

Total revenues for the year increased \$211,491, 29%, from the prior year. This increase is attributed to an increase in well mitigation fees which increased \$180,144 from \$111,757 to \$291,901 in the current year due to an increase in well mitigation expenditures. Additionally, the District received \$28,000 for providing legal assistance to a water purveyor for a contested case hearing regarding an application related to groundwater wells in the water purveyor's jurisdiction.

FINANCIAL HIGHLIGHTS OF CHANGES IN OPERATING EXPENSES

Total expenses for the year increased \$171,096, 32%, from the prior year. Expenses for well mitigation increased by \$179,884 from the prior year to \$286,441 in fiscal year 2023 due to more mitigation in the current year. Depreciation expense decreased \$49,822 from the prior year to \$14,226, due to several assets being fully depreciated in the prior year.

OVERALL FINANCIAL POSITION

The overall net position increased by a total of \$231,551 during fiscal year 2023. This increase was primarily due to fee revenue exceeding expenses incurred.

FUND ANALYSIS

The District has three funds in fiscal year 2023, a general fund and two special revenue funds for well mitigation.

The General Fund's net position increased 14% over the prior year due to overall revenues greater than expenses.

The Eastern Mitigation Fund, a special revenue fund, received \$0 in fiscal year 2023 for well mitigation. Cash received for this fund is considered unearned until a service is provided. At any time if this fund is deemed unnecessary, the cash will be returned to the contributing purveyors.

The Western Mitigation Fund, a special revenue fund, received \$166,981 to be used for well mitigation. Cash received for this fund is considered unearned until a service is provided. During the year the fund expended \$286,441 for well mitigation. At any time if this fund is deemed unnecessary the cash will be returned to the contributing purveyors.

BUDGET VARIANCES

The General Fund budget was amended to make small changes in consultant, equipment rental and other expense accounts. There were no changes to the Eastern Mitigation Fund Budget during 2023. The Western Mitigation Fund budget was amended for a small increase in expected interest income.

Actual amounts had some variances from the final budget.

General Fund: The District received an unexpected \$28,000 for providing legal assistance to a water purveyor for a contested case hearing regarding an application related to groundwater wells in the water purveyor's jurisdiction. Actual other revenue was \$29,979, 400% higher than budgeted due to higher than anticipated interest earned and unexpected contributions received during the year. Actual

projects expenses were \$3,618, 98% lower than budget due to anticipated projects that did not occur. Actual professional services expenses were \$71,762, 35% above budget, due to various unanticipated changes in professional and legal services for legal assistance provided to a water purveyor. Actual other expenses were \$33,716, 54% lower than that budget, due to anticipated lobbying that did not occur.

Eastern Mitigation Fund: Well mitigation fees revenue were not budgeted for because the budget is on a cash basis. Well mitigation expenses were \$310,000, 100%, lower than budgeted due to less mitigation costs expended.

Western Mitigation Fund: Actual well mitigation fee revenue was \$289,171, 64% higher than budgeted, because the budget is based on the cash basis of accounting.

CAPITAL ASSET ACTIVITY

During fiscal year 2023, the District did not incur any capital expenditures.

ECONOMIC FACTORS, FUTURE YEARS' BUDGET AND TAX RATES

The District factors considered in establishing a budget are the funding needs of the District operations and programs necessary to meet the objectives of the District as stated in the District's By-Laws. The tax-based source of funds are determined as the last item after consideration of all other sources (permits, fees, interest, etc.) and carry forward from prior year. Tax base is computed on that minimum amount necessary to complete the annual funding of the District.

If these estimates are realized, the District's budgetary General fund balance is expected to be about the same by the close of 2024.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the finances of the District for all parties with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should contact the District's business office at 522 Saint Matthews Street, Gonzales, TX 78629.

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

STATEMENT OF NET POSITION

30 SEPTEMBER 2023

	<u>Governmental Activities</u>
ASSETS	
Cash	\$2,396,504
Export fees receivable	19,236
Property taxes receivable, net of allowance of \$5,080	<u>18,907</u>
	2,434,647
Capital assets, net of accumulated depreciation	<u>372,302</u>
	<u>2,806,949</u>
LIABILITIES	
Accounts payable	9,320
Accrued expenses	2,377
Unearned mitigation revenue	<u>365,506</u>
	<u>377,203</u>
NET POSITION	
Net investment in capital assets	372,302
Unrestricted	<u>2,057,444</u>
	<u>\$2,429,746</u>

The accompanying notes are an integral part of this financial statement presentation.

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

STATEMENT OF ACTIVITIES

YEAR ENDED 30 SEPTEMBER 2023

Functions/Programs <u>Primary government:</u> Government activities:	<u>Expenses</u>	Program Revenues <u>Charges for Services</u>	Net (Expenses) Revenue and Changes in Net Position Primary Government <u>Governmental Activities</u>
Conservation of underground water	<u>\$701,360</u>	<u>\$730,802</u>	<u>\$29,442</u>
General revenues:			
Property taxes			141,822
Legal services			28,000
Miscellaneous income			<u>32,287</u>
			<u>202,109</u>
Change in net position			231,551
Net position- beginning			<u>2,198,195</u>
Net position- ending			<u>\$2,429,746</u>

The accompanying notes are an integral part of this financial statement presentation.

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

GOVERNMENTAL FUNDS BALANCE SHEET

30 SEPTEMBER 2023

	<u>General Fund</u>	<u>Eastern Mitigation Fund</u>	<u>Western Mitigation Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$2,013,736	\$321,098	\$61,670	\$2,396,504
Export fees receivable	19,236	0	0	19,236
Property taxes receivable, net of allowance of \$5,080	18,907	0	0	18,907
	<u>\$2,051,879</u>	<u>\$321,098</u>	<u>\$61,670</u>	<u>\$2,434,647</u>
LIABILITIES				
Accounts payable	\$9,320	\$0	\$0	\$9,320
Accrued expenses	1,523	0	854	2,377
Unearned mitigation revenue	0	307,125	58,381	365,506
	<u>10,843</u>	<u>307,125</u>	<u>59,235</u>	<u>377,203</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue – property taxes	21,831	0	0	21,831
FUND BALANCES				
Unassigned fund balance	2,019,205	13,973	2,435	2,035,613
	<u>\$2,051,879</u>	<u>\$321,098</u>	<u>\$61,670</u>	<u>\$2,434,647</u>

The accompanying notes are an integral part of this financial statement presentation.

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION**

30 SEPTEMBER 2023

Total Fund Balances - Governmental Funds \$2,035,613

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. At the beginning of the year, the cost of these assets was \$815,936 and the accumulated depreciation was \$429,408. The net effect of this increases net position by \$386,528.

386,528

Depreciation expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation.

(14,226)

Property taxes to be received more than 60 days after year end are unavailable to be spent and thus are deferred inflows in the fund financial statements.

21,831

Net Position of Governmental Activities

\$2,429,746

DRAFT

The accompanying notes are an integral part of this financial statement presentation.

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT
GOVERNMENTAL FUNDS STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED 30 SEPTEMBER 2023

	<u>General Fund</u>	<u>Eastern Mitigation Fund</u>	<u>Western Mitigation Fund</u>	<u>Total Governmental Funds</u>
REVENUE				
Well mitigation fees	\$0	\$2,730	\$289,171	\$291,901
Negotiated fees	258,376	0	0	258,376
Export fees	180,525	0	0	180,525
Property taxes	141,822	0	0	141,822
Legal services	28,000	0	0	28,000
Other	<u>29,979</u>	<u>2,217</u>	<u>91</u>	<u>32,287</u>
	<u>638,702</u>	<u>4,947</u>	<u>289,262</u>	<u>932,911</u>
EXPENDITURES				
Well mitigation	0	0	286,441	286,441
Personnel	237,235	0	0	237,235
Professional services	71,762	2,730	2,730	77,222
Consultant	25,000	0	0	25,000
Vehicle mileage	8,999	0	0	8,999
Office computer system	5,635	0	0	5,635
Travel and meetings	5,155	0	0	5,155
Equipment rental	4,113	0	0	4,113
Telephone	3,964	0	0	3,964
Other	<u>33,370</u>	<u>0</u>	<u>0</u>	<u>33,370</u>
	<u>395,233</u>	<u>2,730</u>	<u>289,171</u>	<u>687,134</u>
Net change in fund balance	243,469	2,217	91	245,777
Beginning fund balance	<u>1,775,736</u>	<u>11,756</u>	<u>2,344</u>	<u>1,789,836</u>
Ending fund balance	<u>\$2,019,205</u>	<u>\$13,973</u>	<u>\$2,435</u>	<u>\$2,035,613</u>

The accompanying notes are an integral part of this financial statement presentation.

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED 30 SEPTEMBER 2023

Net Change in Fund Balances - Governmental Funds \$245,777

Amounts reported for governmental activities in the statement of activities are different because:

Depreciation expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation. The net effect of the current year depreciation expense of \$14,226 is to decrease the change in net position.

(14,226)

Change in Net Position of Governmental Activities

\$231,551

DRAFT

The accompanying notes are an integral part of this financial statement presentation.

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1: REPORTING ENTITY

The Gonzales County Underground Water Conservation District (the District) is a political subdivision of the State of Texas. On 19 November 1993, the Texas Natural Resource Conservation Commission (the TNRCC) approved the petition for the creation of the District pursuant to Chapter 52 of the Texas Water Code, which was later changed to Chapter 36. The TNRCC no longer exists and the Texas Commission on Environmental Quality has assumed the responsibilities of the agency.

The District was formed to protect and regulate the Carrizo-Wilcox, Sparta, Queen City and Yegua-Jackson aquifers from pollution and from damage from overproduction. The boundaries of the District include all parts of Gonzales and Caldwell counties that are over these reservoirs.

Since the District's only responsibility is to provide groundwater control and it operates under Chapter 36 of the Texas Water code, it is not required to prepare and present the supplemental schedules described in the "Annual Audit Report Requirements for Texas Water Districts and Authorities."

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the District conform to U.S. generally accepted accounting principles applicable to state and local governments promulgated by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) and by the Financial Accounting Standards Board (when applicable). The following is a summary of the significant accounting policies.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the District's activities with the interfund activities removed. Governmental activities include programs supported primarily by taxes and fees charged to purveyors.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's government activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the Statement of Activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

RESTRICTED RESOURCES AND FUND BALANCE SPENDING

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

FUND FINANCIAL STATEMENTS

The District segregates transactions related to certain functions or transactions in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental activities. Major funds are determined by criteria specified by GASB. Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of current financial resources.

Governmental Fund Types:

Major Funds:

General Fund- the General Fund is the main operating fund of the District. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Eastern Mitigation Fund- the District established this fund to investigate, evaluate, and, if necessary, to implement mitigation plans. Mitigation consists of alleviating or lessening the effects of large scale pumping projects on existing permitted wells in the eastern part of the District's jurisdiction. Funding comes from large water exporters and is administered by the District. Cash received for this fund is considered unearned until a service is provided. At anytime, if this fund is deemed unnecessary, the cash will be returned to the contributing purveyors.

Western Mitigation Fund- the Western Mitigation Fund was established to investigate, evaluate, and if necessary, to implement mitigation plans. Mitigation consists of alleviating or lessening the effects of large scale pumping projects on existing permitted wells in the western part of the District's jurisdiction. Funding comes from large water exporters and is administered by the District. Cash received for this fund is considered unearned until a service is provided. At anytime, if this fund is deemed unnecessary, the cash will be returned to the contributing purveyors.

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the flow of economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenues in the year for which they are levied.

Governmental fund financial statements use the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period in which they become susceptible to accrual, i.e. both measurable and available. Revenues are considered to be available when they are collectible, within the current period or soon enough thereafter to pay liabilities of the current period (defined by the District as collected within 60 days of year end). Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The reported fund balance of governmental funds is considered a measure of available spendable resources.

The revenues susceptible to accrual are property taxes, charges for services, and interest income. All other governmental revenues are recognized when received, as they are deemed immaterial.

PROPERTY TAXES

The District's property taxes are levied each October 1, and are payable before the first day of February, on 100% of assessed value listed for all real and personal property located in the District. Assessed values are established by the Caldwell County and the Gonzales County Tax Appraisal Districts and are certified by the Caldwell County and Gonzales County Tax Appraisal Districts. Property taxes attach as an enforceable lien on property as of January 1 of each year.

BUDGET

The District adopts annual budgets for the General, Eastern Mitigation, and Western Mitigation Funds. The District amends the budgets as needed during the year. All annual appropriations lapse at fiscal year-end.

ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

COMPENSATED ABSENCES

It is the District's policy that upon separation from District employment, employees forfeit all accumulated sick leave. Earned vacation time is generally required to be used within one year of accrual. A maximum of forty hours can be carried forward.

TRANSACTIONS BETWEEN FUNDS

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Transactions between funds that would be treated as revenues, expenditures or expenses if they involved organizations external to the government unit are accounted for as revenues, expenditures or expenses in the funds involved. Transactions which constitute reimbursement for expenditures or expenses initially made from a fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund, and as reductions of the expenditures or expenses in the fund that is reimbursed.

DEPOSITS, SECURITIES, AND INVESTMENTS

The District has adopted an investment policy to comply with Chapter 36, Water Code, and Chapter 2256 and 2557, Texas Government Code, the Public Funds Investment Act and Public Funds Collateral Act. The District's investment objectives are to pursue the safety and preservation of principal, maintenance of sufficient liquidity to meet operating needs, ensure public trust, and to optimize interest earnings on the portfolio.

The District is authorized to invest in:

- A) Certificates of Deposit issued by a depository institution that has its main office or a branch office in Texas. The certificate of deposit must be guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund. Any funds held in excess of the amount insured shall be secured by obligations in a manner and amount as provided by law.
- B) Certificates of Deposit obtained through a depository institution or broker that has its main office or a branch office in Texas and that contractually agrees to place the funds in federally insured depository institutions in accordance with the conditions prescribed in Section 2256.010(b) of the Public Funds Investment Act.
- C) Money Market Mutual funds that: 1) are registered and regulated by the Securities and Exchange Commission, 2) have a dollar weighted average stated maturity of 90 days or less, 3) seek to maintain a net asset value of \$1.00 per share, and 4) are rated AAA by at least one nationally recognized rating service.

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- D) Local government investment pools, which 1) meet the requirements of Chapter 2256.016 of the Public Funds Investment Act, 2) are rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service, and 3) are authorized by Board resolution.
- E) A local government investment pool created to function as a money market mutual fund if the pool 1) marks its portfolio to the market daily and, 2) to the extent reasonably possible, stabilizes at \$1.00 net asset value.
- F) Money Market Funds.

CAPITAL ASSETS

All capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at their estimated fair value at the date of the donation. Repairs and maintenance are recorded as expenditures or expenses; renewals and betterments are capitalized. Depreciation has been calculated on each class of depreciable property using the straight-line method.

NET POSITION

Net position represents the difference between assets, liabilities, and deferred inflows. Net position invested in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the city or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NOTE 3: DEPOSITS WITH FINANCIAL INSTITUTIONS

The District has deposits in excess of FDIC coverage of \$1,919,851. \$1,898,327 is collateralized by securities held by the pledging financial institution and \$21,524 is uncollateralized. The District has not experienced any losses due to this credit risk.

NOTE 4: CONCENTRATION

The District earned 47% of its revenue from five water exporters.

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 5: CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$17,200	\$0	\$0	\$17,200
Capital assets being depreciated:				
Equipment	42,405	0	0	42,405
Wells	613,437	0	0	613,437
Database	37,500	0	0	37,500
Building	22,800	0	0	22,800
Building improvements	82,594	0	0	82,594
Accumulated depreciation:				
Equipment	(39,208)	(383)	0	(39,591)
Wells	(362,499)	(5,654)	0	(368,153)
Database	(12,500)	(5,357)	0	(17,857)
Building	(3,320)	(456)	0	(3,776)
Building improvements	(11,881)	(2,376)	0	(14,257)
	<u>\$386,528</u>	<u>(\$14,226)</u>	<u>\$0</u>	<u>\$372,302</u>

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

GENERAL FUND BUDGETARY COMPARISON SCHEDULE

YEAR ENDED 30 SEPTEMBER 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUE				
Negotiated fees	\$247,187	\$247,187	\$258,376	\$11,189
Export fees	183,167	183,167	180,525	(2,642)
Property taxes	135,491	135,491	141,822	6,331
Legal services	0	0	28,000	28,000
Other	<u>6,000</u>	<u>6,000</u>	<u>29,979</u>	<u>23,979</u>
	<u>324,658</u>	<u>324,658</u>	<u>380,326</u>	<u>55,668</u>
EXPENDITURES				
Personnel	247,001	247,001	237,235	9,766
Projects	147,000	147,000	3,618	143,382
Professional services	53,000	53,000	71,762	(18,762)
Consultant	20,000	18,830	25,000	(6,170)
Vehicle mileage	18,000	18,000	8,999	9,001
Office computer system	5,520	5,520	5,635	(115)
Travel and meetings	7,500	7,500	5,155	2,345
Equipment rental	3,500	3,910	4,113	(203)
Other	<u>73,041</u>	<u>73,801</u>	<u>33,716</u>	<u>40,085</u>
	<u>574,562</u>	<u>574,562</u>	<u>395,233</u>	<u>179,329</u>
Net change in fund balance	<u>(\$249,904)</u>	<u>(\$249,904)</u>	<u>(\$14,907)</u>	<u>\$234,997</u>

See independent auditor's report.

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

EASTERN MITIGATION FUND BUDGETARY COMPARISON SCHEDULE

YEAR ENDED 30 SEPTEMBER 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE			
Well mitigation fees	\$0	\$2,730	\$2,730
Other	<u>1,000</u>	<u>2,217</u>	<u>1,217</u>
	<u>1,000</u>	<u>4,947</u>	<u>3,947</u>
EXPENDITURES			
Well mitigation	310,000	0	310,000
Groundwater testing	2,500	0	2,500
Professional services	<u>5,500</u>	<u>2,730</u>	<u>2,770</u>
	<u>318,000</u>	<u>2,730</u>	<u>315,270</u>
Net change in fund balance	<u>(\$317,000)</u>	<u>\$2,217</u>	<u>\$319,217</u>

DRAFT

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT

WESTERN MITIGATION FUND BUDGETARY COMPARISON SCHEDULE

YEAR ENDED 30 SEPTEMBER 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUE				
Well mitigation fees	\$176,500	\$176,500	\$289,171	\$112,671
Other	<u>265</u>	<u>200</u>	<u>91</u>	<u>(109)</u>
	<u>176,765</u>	<u>176,700</u>	<u>289,262</u>	<u>112,562</u>
EXPENDITURES				
Well mitigation	300,000	300,000	286,441	13,559
Professional services	5,500	5,500	2,730	2,770
Groundwater testing	<u>2,500</u>	<u>2,500</u>	<u>0</u>	<u>2,500</u>
	<u>308,000</u>	<u>308,000</u>	<u>289,171</u>	<u>18,829</u>
Net change in fund balance	<u>(\$131,235)</u>	<u>(\$131,300)</u>	<u>\$91</u>	<u>\$131,391</u>

See independent auditor's report.

Gonzales County Underground Water Conservation District

522 Saint Matthew
PO Box 1919
Gonzales, Texas 78629
Phone 830.672.1047

February 13, 2024

Montemayor Britton Bender PC
2110 Boca Raton Dr, Building B Suite 102
Austin, Texas 78747

This representation letter is provided in connection with your audit of the financial statements of Gonzales County Underground Water Conservation District, which comprise the respective financial position of the governmental activities, and each major fund, as of 30 September 2023, and the respective changes in financial position, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 27, 2023, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.

Bruce Tieken
President

Kermit Thiele
Vice-President

Barry Miller
Secretary

Mark Ainsworth
Director

Mike St. John
Director

- 9) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the District and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 18) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 22) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

Gonzales County Underground Water Conservation District

522 Saint Matthew
PO Box 1919
Gonzales, Texas 78629
Phone 830.672.1047

- 24) We have appropriately disclosed all information for conduit debt obligations in accordance with GASBS No. 91 .
- 25) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 28) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) The financial statements include all fiduciary activities required by GASBS No. 84 , as amended.
- 32) The financial statements properly classify all funds and activities in accordance with GASBS No. 34 , as amended.
- 33) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 34) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 35) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 36) Provisions for uncollectible receivables have been properly identified and recorded.
- 37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 38) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 39) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 40) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

Bruce Tieken
President

Kermit Thiele
Vice-President

Barry Miller
Secretary

Mark Ainsworth
Director

Mike St. John
Director

- 42) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 43) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 45) With respect to the RSI:
 - a) We acknowledge our responsibility for presenting the RSI in accordance with accounting principles generally accepted in the United States of America, and we believe the RSI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the RSI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the RSI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: _____

Title: President

Signature: 

Title: General Manager

Gonzales County Underground Water Conservation District

522 Saint Matthew
PO Box 1919
Gonzales, Texas 78629
Phone 830.672.1047

GONZALES COUNTY UNDERGROUND WATER CONSERVATION DISTRICT
UNCORRECTED MISSTATEMENTS
30 SEPTEMBER 2023

<u>Account</u>	<u>Debit</u>	<u>Credit</u>
Prepaid expense	1,554	
Insurance-building expense		1,554

Bruce Tiekens
President

Kermit Thiele
Vice-President

Barry Miller
Secretary

Mark Ainsworth
Director

Mike St. John
Director
