

**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 January 13, 2026, 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 January 13, 2026 Regular Board Meeting

Jan 13, 2026, 5:30 – 7:00 PM (America/Chicago)

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

<https://meet.goto.com/683008773>

You can also dial in using your phone.

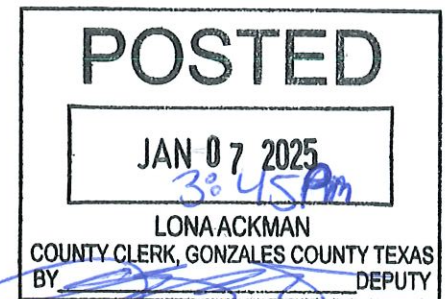
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The agenda is as follows:

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 December 09, 2025, Regular Board Meeting.
 - b. Approval of the Financial Report.
 - c. Approval of the District's and Mitigation Funds 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 renewal of CD #8011 at Sage Capital Bank expiring on February 04, 2026.
6. Discuss and possibly take action on a draft Mitigation Manual.
7. Discuss and possibly take action on the RFQ's received for the consultant bid for the GCUWCD Conservation Lease Program.
8. Discuss and possibly take action to consider a response to ARWA, CRWA, and GBRA letter regarding payment of export fees and mitigation fees.
9. Discuss the petition for judicial review, filed by Guadalupe-Blanco River Authority in Caldwell County District Court against the district.
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.

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

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 7th DAY OF JANUARY 2026 AT _____ O'CLOCK by _____.

**Gonzales County Underground Water Conservation District
Minutes of the Board of Directors
December 9, 2025
Regular Board Meeting**

The regular meeting of the Board of Directors of the Gonzales County Underground Water Conservation District (the District) was called to order. Present for the meeting were directors: Mr. Bruce Tieken, Mr. Barry Miller, Mr. Glenn Glass, and Mr. Dean Davis. Mr. Mike St. John was not in attendance. Also present for the meeting was the District's General Manager, Ms. Laura Martin, and the District's legal counsel, Greg Ellis. Other Attendees included: (See Attached List)

Call to Order.

The President of the Board of Directors called the meeting to order at 5:32 p.m.

Public Comment.

Public comments were made by Ms. Trish Carls, legal counsel for Canyon Regional Water Authority and Alliance Regional Water Authority, Mr. Mark Ploeger, landowner, Ms. Sally Ploeger, landowner, and Mr. Ted Boriack, landowner. A recording of the board meeting has been filed at 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 November 11, 2025 Regular Board Meeting.

Approval of the Financial Report.

Approval of the District's, and 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).

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

None.

Discuss and possibly take action on purchase of ½ ton 4-wheel drive pickup truck for the district.

Mr. Glenn Glass made a motion to approve the purchase of the 2025 Ford F-150, STX 4x4 Crew Cab. Mr. Dean Davis seconded the motion. The motion passed unanimously.

Discuss and possibly take action on a draft Mitigation Manual.

Tabled.

Discuss and possibly take action on the draft GCUWCD Conservation Lease Program.

Tabled.

Discuss and possibly take action on a resolution to change/update banking signatures.

Mr. Barry Miller made a motion to update the signatures on the District's bank accounts. Mr. Glass seconded the motion. The motion passed unanimously.

Discuss and possibly take action on a resolution to hold an election for the Directors of the District in

Discuss and possibly take action on a resolution to hold an election for the Directors of the District in Precincts 1,2, and 3 on May 2, 2026.

Mr. Miller made a motion to approve a resolution to hold an election on May 2, 2025. Mr. Glass seconded the motion. The motion passed unanimously.

Discuss and possibly take action on a resolution to create ASR legislation to be filled at next session.

Tabled.

Discuss and possibly take action to consider a response to ARWA, CRWA, and GBRA letter regarding payment of export fees and mitigation fees.

Tabled.

Presentation of legislative/legal updates from legal counsel.

Gregory Ellis, legal counsel, presented legislative/legal updates.

Executive session at 6:46pm to 7:22 pm concerning attorney-client matters (§ 551.071).

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

No action was taken on this item.

Adjourn:

A motion was made by Mr. Glass to adjourn the meeting, and Mr. Davis seconded the motion. The motion passed unanimously. The meeting adjourned at 7:22 p.m.

Approved By:

January 13, 2026

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Gonzales County Underground Water Conservation District
Investment Report
January 13, 2026

CD Information - District Funds							
Account	Location	Purchase Date	Purchase Value	Interest Rate	Maturity Date	As of	Amount
CD #11	Sage Capital Bank	2/4/2025	\$152,818.77	5.15%	2/4/2026	12/31/2025	\$190,146.30
CD #365	Randolph Brooks FCU	11/8/2024	\$271,523.86	4.50%	11/8/2025	12/31/2025	\$305,084.72
CD#49	Sage Capital Bank	8/14/2025	\$250,000.00	5.00%	8/14/2026	12/31/2025	\$303,093.08
CD#321	SouthStar Bank	8/21/2025	\$500,000.00	4.50%	10/21/2025	12/31/2025	\$516,119.44
Total CD's to Date							\$1,314,443.54
Market Comparisons							
	Tex Pool			4.12%		1/8/2026	
	6 Mo. Treasury Yield			3.71%		1/8/2026	

Banking Information - District Funds				
Account	Location		As of	Amount
#59 Money Market	Sage Capital Bank		12/31/2025	\$1,074,760.28
#61 Operating	Sage Capital Bank		12/31/2025	\$30,803.55
#356 Savings	Randolph Brooks		12/31/2025	\$1.00
Total Cash to Date				\$1,105,564.83

Banking Information - Western Mitigation Fund				
Account	Location		As of	Amount
#35 Money Market	Sage Capital Bank		12/31/2025	\$83,808.32
#70 Operating	Sage Capital Bank		12/31/2025	\$2,508.44
Total Cash to Date				\$86,316.76

Banking Information - Eastern Mitigation Fund				
Account	Location		As of	Amount
#64 Money Market	Sage Capital Bank		12/31/2025	\$264,551.41
#98 Operating	Sage Capital Bank		12/31/2025	\$2,502.50
Total Cash to Date				\$267,053.91

Weighted Average Maturity (WAM) **\$2,773,379.04**

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	Reprting Period Date	Mat. Date	Mat. in Days (DTM)	WAM	CD Term
Sage Capital CD #11	\$190,146.30	2/4/2025	12/31/2025	2/4/2026	35	5.063	12 mo
Randolph Brooks CD #365	\$305,084.72	11/8/2024	12/31/2025	12/3/2025	-28	-6.499	18 mo
Sage Capital CD #49	\$303,093.08	8/14/2025	12/31/2025	8/14/2026	226	52.113	12 mo
SouthStar Bank CD#321	\$516,119.44	10/21/2025	12/31/2025	4/21/2026	111	43.584	6mo
CD Total	\$1,314,443.54					94.261	
#59 Money Market	\$1,074,760.28				1	0.737	
#61 Operating	\$30,803.55				1	0.021	
#365 Savings	\$1.00				1	0.000	
#35 Money Market	\$83,808.32				1	0.057	
#70 Operating	\$2,508.44				1	0.002	
#64 Money Market	\$264,551.41				1	0.181	
#98 Operating	\$2,502.50				1	0.002	
Fund Total	\$1,458,935.50					1.000	
Grand Totals	\$2,773,379.04				WAM	95.261	

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, Investment Officer

Dated: 01/08/2026

**Gonzales County Underground Water Conservation District
Mitigation Manager
Expense Report**

Dec-25

Nature of Trip/Date	From	To	Beginning Mileage	Ending Mileage	Total Miles
Mitigation Rick Cantrell	12-1	Office	Eastern	159,470	159,513
Finished Rick Cantrell	12-4	Office	Eastern	159,615	159,638
Wagener's- get work orders signed	12-5	Office	Western	159,688	159,742
Mitigation - Steve Carroll's	12-10	Office	Western	160,102	160,184
Met Chris Carson on Board Mats	12-11	Home	Victoria	160,205	160,250
Met Wagener's to investigate a well	12-12	Office	Leesville	160,290	160,360
Met with Roy Richter	12-15	Office	Flatonia	160,400	160,417
Met Andy Wiere - TC pump	12-16	Office	Eastern	160,459	160,480
Met Randy Mercer, Ken Pruitt	12-17	Office	Western	160,532	160,580
Staked out well W/ Deharde's	12-18	Office	Western	160,629	160,720
Errands in Town	12-19	Office	East/West	160,762	160,771
Delivered Christmas gifts to contractors	22	Office	East/West	160,850	160,982
Investigate South Gate Nicholson	12-23	Office	Eastern	161,005	161,150
Met Gene Reed R/R Comm	12-29	Office	Western	161,214	161,231
Met Vera Staggs	12-30	Office	Western	161,367	161,406
				Total Miles	836
				Current Rate X	0.7
				Mileage Subtotal	\$585.20
Expenses					
Harbor Freight					\$36.77
Walmart					\$36.74
Brian Delvige December 2025 Approved By: Date:				Total Due	\$658.71

Gonzales County Underground Water Conservation District
Field Technician
Expense Report

Frank Agee

Nature of Trip/Date	From	To	Beginning Mileage	Ending Mileage	Total Miles
12/1 Hwy 97, CR 232	Home	SW/North Gonzales Co.	216,620	216,667	47
12/3 Hwy 97, Hwy 80, CR 232	Home	NW Gonzales Co.	216,667	216,733	66
12/8 Hwy 183, Hwy 90, CR 232	Home	NE Gonzales Co.	217,048	217,135	87
12/9 Lakey Rd, Hwy 80	Home	SW Gonzales Co.	217,135	217,207	72
12/10 Hwy 90, Hwy 183	Home	NE Gonzales Co.	217,207	217,265	58
12/11 CR 238, Hwy 80	Home	North Gonzales Co.	217,265	217,309	44
12/16 FM 108, CR 441, FM 794	Home	SE/North Gonzales Co.	217,582	217,684	102
12/17 CR 441, FM 794	Home	North Gonzales Co.	217,684	217,723	39
12/19 FM 794	Home	North Gonzales Co.	217,902	217,912	10
12/22 FM 108	Home	SW Gonzales Co.	217,914	217,982	68
12/30 FM 532, Hwy 304, CR 240	Home	North Gonzales Co.	218,197	218,239	42
12/31 CR 180, FM 108	Home	SE Gonzales Co.	218,259	218,315	56
				Total Miles	691
				Current Rate X	0.7
				Mileage Subtotal	\$483.70
Expenses					
Pocket Tablets					\$9.40
Period Covered: December 1-31 2025				Total Due	\$493.10
Approved By:					
Date: January 13, 2026					

Expense Report

Sydnee Tower

Nature of Trip/Date	From	To	Beginning Mileage	Ending Mileage	Total Miles
12/16 Post a Notice	Office	Caldwell County Justice Center	15,878	15,943	65
				Total Miles	65
				Current Rate X	0.7
				Mileage Subtotal	\$45.50
Period Covered: December 1-31, 2025				Total Due	\$45.50
Approved By:					
Date:					

Gonzales County Underground Water Conservation District

Manager's Report

December 2025

On December 1st I met with Board of Directors Vice-President Mr. Mike St. John to discuss district matters.

On December 3rd I virtually attended the Texas Water Development Board-Estimating Agricultural Irrigation.

On December 10th I virtually attended The Meadows Center for Water and the Environment Working Session: Exploring GCD Approaches to Correlative Allocations.

On December 31st I virtually met with team members of Montemayor Britten Bender and Carey to complete the Bank Observation to verify end of year bank balances on accounts for the FY24-25 audit.

ARWA's December production was 234.32 ac-ft, which is about 42.6% of the monthly allowable production.

AQUA's November production was about 54.31 ac-ft which is about 13.03% of the monthly allowable production.

CRWA's December production was about 633.52 ac-ft which is about 91.37% of the monthly allowable production.

GBRA's December production was 215.70 ac-ft which is 25.88% of the monthly allowable production.

SAWS December production was about 947.4 ac-ft which is about 97.27% of the monthly allowable production.

SSLGC's December production was about 1,055.4 ac-ft which is about 65.41% of the monthly allowable production.

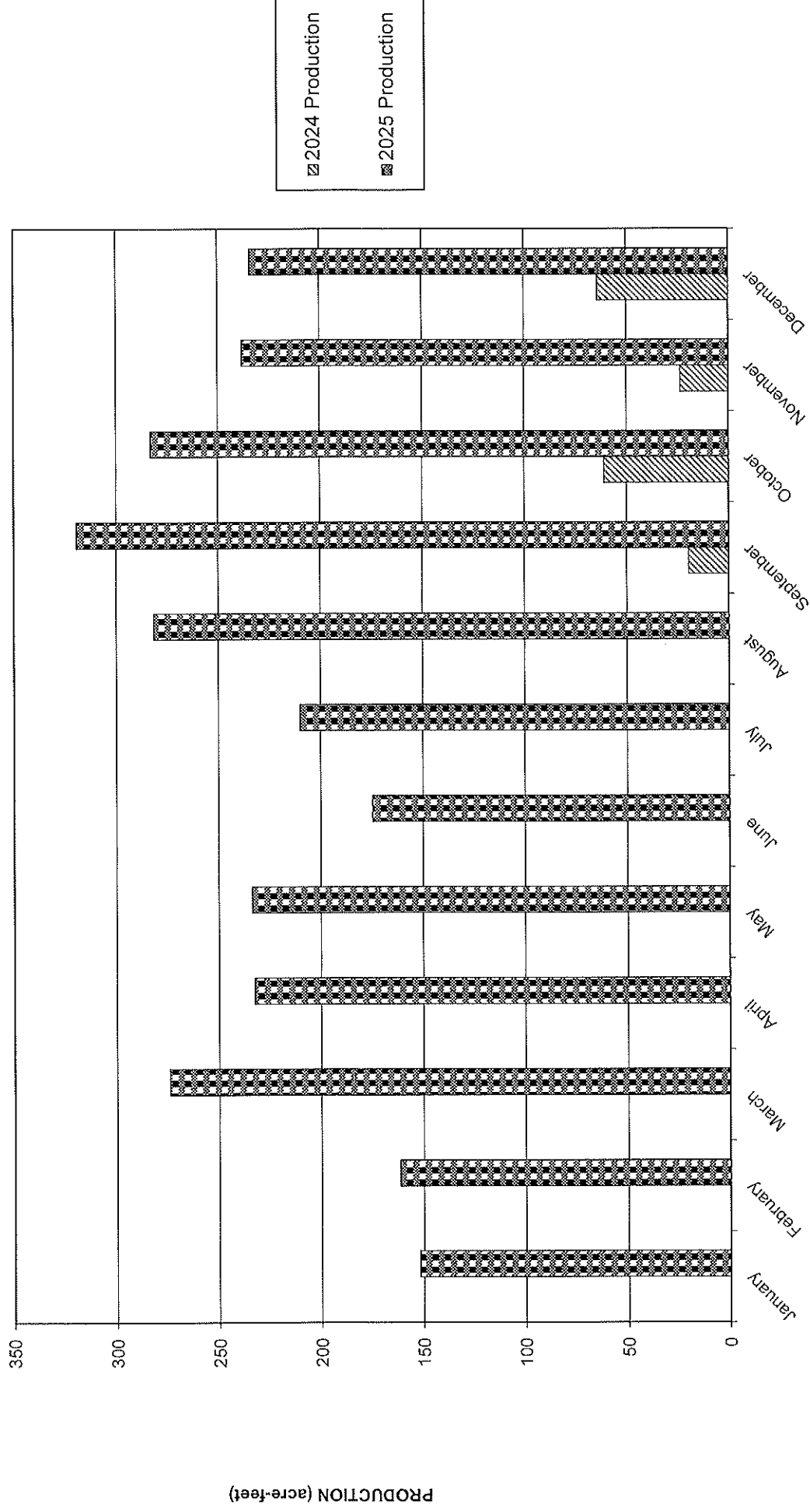
The Palmer Drought Index, as of December 30, 2025, indicates that the District is currently under severe to extreme drought conditions in all the district.

There are 77,440 acres in Caldwell County and 573,440, or 896² miles in Gonzales County in the GCWUCD boundary. Permitted property for exporting in the GCUWCD boundary is 14% of the acreage. Known leased property for exporting in the GCWCD boundary is 22% of the acreage.

Alliance Regional Water Authority
Water Meter Reading - Usage
2025

Date	Well #6		Well #7		Well #8		Well #9	
	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage
Jan	59,089	24,520	36,117	22,173	13,552	1,131	8,320	1,677
Feb	78,043	18,995	53,702	17,585	20,877	7,325	16,995	8,681
March	99,365	21,322	67,276	13,573	39,272	18,396	53,041	36,046
April	121,765	22,400	84,426	17,150	56,083	16,811	72,486	19,445
May	140,794	19,029	105,857	21,431	77,160	21,077	87,186	14,700
June	154,931	14,137	114,492	8,635	95,278	18,118	103,202	16,016
July	171,382	16,450	131,152	16,661	112,766	17,488	121,111	17,909
Aug	193,651	22,269	154,189	23,037	138,200	25,434	142,145	21,035
Sept	218,622	24,972	181,579	27,390	162,751	24,551	169,256	27,110
Oct	244,659	26,037	209,568	27,989	191,333	28,581	178,889	9,634
Nov	269,050	24,391	235,860	26,292	218,270	26,937	178,889	0
Dec	293,076	24,026	261,651	25,791	244,807	26,537	178,889	0
Total Gallons*		258548.4		247706.1		232386.1		172252.8
Total AC/FT		793.46		760.18		713.17		528.62
Current Month Production in AC/FT			234.32		42.60		42.35	
Percentage of monthly allowable for current mo.							Percentage of yearly production	
Total AC/FT for yr		2795.43						

ARWA Monthly Production



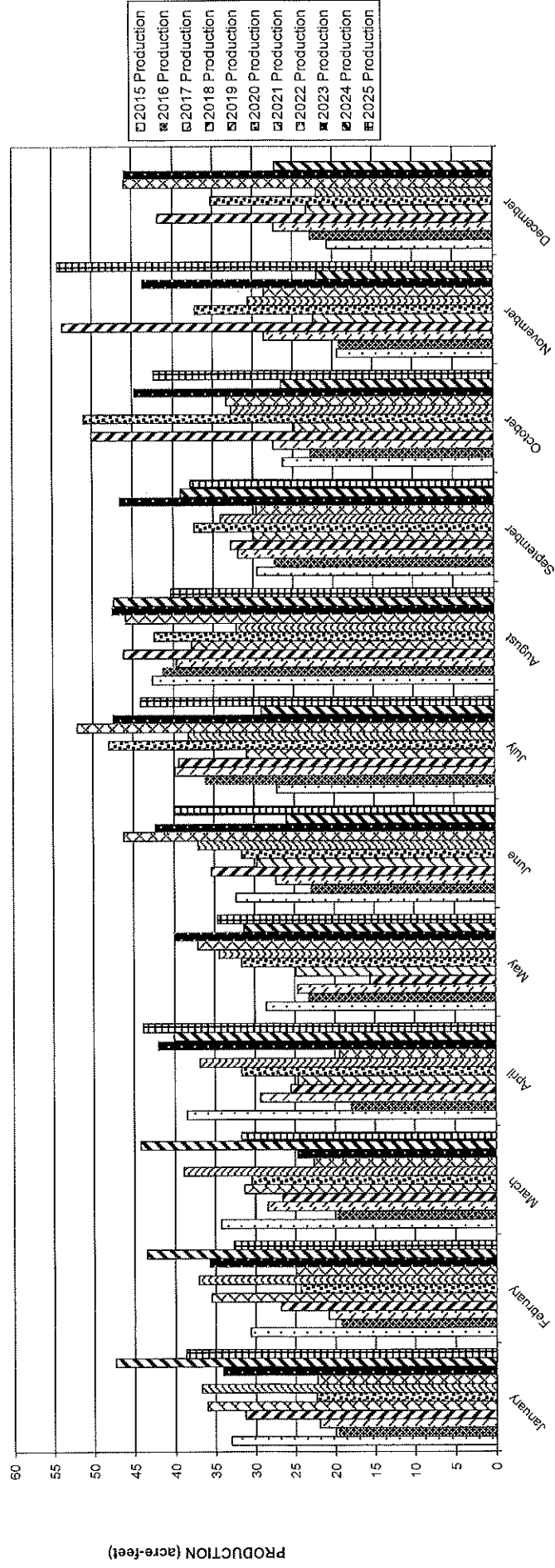
December 2025

AQUA Water Supply Corporation
Meter Reading - Usage

Date	F255			2025			F257			
	Meter	Delhi #1 Usage	Transported	Meter	Delhi #2 Usage	Transported	Meter	Hinton Well Usage	Transported	Fees
January	8,209,864	4,769.20	4,368.93	305,860	7,837.00	7,179.25	0.00	0.00	0.00	\$ 288.70
February	8,261,711	5,184.70	4,781.30	360,710	5,485.00	5,058.24	0.00	0.00	0.00	\$ 245.99
March	8,316,934	5,522.30	5,053.38	408,990	4,818.00	4,408.88	0.00	0.00	0.00	\$ 236.56
April	8,341,240	2,430.60	2,211.72	527,677	11,878.70	10,808.98	0.00	0.00	0.00	\$ 325.52
May	8,371,407	3,016.70	2,724.97	610,458	8,278.10	7,477.57	0.00	0.00	0.00	\$ 255.06
June	8,422,130	5,072.30	4,663.86	690,314	7,985.60	7,342.57	0.00	0.00	0.00	\$ 300.16
July	8,509,880	8,775.00	8,123.76	746,290	5,597.60	5,182.17	0.00	0.00	0.00	\$ 332.65
August	8,548,660	3,878.00	3,448.23	839,003	9,271.30	8,243.82	0.00	0.00	0.00	\$ 292.30
September	8,596,000	4,734.00	4,240.51	914,987	7,598.40	6,806.32	0.00	0.00	0.00	\$ 276.17
October	8,649,120	5,312.00	4,254.34	1,000,073	8,508.60	6,814.47	0.00	0.00	0.00	\$ 276.72
November	8,717,480	6,836.00	6,185.94	1,108,672	10,859.90	9,827.20	0.00	0.00	0.00	\$ 400.33
December										\$ -
Total Gallons*		55,531			88,118			0		
Total AC/FT		170.42			270.42			0.00		
Current Month Production in AC/FT			54.31							
Percentage of monthly allowable for current month					13.03					
Total AC/FT for year		440.84			Percentage of yearly prod.		8.82		Total Dollars	\$3,230.16

*gallons in thousands

AQUA Monthly Production



November 2025

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

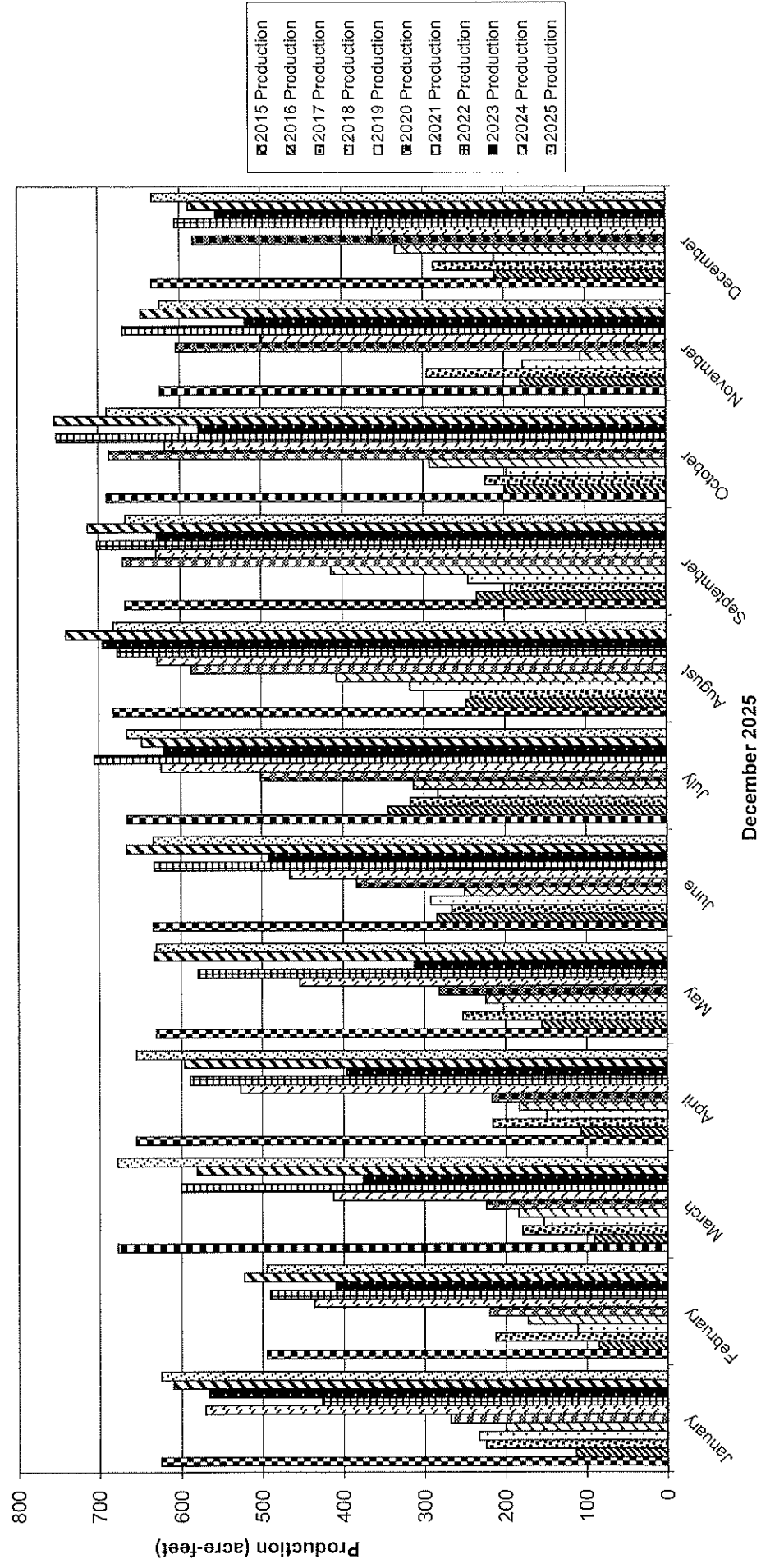
2025																							
P030				P029		P028		P027		2025				L188		L189		L190		L191		L192	
Well #12		Well #11		Well #9		Well #1		Well #8		Well #5		Well #13		Well #14		Well #15		Well #16					
Bultrap Well		Coastal Field Well		Camp House Well		Tommy's Well		Chicken House		Littlefield		Bond West		Christian West		Bond East		Christian East					
Date	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	
Jan	1,509,588	14,793	1,760,164	17,763	3,263,459	20,124	1,762,585	14,918	1,001,488	21,164	1,355,838	20,588	1,189,745	18,524	22,396	20,841	2,124,224	38,605	661,968				
Feb	1,536,650		1,792,629		2,400,153	16,573	1,779,905	2,402	1,039,902	17,250	1,393,852	17,446	1,226,013	17,744	60,612	17,375	2,194,649	31,820	691,893				
March	1,552,778		1,811,660	19,031	2,421,586	21,430	1,796,372	16,467	1,061,594	21,692	1,415,759	21,907	1,249,008	22,995	83,113	22,501	2,235,576	40,927	709,544				
April	1,568,279	16,128	1,830,157	18,497	2,442,524	20,938	1,811,851	15,479	1,082,529	20,935	1,436,890	21,131	1,271,309	22,301	104,988	22,501	2,275,138	39,562	726,726				
May	1,584,572	15,501	1,849,552	19,395	2,464,592	22,068	1,811,851	0	1,104,689	22,160	1,460,130	23,240	1,290,624	19,315	128,066	23,076	2,316,712	41,574	744,810				
June	1,600,003	16,293	1,868,676	19,124	2,486,265	21,673	1,811,851	0	1,126,761	22,072	1,482,428	22,298	1,314,274	23,650	150,922	22,856	2,358,150	41,438	762,688				
July	1,616,396	15,431	1,888,692	20,016	2,508,892	22,627	1,811,851	0	1,149,659	22,898	1,505,826	23,398	1,339,768	25,494	174,834	23,912	2,401,652	43,502	781,262				
Aug	1,632,956	16,393	1,909,188	20,016	2,532,111	23,219	1,811,851	0	1,173,125	23,466	1,529,812	23,986	1,365,686	25,918	199,392	24,558	2,446,248	44,596	800,502				
Sept	1,649,154	16,560	1,929,234	20,496	2,554,759	22,648	1,811,851	0	1,196,051	22,926	1,553,408	23,596	1,390,848	25,162	223,508	24,116	2,490,134	43,886	819,268				
Oct	1,665,913	16,198	1,949,915	20,046	2,578,097	23,338	1,811,851	0	1,220,207	24,156	1,577,876	24,468	1,416,148	25,300	248,508	25,000	2,535,694	45,560	838,626				
Nov	1,681,057	16,759	1,969,362	20,681	2,600,061	21,964	1,811,851	0	1,241,295	21,088	1,600,122	22,246	1,438,464	22,316	271,032	22,524	2,576,995	41,301	855,925				
Dec	1,696,941	15,144	1,989,367	19,447	2,622,602	22,541	1,811,851	0	1,263,473	22,178	1,618,530	18,408	1,460,184	21,720	294,784	23,752	2,620,714	43,719	874,152				
Total Gallons*		15,884		20,005		22,541		49,266		22,178		18,408		21,720		23,752		43,719		18,227			
Total AC/FT		187,353		229,203		259,143		49,266		261,985		262,692		270,439		272,386		496,490		212,184			
		574.97		703.40		795.28		151.19		804.00		806.17		829.95		835.92		1,523.67		651.17			
Current Month Production in AC/FT																							
Percentage of monthly allowable for current mo.																							
Total AC/FT for yr																							
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91.37

92.25

* gallons in thousands

CRWA Monthly Production

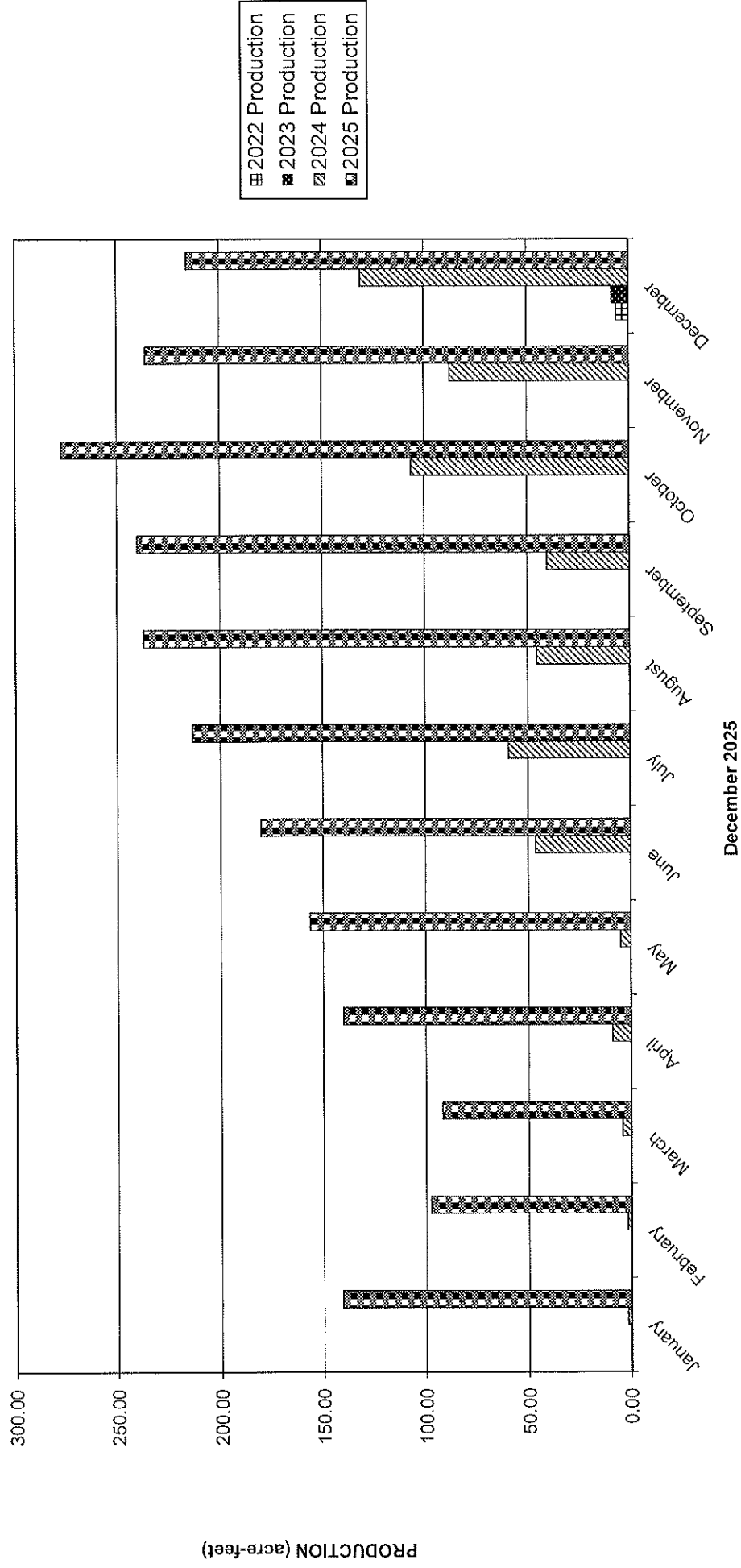


Gudalupe-Blanco River Authority
Meter Reading - Usage
2025

Date	P059 Well #1		P060 Well #2		P061 Well #3		P062 Well #4		P063 Well #5		P064 Well #6		P065 Well #7	
	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage
Jan	37,959,600	12,233	3,171,200	832	34,421,800	10,315	26,896,300	8,042	14,039,700	126	27,863,100	2,328	18,247,600	12,021
Feb	42,898,400	4,939	4,331,200	1,160	43,052,100	8,630	32,854,200	5,958	14,039,700	0	33,469,500	5,606	23,789,000	5,541
Mar	48,681,700	5,784	4,851,500	0	49,000,500	5,949	37,605,300	4,751	16,167,200	2,128	39,678,700	6,210	28,909,500	5,121
Apr	60,466,600	11,785	6,705,000	1,854	57,670,600	8,670	42,515,100	4,910	21,506,800	5,340	47,389,800	7,711	34,372,200	5,463
May	71,989,400	11,523	11,350,000	4,645	69,006,800	11,336	47,481,700	4,967	26,240,500	4,734	54,944,100	7,554	40,635,400	6,263
June	79,480,770	7,481	18,443,360	7,093	78,220,980	9,214	52,891,000	5,409	36,648,970	10,408	66,295,770	11,352	48,521,210	7,886
July	86,754,400	7,284	28,340,700	9,897	92,400,500	14,180	63,865,800	11,075	45,680,300	9,031	76,079,600	9,784	56,877,800	8,357
Aug	87,941,600	1,187	42,900,200	14,560	104,796,000	12,396	74,587,200	10,601	56,725,800	11,046	95,337,900	19,258	65,105,600	8,228
Sept	87,941,800	0	57,264,200	14,364	122,434,900	17,639	85,363,300	10,796	59,214,500	2,489	110,379,800	15,042	83,030,400	17,925
Oct	87,941,900	0	71,744,100	14,480	143,783,500	21,349	97,250,700	11,887	64,394,600	5,180	133,924,100	23,544	96,995,800	13,965
Nov	87,941,900	0	86,376,400	14,632	159,328,900	15,545	112,707,700	15,457	71,414,400	7,020	142,671,100	8,747	112,462,200	15,466
Dec	92,286,400	4,345	94,876,100	8,500	176,429,500	17,101	119,330,600	6,623	85,165,300	13,751	155,755,400	13,084	119,344,400	6,882
Total Gallons* (kgal)	66,561		92,017		152,324		100,476		71,253		130,220		113,118	
Total acft	204.27		282.39		467.47		308.35		218.67		399.63		347.15	
Current Mo. Production in acft			215.70											
% of monthly allowable for current mo.														
Total acft for yr	2227.92													
% of prod. for year														

gallons in thousands

GBRA Monthly Production

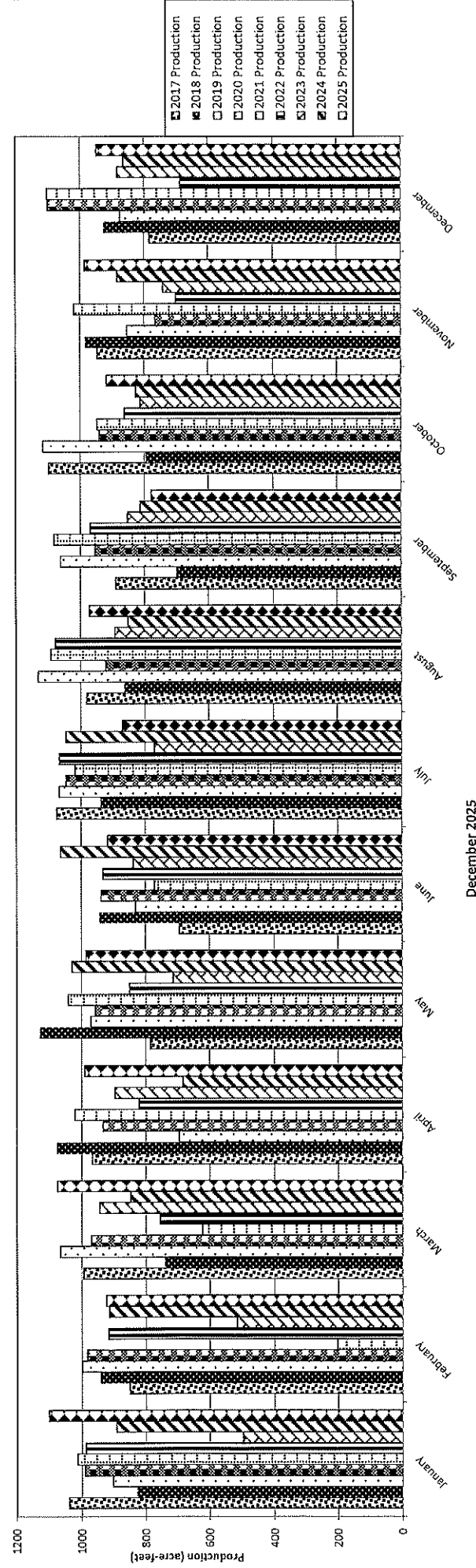


San Antonio Water System
Meter Reading - Usage
2025

Date	P036		P039		P040		P041		P042		P043		P044		P047		P048		Fees	
	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage	Meter	Usage		
Jan	340,998	56,324	345,766	28,167	459,678	2	78,166	48,570	443,962	43,423	95,375	56,413	348,033	21,099	512,453	53,068	394,150	51,690	\$8,663.88	
Feb	342,505	15,003	350,980	51,949	459,881	3	81,769	36,029	447,885	39,226	99,988	46,125	350,433	23,999	516,120	36,668	399,297	51,475	\$7,269.28	
Mar	3,452,505	0	356,669	57,084	461,542	18,606	86,156	43,867	452,220	43,356	105,725	57,367	354,968	45,350	521,579	54,590	402,283	29,860	\$8,467.79	
Apr	346,685	41,804	362,105	54,365	462,502	9,598	89,941	37,848	456,474	42,539	111,332	56,072	357,764	27,957	526,829	52,502	402,283	0	\$7,811.18	
May	352,687	59,018	365,548	34,423	426,502	0	93,414	34,738	460,707	42,929	116,924	55,924	361,967	42,032	532,082	52,537	402,283	0	\$7,756.83	
June	358,583	50,839	367,591	20,430	462,502	0	96,622	32,080	464,995	42,880	122,601	56,765	366,225	42,578	537,431	53,483	402,283	0	\$7,233.77	
July	361,900	32,517	367,492	17	464,662	21,600	99,697	30,748	469,487	44,922	128,573	59,731	369,938	37,137	543,098	56,676	402,283	0	\$6,842.02	
Aug	364,392	24,922	371,087	34,943	468,245	35,832	100,851	11,539	473,882	43,946	134,432	58,580	374,237	42,966	548,635	55,371	403,145	8,613	\$7,680.61	
Sept	364,392	0	371,087	0	468,245	0	100,851	0	478,118	42,356	140,118	56,867	378,455	42,182	554,183	55,472	408,806	56,616	\$6,137.52	
Oct	369,282	48,899	371,146	592	468,563	3,181	100,854	26	482,420	43,028	145,897	57,790	382,678	42,232	559,128	49,455	414,155	53,484	\$7,113.19	
Nov	375,043	57,613	371,146	4	472,121	35,584	100,854	0	486,451	40,305	151,335	54,379	386,557	38,784	563,171	40,427	419,564	54,094	\$7,815.36	
Dec	376,078	10,355	375,577	44,310	475,711	35,894	100,854	0	490,665	42,137	157,047	57,116	387,758	12,009	568,180	50,091	425,244	56,797	\$7,490.37	
Total Gallons*	397,293		326,284			160,300	275,445		510,447		673,130		418,344		610,340		362,630		3,734,212	
Total acft	1219.25		1001.33			491.94	845.31		1568.50		2065.76		1283.85		1873.06		1112.87		11,459.88	
Current Month Production in acft	947.40																			
% of monthly allowable for current month																				
Total acft for year	11459.88																			
																			Total Dollars	\$90,281.82

gallons in thousands

SAWS Monthly Production



Schertz-Seguin Local Government Corporation
Meter Reading - Usage
2025

	P007		P008		P009		P010		P011		P012		P016		P017		P031		P032		P033		P034		
Date	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	1,285,227	10,757	148,299	31,546	336,399	33,406	663,958	20,491	518,789	19,814	43,664	13,814	818,873	44,996	75,180	29,117	3,489,108	41,636	2,574,546	0	3,348,458	0	50,755	48,606	
Feb	1,330,659	45,432	148,320	21	355,369	18,970	712,341	48,383	565,661	46,872	62,067	18,403	837,724	18,851	88,077	12,897	3,556,186	67,078	2,592,432	17,886	3,348,458	0	5,115,708	40,182	
Mar	1,379,331	48,672	148,320	0	382,468	27,099	759,699	47,358	615,045	49,384	96,747	36,680	877,520	39,796	88,973	896	3,616,130	59,944	2,632,172	39,740	3,348,458	0	5,156,690	40,982	
Apr	12,296	12,296	185,717	37,397	414,791	32,323	807,057	47,358	24,927	24,927	122,795	23,988	911,497	33,977	114,950	25,977	3,678,675	62,545	2,658,315	26,143	3,348,458	0	5,193,190	36,500	
May	46,960	34,664	222,136	36,419	455,691	41,100	807,057	0	52,322	34,290	140,333	53,568	914,071	2,574	146,987	32,037	3,721,557	42,882	2,684,237	25,922	3,336,763	5,253	5,240,285	47,095	
June	75,883	28,923	253,541	31,405	482,830	26,939	807,057	0	92,162	39,840	180,113	39,780	914,071	0	165,502	18,515	3,733,788	12,231	2,698,719	14,482	3,383,203	46,440	5,257,674	17,369	
July	104,034	28,151	285,503	31,962	493,979	11,149	31,101	31,101	124,203	47,250	35,187	36,807	916,318	2,247	187,930	22,428	3,737,734	3,946	2,722,977	24,258	3,410,102	43,290	5,276,416	18,742	
Aug	132,788	34,080	315,952	44,220	494,003	24	72,250	41,149	162,794	38,591	74,073	38,886	948,009	31,691	213,189	25,259	3,738,955	6,493	2,754,383	31,406	3,448,541	47,520	5,292,467	16,051	
Sept	167,008	34,220	318,135	7,500	522,957	28,954	82,454	10,204	198,785	39,780	129,416	55,343	957,502	9,493	232,443	19,254	3,749,253	10,298	2,788,694	34,311	3,453,460	42,301	5,321,817	29,350	
Oct	203,511	36,503	318,135	0	549,485	26,528	103,406	20,952	198,785	41,820	13,777	17,280	990,145	32,643	253,479	21,036	3,753,488	4,235	2,829,278	40,584	23,042	43,109	5,353,252	31,435	
Nov	238,264	34,753	318,135	0	561,557	12,072	137,102	33,696	274,870	76,085	13,777	0	40,415	50,270	294,425	40,946	3,753,488	0	2,891,717	62,439	86,656	63,614	5,402,335	49,083	
Dec	239,264	1,000	318,135	0	587,283	25,726	168,851	31,749	290,807	15,937	27,402	13,625	87,441	47,026	333,001	36,576	3,793,113	39,625	2,945,670	53,953	121,402	34,746	5,444,275	41,940	
Total Gallons*	349,451	220,470	284,290	332,441	474,590	348,174	286,938	350,913	371,124	326,273	1001.30	4,075,583	12507.50												
Total acft	1072.43	676.60	872.45	1020.22	1456.46	1068.51	880.58	1076.91	1138.94	1001.30	1138.94	12507.50													
Current Mo. Production in acft																									
% of monthly allowable for current mo.																									
Total acft for yr	12507.50																								
% of prod. for year																									
Total Dollars																									

gallons in thousands

[illegible]

December 2025

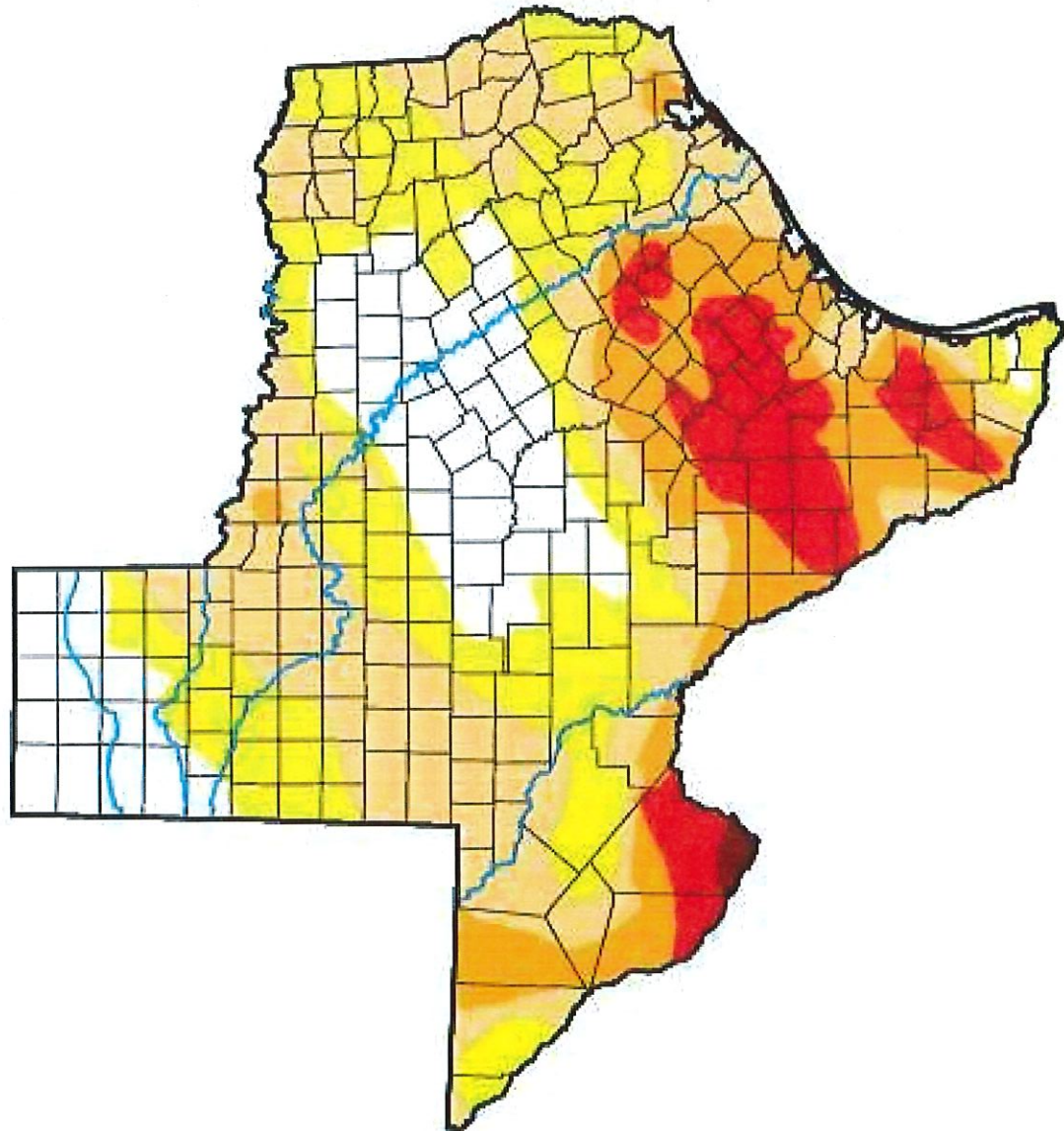
U.S. Drought Monitor

Texas

December 30, 2025

(Released Wednesday, Dec. 31, 2025)

Valid 7 a.m. EST



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	20.04	79.96	53.49	23.11	9.33	0.36
Last Week 12-23-2025	23.50	76.50	49.59	22.73	8.73	0.36
3 Months Ago 09-30-2025	37.15	62.85	23.67	13.00	3.33	0.29
Start of Calendar Year 01-07-2025	38.81	63.19	43.63	21.45	13.28	6.30
Start of Water Year 09-30-2025	37.15	62.85	23.67	13.00	3.33	0.29
One Year Ago 12-31-2024	36.58	63.42	43.51	20.19	12.99	6.30

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:
Rocky Bilotta
NCEI/NOAA



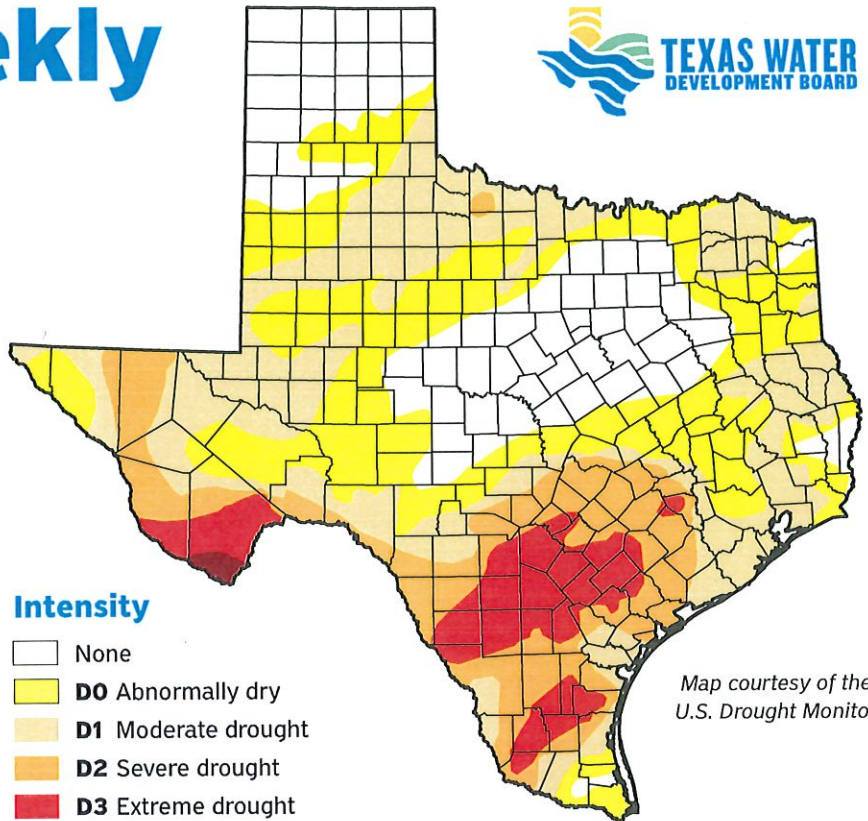
Water Weekly

For the week of 12/29/25



Water conditions

The latest drought map for conditions as of December 23 shows an increase in drought area, the sixth weekly increase in the last eight weeks. In the past week, drought improvements in South Texas could not keep pace with degradations in Central, East, and North Texas.



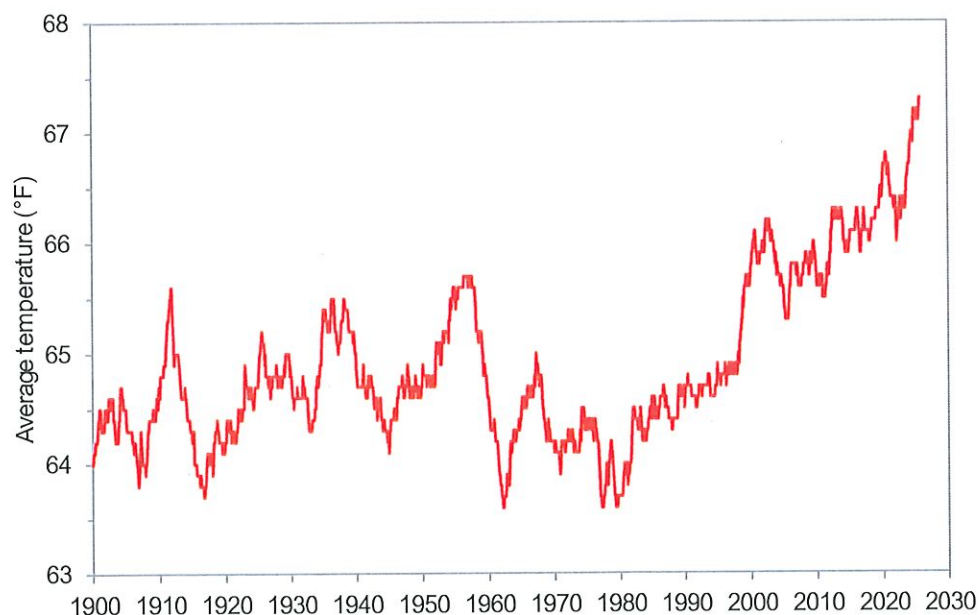
Map courtesy of the U.S. Drought Monitor

Drought conditions

50% now
47% a week ago
22% three months ago
54% a year ago

Intensity

- None
- D0** Abnormally dry
- D1** Moderate drought
- D2** Severe drought
- D3** Extreme drought
- D4** Exceptional drought



Five-year average temperature

The average temperature from November 2020 to October 2025 was 67.3° Fahrenheit, the highest average temperature in Texas for a five-year period in data going back to 1895. That record was tied from December 2020 to November 2025 and is poised to be broken by the period from January 2021 to December 2025.

Graphic courtesy of NOAA

By Dr. Mark Wentzel, Hydrologist, Office of Water Science and Conservation

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www.twdb.texas.gov



Gonzales County Underground Water Conservation District
Mitigation Manager's Report
December 2025
Brian Delvige

- 12-1 I met with with Mr. Rick Cantrell. He had a complaint about his well stopped flowing. I began an Investigation on his Carrizo well.
- 12-2 I began paperwork on mitigating Mr. Cantrell's well. The well qualifies for Mitigation.
- 12-4 Met Baker Well Service at Mr. Cantrell's and set a 2 hp pump in his Carrizo well. The purpose of the water is suppling water to livestock and maintaining water in a ¾ acre pond.
- 12-5 I completed mitigation invoices for the week. I went to Wagener's to get work orders signed.
- 12-9 I completed work orders for Ms. Hurt, Steve Carroll, and for Rick Carroll.
- 12-10 Completed the new well setup for Mr Carroll and he began running water to his new pond.
- 12-11 I drove to Victoria to meet with Chris Carson. We went over my plugging project and discussed the availability of his Rig mud pads which will be needed for the completion of a few wells on the list.
- 12-15 I drove to Flatonia to speak with Richter Well Service about getting on our vendors list.
- 12-16 I met with Andy Wiere and gave him the 3" pump that was donated by Baker Well Service, for Ms Tina Carroll, so that she will have running water. Mr. Wiere installed the pump for Ms. Carroll.
- 12-17 I met with Mr. Randy Mercer to stake out a new well that he qualified for in the Mitigation Program. Also met with Mr. Kent Pruitt. He too qualifies for a new Water well. I put him on standby until he gets his land Surveyed and straight with the family.
- 12-18 I met with Larry Deharde, and we staked out new wells and came up with a game plan on getting these wells drilled. I also met with Wagener's on beginning Mitigation on Donnie Tenberg's well on CR 196.
- 12-19 I worked on getting the end of year Mitigation numbers together for our Audit.
- 12-22 I delivered Christmas gifts to our Contractors and spread the Christmas cheer..
- 12-23 I delivered Christmas gifts to our Board of Directors..
- 12-29 I met with Mr. Gene Reed at Donnie Tenberg's property on Cr 196 to get some info or the P-13 form on his well. The well Qualifies for Mirigation.
- 12-30 I met with Vera Staggs on Cr 260 to begin an investigation on 2 well she has on the property . One well just began to make sand and the other is an old windmill well.

Gonzales County Underground Water Conservation District

Field Technicians Report for December 2025

12/1/25

Observed new drill Friedel/ Lindermann at 5688 hwy 97, Cost and Maresh/Gottwald at 5306 co rd 232, Harwood

12/3/25

Spot check on Friedel/Linderman well and Maresh /Gottwald well. Obtained well information in NW Gonzales co

12/8/25

Observed casing set /new drill with Maresh/ Williamson at 2971 hwy183, Gonzales.

Observed well development with Richter/ Barnes at 5108 hwy 90, Waelder

12/9/25

Collected well information on wells located in sw Gonzales co

12/ 10/25

Observed new well jetting at 5108 hwy 90, Waelder

12/11/25

Attempted to log new well information on highway 80, Belmont, no access.

Meeting with property owner at 176 co rd 238, Gonzales to discuss water well or rural water options. Left decision at owners' discretion.

12/12/25

Attended office Meeting, researched Carrizo outcrop wells for future measurements.

12/15/25

Presented paperwork to office on Patriot Ranch well information for possible future observation wells

12/16/25

Inspected new well locations and work in progress in southeast and north Gonzales co.

12/17/25

Observed grouting process with Drillink/Golden Egg Farm, co rd 441 Harwood, Checked status of new well development at FM 794, Chandler/ Nueses

12/19/25

Attended office meeting. Observed jetting operation on new well with Chandler/ Neuse on FM 794, Gonzales

12/22/25

Observed new well jetting at 10726 FM 108, Smiley

12/30/25

Collected well information in North Gonzales co.

12/31/25

Checked new well development progress on co rd 180, Smiley

Obtained well measurement at 17026 FM 108,Smiley

GCUWCD BILLS TO BE PAID**January 13, 2026**

GVTC (Local & Long Distance & Internet)- Paid	\$235.29
City of Gonzales (Utilities)- Paid	\$182.11
Verizon Wireless (Employee Cell Phones)- Paid	\$113.66
Ricoh (Copier Rental)- Paid	\$608.27
Synergisdc, LLC (Monthly IT)	\$1,002.65
Coastal Office Solutions (WQ Shipping)	\$18.25
Texas AgriLife Extension (Water Quality Samples)- Paid	\$65.00
GoToMeeting (Monthly Phone Fee)- Paid	\$0.16
Texas Alliance of Groundwater Districts (Regular Business Meeting)- Paid	\$210.00
Texas Alliance of Groundwater Districts (Boot Camp)- Paid	\$75.00
CaldwellCounty Clerk (Notice Posting-Petty Cash)- Paid	\$2.00
Wal-Mart (Office Supplies)- Paid	\$127.32
La Bella Tavola (Employee Appreciation Dinner)- Paid	\$316.32
Office Depot (Office Supplies-W2 Tax Forms)- Paid	\$148.57
Lockhart Post-Register (Notice Posting)	\$118.25
Hi-Teck Pest Services (QTRLY Maintince)- Paid	\$95.00
Daniel B. Stephens & Associates (Consulting)	\$1,980.00
Texas Commission on Environmental Quality (Records)- Paid	\$532.64
Texas Muncipal League (Auto Coverage)	\$754.60
Solstice (Employee Health Coverage)- Paid	\$77.33
Personal Impressions (Trailer Decal)- Paid	\$237.36
Internal Revenue Service (Correction Payment)	\$807.77
Wagener's Well Service (P&A Carroll, S.)	\$2,636.00
TOTAL	\$10,343.55

GCUWCD WMF BILLS TO BE PAID

January 13, 2026

[illegible]**TOTAL**

\$37,241.80

GCUWCD EMF BILLS TO BE PAID
January 13, 2026

TOTAL **\$0.00**

CD Rates > \$100,000	4 month	5 month	6 month	7 month	9 months	11 months	1 year	13 month
January 8, 2026								
South Star Bank	-	-	3.60%	-	3.40%	-	3.20%	3.20%
Wells Fargo	3.68%	-	1.00%	3.19%	-	2.95%	1.49%	-
Sage Capital Bank	-	-	3.75%	-	-	-	3.50%	-
Prosperity Bank	-	-	2.00%	-	-	-	2.75%	-
Randolph Brooks FCU	-	-	3.77%	3.77%	3.77%	3.77%	3.78%	3.78%
Cadence Bank	-	-	2.47%	-	-	-	2.23%	-

CD Rates > \$100,000	18 months	19 months	20 months	2 years	30 months	36 months	4 year	5 year
January 8, 2026								
South Star Bank	3.20%	-	-	3.10%	3.30%	3.05%	3.15%	3.40%
Wells Fargo	1.49%	1.49%	1.49%	1.73%	1.73%	-	1.00%	1.00%
Sage Capital Bank	-	-	-	-	-	-	-	-
Prosperity Bank	2.75%	-	-	2.75%	-	2.85%	-	3.00%
Randolph Brooks FCU	3.78%	3.78%	3.78%	3.69%	3.69%	3.64%	3.54%	3.54%
Cadence	-	-	-	1.98%	-	1.49%	1.24%	1.00%

.....

GONZALES COUNTY
UNDERGROUND WATER CONSERVATION DISTRICT



Gonzales County Underground Water Conservation District

Mitigation Fund Procedure Manual

Adopted: August 10, 2010
Revised: January 10, 2023
Revised: _____, 2026

TABLE OF CONTENTS

1.0	Introduction.....	1
1.1	Purpose.....	1
1.2	Objective.....	1
1.3	Mitigation Fund Area.....	1
1.4	Wells Covered Under the Mitigation Fund.....	1
1.5	Mitigation Fund Contact Information.....	2
2.0	Pre-Mitigation Assessment.....	2
3.0	Handling Mitigation Assessment Requests.....	2
4.0	Assessing Drawdown Effects on Wells.....	3
4.1	Aquifers.....	3
4.2	Water Levels.....	3
4.3	Camera Surveys.....	4
4.4	Timeline for Assessing Drawdown Effects.....	4
5.0	Assessing Water Quality Effects on Wells.....	4
5.1	Aquifers.....	4
5.2	Water Sampling.....	4
5.3	Camera Surveys.....	4
5.4	Timeline for Assessing Water Quality Effects.....	4
6.0	Determining Appropriate Mitigation Remedies.....	4
6.1	Wells with Declining Water Levels.....	5
6.2	Flowing Wells.....	5
7.0	Conducting Well Mitigation.....	5
7.1	Contractor Scheduling.....	5
7.2	Well Mitigation Work.....	5
7.3	Timeline for Starting Scheduled Work.....	5
7.4	Standard Practices.....	6
7.5	Completion of Mitigation Work.....	6
8.0	Mitigation Fund Contracts.....	6
8.1	Contractor Qualifications.....	6
8.2	Insurance.....	7
8.3	Contract Terms.....	7
8.4	Unit Costs.....	7
8.5	Payment Terms.....	8
8.6	Damages.....	8
9.0	Mitigation Fund Management.....	8
10.0	Recordkeeping and Reporting.....	8

TABLE OF CONTENTS

APPENDICES

Appendix A Mitigation Assessment Request Form

Appendix B Mitigation Work Order Form

Appendix C Mitigation Fund Services Contract

Appendix D Unit Cost Schedule

1.0 INTRODUCTION

The mission of the Gonzales County Underground Water Conservation District (GCUWCD) is to conserve, preserve, protect, and prevent waste of the groundwater resources. The rules of the District require permittees capable of producing greater than 3,000 acre-feet of water per year from the same producer or connected or to be connected to a common gathering/transportation piping system to work with the District in mitigating the effects of large-scale pumping projects on existing permitted wells. This is accomplished through the use of a Mitigation Fund that is funded by the permittees and managed by the District. The permittees recognize and acknowledge that the District may utilize monies in the Mitigation Fund for investigating, evaluating and/or implementing mitigation by either contractors or employees and that the Mitigation Fund may be used to cover administrative expenses, contractor costs, and equipment costs associated with such contractors or employees.

1.1 Mitigation Fund Manual Purpose

The purpose of this manual is to set policies and procedures for managing the Mitigation Fund in an efficient, legal, and fiscally responsible manner. This manual includes information on assessing the effects of drawdown on water wells in the District, determining appropriate mitigation remedies, conducting well mitigation, contracting, recordkeeping and reporting, and management of funds.

1.2 Mitigation Fund Manual Objectives

The objectives of this manual are to:

- Provide an overview of the Mitigation Fund
- Provide information on District operational functions
- Provide information on contracting services
- Provide information on contractor functions
- Provide information and guidance on management of the mitigation funds

1.3 Mitigation Fund Area

The area of the District covered by this mitigation fund is bounded on the west by the Gonzales/Wilson/Karnes County lines, on the south by the southern boundary line of the District, on the north by the Gonzales/Guadalupe County Lines, and on the east along the middle of the San Marcos Arch (San Marcos River).

1.4 Wells Covered Under the Mitigation Fund

Wells that qualify for potential mitigation through the Mitigation Fund shall be limited to registered or permitted wells, located in the mitigation fund area described above, that:

- ~~were drilled on or before January 1, 2010;~~
- were registered with the District ~~on or before June 1, 2010;~~
- do not produce water for a public water supply except as provided below for municipal wells;
- meet the criteria for mitigation under the District's Rules and Policies;
- a minimum of two years continuous groundwater production prior to eligibility for mitigation;
- if the aquifer of the water well is undeterminable by a camera survey due to collapsed casing, the landowner must provide screening and depth documentation to be eligible for mitigation.
-

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Wells located on land leased or owned in fee simple determinable by the permit holders contributing to the Fund shall qualify for mitigation from the Fund, but wells located on land leased or owned in fee simple determinable by permit holders subject to mitigation requirements who do not contribute to the Fund shall not qualify for mitigation from the Fund.

Only wells that have been designated by the District as having been affected by pumpage from the Mitigation Fund members are eligible for mitigation. The procedures for assessing effects on wells from the large-scale pumping projects are listed in Sections 3.0, 4.0, and 5.0.

Municipal Wells

Municipal Wells within the mitigation fund area may qualify for mitigation only when the municipality demonstrates that:

- the well is used as part of an essential public water system;
- the municipality has no reasonable alternative source of water to offset the impairment;
and
- mitigation is necessary to maintain minimum service reliability or public health protection.

Oil and Gas Conversions (P-13)

Oil and gas wells converted to groundwater production well will be subject to the following requirements before being eligible for mitigation:

- documentation of full compliance with the Texas Department of Licensing & Regulation (TDLR) standards for conversion wells and The Railroad Commission of Texas documentation;
- Verification that the casing, cementing, and construction meet or exceed the requirements for a water well in the District rules;
- A downhole camera survey demonstrating structural integrity and sustainability for long-term groundwater production

Conversion wells that do not meet these standards shall be excluded from mitigation eligibility.

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1.5 Mitigation Fund Contact Information

District contact information for the mitigation fund is listed below:

Gonzales County Underground Water Conservation District
522 Saint Matthew Street
P.O. Box 1919
Gonzales, TX 78629
Phone: 830.672.1047
Fax: 830.672.1387

2.0 PRE-MITIGATION ASSESSMENT

The District will take a proactive approach to mitigating Carrizo Aquifer wells in the mitigation fund area. This approach will allow the District to mitigate wells at a mutually agreeable time before the well owners encounter an emergency situation.

Once the mitigation fund is in place, the District will begin conducting a pre-mitigation assessment of Carrizo Aquifer wells to identify wells that will potentially require future mitigation. The District will use its well registration database to identify the registered Carrizo Aquifer wells. The District will then contact the well owners to gather well completion, pump settings, and water level information. If the information required is not available, the District or its contractor will mobilize to the field and acquire the information from the well site.

The pre-mitigation assessment information will be used to plan a cost-effective mitigation effort within the mitigation fund area. A Groundwater Availability Model (GAM) may be used to estimate the approximate dates that these wells will encounter drawdown's that will exceed pump depths. The District may also use actual drawdown data from the District monitoring well network to assist with determining when and which wells to mitigate. Qualified wells that require mitigation within the first ten years, after initial adoption of this manual, will be mitigated as soon as possible. Wells that require mitigation after ten years will be mitigated on a yearly basis with the District attempting to stay ten years ahead of the drawdown effects.

It may be determined that the most cost-effective mitigation efforts is to lower the pump gradually to extend the lifetime of the existing water well.

3.0 HANDLING MITIGATION ASSESSMENT REQUESTS

All requests for mitigation fund work must be reviewed and pre-approved by the District and all mitigation fund work must be completed by the District's approved contractors. **No mitigation work will be conducted on wells that are not timely registered with the District.** A request for mitigation fund work shall be submitted to the District on a Mitigation Assessment Request Form (MARF). A copy of a MARF is included in Appendix A. In an emergency situation, such as an incident that occurs on the weekend, verbal approval from the District to the District's approved contractors shall suffice in lieu of a completed MARF. A MARF must be completed and signed by all parties as soon as possible to document the mitigation assessment request.

The following information is required to properly assess a mitigation fund request:

- The name, address, and contact number of the registered well owner.
- The location of the well.
- The well completion information (casing diameter, screen type, total depth, etc.)
- The aquifer in which the well is completed.
- The depth to pump setting
- The reason for the mitigation request (i.e. water level decline or water quality degradation)
- The date the well problem was first encountered.

The District or its contractor may also need to schedule a time and date to meet at the well site to collect the following data, as needed:

- Current water level.
- Water quality data (field measurements).
- Camera survey.
- Water quality sample for laboratory analysis (only if field measurements and/or camera survey warrant).

By signature on the MARF, the well owner grants access to District personnel and/or its contractor to perform the mitigation assessment activities.

3.1 Priority Assessment

Claims will be considered for reimbursement in the following order and must be in continuous use one year prior to request:

1. Residential home with a sole source of water from an existing Carrizo well and one or more residents over 65 years of age.
2. Residential home with a sole source of water from an existing Carrizo well irrespective of any resident's age.
3. Residential home with a livestock concurrent use of groundwater from an existing Carrizo well.
4. Primarily livestock use of water from an existing Carrizo well.
5. A secondary residential home with a sole source of water from an existing Carrizo well irrespective of any resident's age.
6. Any non-residential from an existing Carrizo well, including any well for business or commercial purposes.

Where multiple Carrizo wells exist on a single property, only one well may qualify for a mitigation claim. As a general standard business and commercial wells will not be subject to mitigation claims. In the event adequate funding is available, the Board may consider an exception to the general standard and any Board ruling will be final. The Board will consider any such claims on a case-by-case basis.

The Board will adopt a revised Mitigation Claim Evaluation form to establish the priority claim system. The Mitigation Manager and the landowner will have to initial and date the priority classification.

In the event funding is unavailable at the time of initial evaluation of the mitigation claim, the landowner may be reimbursed when funding is available. The maximum mitigation reimbursement is \$40,000.00, and the well owner must agree that any costs accrued over \$40,000.00 is at the well owner's expense.

This policy will be subject to review and revision in the event further significant funding is available to the District. All other District policies and procedures regarding the handling of mitigation claims shall remain in force.

4.0 ASSESSING DRAWDOWN EFFECTS ON WELLS

4.1 Aquifers

The mitigation fund is funded by permittees with well fields that pump greater than or equal to 3,000 acre-feet per year from the Carrizo Aquifer. Wells completed in the Carrizo Aquifer will experience the greatest drawdown effects from the pumpage in these well fields. Therefore, the mitigation fund will predominantly assist Carrizo Aquifer well owners.

Groundwater availability models indicate that some leakage will occur from the Queen City and Wilcox aquifers into the Carrizo Aquifer over time due to the Carrizo Aquifer pumpage. The District monitors water levels in wells in each of these aquifers and will use the actual water level data to assess drawdown effects from Carrizo Aquifer pumpage on the Queen City and Wilcox Aquifers.

4.2 Water Levels

The District monitors water levels in the Carrizo, Wilcox, Queen City, and Sparta Aquifers across the District. The District will use this data to determine the actual drawdown that occurs in the aquifers. The drawdown will be computed from historical water level measurements on September 2002 adopted by the Board (Resolution 12-03), or subsequent measurements by District personnel using

water wells or monitoring wells. For newly installed monitoring wells or existing wells added to the monitoring well network after December 31, 2001, a groundwater availability model may be used to compute the historic water level in the well that would have occurred at the monitor well location in 2002. Alternatively, a comparison of data from a December – January timeframe in both the year in which drawdown is assessed and in the historic period may be used.

This historical water level will be used to determine the depth for lowering pumps in an aquifer and to deepen or drill new wells.

4.3 Camera Surveys

Camera surveys may be used to assess casing construction details in water wells, if deemed necessary to the evaluation. A camera survey may also be used to locate the depth of reduced casing diameters or impediments to lowering pumps in wells.

4.4 Timeline for Assessing Drawdown Effects

The District will commence assessment on any mitigation request from qualifying well owners within 21 days of receiving a properly completed MARF. In emergency situations the District will act as soon as possible to alleviate the problem.

5.0 ASSESSING WATER QUALITY EFFECTS ON WELLS

5.1 Aquifers

The mitigation fund is funded by permittees with well fields that pump greater than or equal to 3,000 acre-feet per year from the Carrizo Aquifer. Wells completed in the Carrizo Aquifer will experience the greatest effects from the pumpage in these well fields. Therefore, the mitigation fund will predominantly assist Carrizo Aquifer well owners.

Groundwater availability models indicate that some leakage will occur from the Queen City and Wilcox aquifers into the Carrizo Aquifer over time due to the Carrizo Aquifer pumpage. The District monitors water quality in wells in each of these aquifers and will use this water quality data to assess the effects from Carrizo Aquifer pumpage on the Queen City and Wilcox Aquifers.

5.2 Water Sampling

Water sampling may be required to assess water quality complaints. If required, the District will collect samples for major cation and anion analyses to assess whether pumpage from the mitigation fund entities has caused the water quality concern.

5.3 Camera Surveys

Camera surveys may be used to assess water quality concerns, if deemed necessary to the evaluation. A camera survey will be used to assess well casings for corrosion or casing damages that may be causing water quality concerns.

5.4 Timeline for Assessing Water Quality Effects

The District will commence assessment on any mitigation request from qualifying well owners within 21 days of receiving a properly completed MARF. In emergency situations the District will act as soon as possible to alleviate the problem.

6.0 DETERMINING APPROPRIATE MITIGATION REMEDIES

Once the District or its contractor has conducted a mitigation assessment of a qualified well the District will contact the well owner to discuss the appropriate mitigation remedy. Mitigation remedies may include, but are not limited to, lowering pumps in wells, installing a new pump in a well that was previously flowing, replacing a well with a stock tank, or drilling a new well. The District, in consultation with its water well drilling contractor, will determine which remedy or remedies should be applied based upon the information obtained from the well assessment activities.

6.1 Wells with Declining Water Levels

Mitigation for well owners that have or will experience water level declines below the current pump setting in the well due to effects of large-scale pumpers may include dropping the pump in the well to a depth that will exceed the anticipated 50-year water level declines (approximately 150 – 200 feet below water levels in 2002) in the Carrizo Aquifer.

Mitigation for well owners in which a pump can not be lowered due to restrictions in the well or reduced casing size may include properly plugging and abandoning the well and drilling of a new replacement well.

Mitigation for well owners in which a pump can not be lowered due to the shallow depth of the well may include properly plugging and abandoning the well and drilling of a new replacement well to a deeper depth in the Aquifer or in another suitable Aquifer.

6.2 Flowing Wells

Mitigation options for well owners with wells that have ceased flowing due to water level declines due to the effects of large-scale pumpers may include one of the following:

- Installation of an electric pump system.
- Installation of a solar pump system.
- Replacement of the well with a stock tank.

7.0 CONDUCTING WELL MITIGATION

7.1 Well Mitigation Agreement

Prior to beginning any mitigation work, the well owner must sign the Mitigation Work Order Form (MWOFF) accepting the mitigation work selected and approved by the District and granting access to District personnel and/or the District's contractor to perform the mitigation activities. A copy of the District MWOFF is included in Appendix B.

7.2 Contractor Scheduling

A well owner may select from the list of pre-qualified water well drillers, as provided in Section 8.0 of this Manual, to conduct mitigation work. If the selected water well driller is unable to accept the mitigation work at the time of selection, due to other obligations, the well owner may either select another pre-qualified water well driller or agree to abide by the selected water well drillers schedule. In the latter circumstance, the selected water well driller would be under no obligation to meet the District's timeline for starting the mitigation work.

7.3 Well Mitigation Work

The District shall issue the selected water well driller a completed MWOFF that describes the work to be performed and the pre-determined costs to complete the work. **No mitigation work shall be performed without first receiving a MWOFF from the District. Costs incurred for any work conducted by a water well driller without a signed MWOFF will not be paid.** In an emergency situation, such as an incident that occurs on the weekend, verbal approval from the District to the District's approved contractors shall suffice in lieu of a completed MWOFF. A MWOFF must be completed and signed by all parties as soon as possible to document the work conducted for the emergency situation.

If, during the course of the mitigation work, unforeseen conditions occur that require changes in the work described in the MWOFF a water well driller must first get an amendment to the MWOFF approved by the District before conducting the changed scope of work. Except under unforeseen and emergency circumstances, the costs incurred for any work conducted by a water well driller without an amended MWOFF will not be paid.

All mitigation work must be completed to the satisfaction of the District in order to receive payment.

7.4 Timeline for Starting Scheduled Work

A water well driller selected for mitigation work shall begin work on site within 7 days of receiving notification (MWOFF) by the District. In emergency situations the selected water well driller shall begin work on site within 48 hours of notification (MWOFF) by the District.

7.5 Standard Practices

All water well drillers contracted for mitigation work with the District shall use standard practices acceptable to the Texas Department of Licensing and Regulation for Water Well Drillers and Water Well Pump Installers and rules of the Gonzales County Underground Water Conservation District.

7.6 Completion of Mitigation Work

The selected water well driller shall use reasonable due diligence in accordance with standard practices for water well drillers and pump installers for completing the approved mitigation work in a timely matter. Upon completion of the mitigation work, the water well driller and well owner shall sign off on the MWOFF. The completed and signed MWOFF shall be submitted to the District for final approval of the work and payment.

8.0 MITIGATION FUND CONTRACTORS

The District will solicit bids from and contract with several qualified water well drilling and pump installation companies, duly licensed in the State of Texas, to provide mitigation services under the Mitigation Fund Agreements. Contracting with more than one water well drilling company will ensure that a water well driller will be available in emergency situations.

8.1 Contractor Qualifications

Contractors engaged in work for the District shall:

- Be a company engaged in the business of providing water well drilling and pump services for a minimum of five years within the last seven years. Recent start-up businesses do not meet

the requirements of this contract. A start-up business is defined as a new company that has no previous operational history or expertise in the relevant business and is not affiliated with a company that has that history or expertise.

- Be a licensed Water Well Driller in the State of Texas with a current license issued by the Executive Director pursuant to the Texas Occupations Code, Chapter 1901 and maintain the license throughout the term of the contract.
- Be a licensed Water Well Pump Installer in the State of Texas with a current license issued by the Executive Director pursuant to the Texas Occupations Code, Chapter 1902 and maintain the license throughout the term of the contract.
- Be located within a 70-mile radius of the District boundaries.
- Be in good financial standing, not in bankruptcy, current in payment of all taxes and fees as required by law.
- Have sufficient personnel and equipment to handle all Mitigation Fund service requests from the District.

8.2 Insurance

Before being qualified to perform any mitigation work, a contractor must provide and maintain a certificate of insurance, at contractor's expense, covering all the activities to be performed by contractor's company or contractor's subcontractors, as described below.

- Statutory workers' compensation insurance valid in the State of Texas is required.
- Comprehensive General Liability Insurance, covering liability, including but not limited to Public Liability, Personal Injury, and Property Damage, with coverage of at least \$1,000,000 per occurrence.
- All insurance shall be placed with insurance companies licensed to do business in the State of Texas, and/or acceptable to the District.
- The Comprehensive General Liability Insurance policy must include GCUWCD as an additional insured during the duration of the contract with GCUWCD. Any coverage afforded the District, the Certificate Holder, as an Additional Insured shall apply as primary and not excess to any insurance issued in the name of the District.
- Comprehensive Automobile Liability Insurance covering the use of all vehicles used by the contractor, whether owned, hired or non-owned. This insurance shall be in at least the following amounts: bodily injury: \$500,000 per person; \$1,000,000 per occurrence; and property damage: \$500,000 per occurrence.
- Contractor shall give the District unqualified prior written notice of cancellation or diminution of said insurance coverage ten (10) days prior to the effective date of any such cancellation or diminution.

8.3 Contract Terms

The mitigation fund contracts shall be valid for a three-year period with an option to extend. A copy of the District Mitigation Fund Services Contract is included in Appendix C.

8.4 Unit Costs

The District will reimburse contractors for mitigation work performed based on the attached Unit Cost Schedules. These schedules shall be reviewed by the District every year and provided to qualified contractors when changes are made. Copies of the initial Unit Cost Schedules are included in Appendix D.

8.5 Payment Terms

Contractors will be reimbursed for mitigation work performed under a Mitigation Work Order Form (MWOFF) at the rates identified in the Unit Cost Schedule. **Except in unforeseeable or emergency circumstances no contractor costs will be reimbursed without an approved MWOFF.** The MWOFF must be agreed to by the District and Contractor prior to beginning any work (signatures on MWOFF required) and the mitigation work performed must be approved by the District (signature on MWOFF required) before any payments to the contractor will be made.

Contractor payments must be approved by the District Board of Directors prior to payment. MWOFF payments will be mailed out on the following work day after approval at the monthly board meeting or the contractor can pick up the check at the District office.

8.6 Damages

The contractor is responsible for any damages to property that occurs during the course of conducting mitigation activities.

9.0 MITIGATION FUND MANAGEMENT

The District has an investment policy which is in compliance with various provisions of Texas law relating to the investment and security of funds of districts. As of the inception of the Mitigation Fund, Sections 36.155 and 36.156 of the Texas Water Code and Chapters 2256 and 2257 of the Government Code are applicable to the investment of the District's funds, including the investment of the Mitigation Fund. The investment policy addresses the methods, procedures, and practices that must be used to ensure effective and judicious fiscal management of the District's funds.

The District purchases various insurance policies, including the bonding of all directors and employees of the District.

10.0 RECORDKEEPING AND REPORTING

The District shall maintain records and supporting documentation for all mitigation fund work in accordance with the District Bylaws.

By January 31st of each year following the creation and initial funding of the Mitigation Fund, the District shall provide all participating permittees an accounting of Mitigation Fund revenues and expenses, information regarding the water well drillers qualified to perform mitigation work, and a report summarizing the mitigation claims that were inspected, evaluated or mitigated.



January 7, 2026

Via Electronic Communication

Ms. Laura Martin
General Manager
Gonzales County UWCD
522 Saint Matthew Street
Gonzales, Texas 78629

Re: Proposed Revisions to the Gonzales County Underground Water Conservation District Mitigation Fund Procedure Manual

Dear Ms. Martin:

San Antonio Water System (SAWS) appreciates the opportunity to comment on the District's proposed edits to the District's Mitigation Fund Procedure Manual. After reviewing the suggested changes, SAWS asks the Gonzales County Underground Water Conservation District (GCUWCD) to consider the following:

Proposed Edits to Section 1.4

1. **Maintain the Current Well Drilled and Well Registration Dates in Section 1.4**
The dates for wells to be drilled on or before January 1, 2010, and wells to be registered with the District on or before June 1, 2010 as provided in the Gonzales County Underground Water Conservation District's Mitigation Fund Procedure Manual, are a fundamental component of the Mitigation Agreement between SAWS and the District, and should be maintained. This provision was negotiated and incorporated to ensure fairness and clarity in determining eligibility for mitigation. Any alteration to this requirement would materially change the terms of the agreement and therefore cannot be made unilaterally; it would require SAWS Board approval.
2. **Oppose the Addition of Municipal Wells in Section 1.4**
SAWS' Participation Agreement in the Western Gonzales County Dedicated Mitigation Fund includes language in Section 4 stating "wells that qualify for mitigation by the Fund do not produce water for a public water supply." Municipal wells should not be included under the general mitigation provisions because mitigation of some municipal wells has

Ms. Laura Martin

January 7, 2026

Page 2

already been addressed. SAWS already has a special provision in its permit addressing mitigation for the City of Smiley. "In the event the City of Smiley's Well Number 1 ceases to produce water due to groundwater level decline, and, if written request is timely provided by the City of Smiley, SAWS shall investigate the feasibility of installing a pump in the City of Smiley's Well 1, and, if feasible and consent is given, install such a pump at the lowest feasible level not to exceed 200 feet below land surface and pay the City of Smiley a one-time payment of \$28,500.00 to offset anticipated increased power costs through 2060."

SAWS has also entered into a Statement of Mitigation and Settlement Agreement with the City of Nixon to "lower the pumps/motors in the City of Nixon's three Gonzales County wells by 200 feet from the existing water level... and will pay to the City of Nixon a one-time power cost of \$328,300.00 to offset the anticipated increase in power cost through 2060..." The City of Nixon acknowledged completion of mitigation in February 2018.

Additionally, SAWS entered into a Settlement Agreement with the Gonzales County Water Supply Corporation (GCWSC) to drill and equip a new Carrizo Aquifer well, which resulted in the completion of the Saturn well in 2016. Subsequently, SAWS issued payment to the GCWSC of \$890,000.00 for construction of its own system enhancements and in lieu of purchasing surplus water. Final payment was issued in 2023.

SAWS is not aware of public comment from a municipality or utility advocating for this change to the Mitigation Fund Procedure Manual, and including municipal wells in the fund could create duplication.

3. Oppose the Inclusion of Oil and Gas Conversions (P-13) Wells as being Covered by the Mitigation Fund

Oil and gas wells converted for groundwater production should remain outside the scope of the mitigation fund because their design and construction differ fundamentally from groundwater wells, posing significant engineering and regulatory challenges.

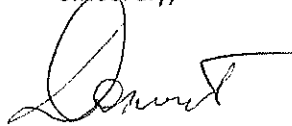
4. Review and Consider Increasing the Export Fee Surcharge

Since 2010, the District has applied a surcharge of \$0.0175 per one thousand (1,000) gallons of water exported during the previous calendar year when additional funds are required. Due to rising costs for materials required for mitigation, SAWS requests that the District evaluate current expenses and consider recommending an increase to this surcharge.

Ms. Laura Martin
January 7, 2026
Page 3

Thank you for the opportunity to provide these comments. SAWS looks forward to participating in the January 20th workshop. We respectfully request the opportunity to submit additional comments as discussions regarding revisions to the mitigation manual progress and in the event that the district provides additional opportunities for public comment. Please feel free to contact me if you have any questions or require further clarification.

Sincerely,

A handwritten signature in black ink, appearing to read "Donovan", with a long horizontal flourish extending to the right.

Donovan Burton
Sr. Vice President
Water Resources & Governmental Relations

cc: Linda Bevis, Director, Water Resources
Steven Siebert, Manager, Water Resources
Jennifer Windscheffel, Senior Corporate Counsel



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Water Resource

2225 E. Common Street
New Braunfels, TX 78130
830-379-5822

GBRA.ORG

January 7, 2026

Ms. Laura Martin-Preston
General Manager
Gonzales County Underground Water Conservation District
522 Saint Matthew Street
Gonzales, Texas 78629

Dear Ms. Martin-Preston,

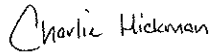
The Guadalupe-Blanco River Authority (GBRA) appreciates the opportunity to review and comment on the proposed changes to the Gonzales County Underground Water Conservation District's (GCUWCD) Mitigation Manual. GBRA, as a successor entity to the Texas Water Alliance, is party to a Participation Agreement in the Eastern County Dedicated Mitigation Fund, which has made mitigation funding available to eligible participants since January 2013. GBRA believes a robust and effective mitigation program is a cornerstone of our relationship with Gonzales County landowners and GCUWCD. With that in mind, GBRA offers the following comments to the draft proposed changes to the Mitigation Manual.

1. It is not clear how the proposed revisions to the Mitigation Manual are applicable to GBRA as GBRA and GCUWCD have executed a Participation Agreement in the Eastern Gonzales County Dedicated Mitigation Fund that outlines the mitigation requirements relevant to GBRA.
2. Section 1.3 of the proposed Mitigation Manual describes a Mitigation Fund Area that is not applicable to GBRA.
3. Section 1.4 of the proposed Mitigation Manual seeks to remove the requirement that wells eligible for mitigation were drilled on or before January 1, 2010 and extend the eligibility date in perpetuity. This proposed revision may pose problems for both permittees and GCUWCD, for a few reasons:
 - a. The Participation Agreement in the Eastern County Dedicated Mitigation Fund between GBRA and GCUWCD establishes an eligibility date of January 29, 2013.
 - b. GBRA's understands that since the time the mitigation program began, GCUWCD has been providing all permittees with information on anticipated 50-year water level declines in the Carrizo Aquifer. Wells that were not constructed consistent with water level declines anticipated at the time of well construction should not be eligible for mitigation. The removal of the eligibility date would allow new permittees to construct a relatively inexpensive, shallow well and automatically shift the cost burden to others for the drilling of a deeper replacement well as water levels decline.

- c. Additional discussion is warranted to understand the purpose and intent of removing any eligibility date from the mitigation requirements.
- 4. Consistent with the practice of other groundwater conservation districts, the previous Mitigation Manual included a requirement that wells producing water for a public water supply were ineligible for mitigation. Section 1.4 of the proposed Mitigation Manual seeks to reverse this requirement and allow certain Municipal Wells to be eligible. A few comments related to this proposed revision:
 - a. The Participation Agreement in the Eastern County Dedicated Mitigation Fund between GBRA and GCUWCD clearly establishes eligibility does not extend to any wells that produce water for a public water supply.
 - b. Additional discussion is warranted to understand what the purpose and intent of allowing certain Municipal Wells to be eligible under the program.
 - c. If a valid purpose for allowing certain Municipal Wells to become eligible is determined, a limitation on the number of connections served by the public water supply system should be considered to limit eligibility to small rural systems.
- 5. Section 1.4 of the proposed Mitigation Manual seeks to expand eligibility to oil and gas wells converted to groundwater production wells. When considering these wells were not originally designed or permitted to be domestic supply wells, it is not clear why the mitigation program should be responsible for any costs associated with long term production of groundwater. A properly planned conversion well should already extend the full depth of the targeted aquifer for production, so deepening of these wells should not be necessary. Additional discussion is warranted to understand the purpose and intent of allowing oil and gas conversion wells to be eligible under the mitigation program and to ensure that any mitigation money provided to address former oil and gas wells remains consistent with sound financial planning and groundwater policy.
- 6. Section 2.0 of the proposed mitigation manual is revised to allow for mitigation efforts to lower the pump gradually to extend the lifetime of the existing well. The mitigation program should not be designed with the intent of repeated mitigation claims on a single well. Section 5 of the Participation Agreement in the Eastern County Dedicated Mitigation Fund between GBRA and GCUWCD specifies "well[s] will be drilled or deepened or the pump lowered so that the well owner may produce water from the Carrizo formation even if a drawdown in the Carrizo exceeds 200 feet, where practicable." The approach to mitigation included in the Participation Agreement provides for a more effective use of dedicated mitigation funds and should continue to be the basis for the mitigation program.

7. Section 3.0 of the Mitigation Manual specifies a maximum mitigation reimbursement of \$40,000. GBRA believes the district should evaluate recent cost information to ensure this maximum reimbursement amount covers the cost of typical mitigation claims.

Sincerely,



Charles M. Hickman, P.E.
Executive Manager of Engineering
O: 830-560-3908
E: chickman@gbra.org

cc: Darrell Nichols, GBRA General Manager/CEO
Joe Cole, GBRA General Counsel



January 7, 2026



Via email to: generalmanager@gcuwcd.org

Board of Directors and General Manager
Gonzales County Underground Water Authority
522 Saint Matthew Street
Gonzales, TX 78629

Re: Comments on Proposed Mitigation Fund Procedure Manual Revisions

Dear Board Members and Ms. Martin:

Thank you for the opportunity to comment on the proposed revisions to the Mitigation Fund Procedure Manual (the "Manual"). Below are some high-level questions and comments submitted on behalf of the Alliance Regional Water Authority and the Canyon Regional Water Authority on the current Manual followed by specific comments on the proposed changes. Included as an attachment are more detailed comments on the program as a whole.

High-Level Questions/Comments

1. The exporters each have Mitigation Agreements in place with the District. It is not clear how changes to the Manual impact the contractual requirements within those agreements – please clarify.
2. Our understanding is that the District is to meet with well drillers and convey to them the anticipated water levels in the Carrizo aquifer as a result of full production of all permittees in the District so that new wells are constructed to an appropriate depth – has this been the standard followed by the District?
3. What is driving the need to add municipal wells to the those covered by the program? No public entities have made comments at meetings stating that their wells have been impacted.
4. We would like an annual review/audit of how the District is following the Manual to ensure more transparency and accountability.

Specific Comments on Proposed Revisions


5. Section 1.3 "Mitigation Fund Area" should be updated to reflect the entirety of the District, not just the Western District area.
6. Section 1.4 – concerned with removal of all dates for mitigation eligibility. If the District is informing drillers of anticipated water levels, then newer wells should not be impacted.

7. Section 1.4 – Oil and Gas wells were never intended to be water wells – concerned with those now being covered by the Mitigation Program.
8. Section 2.0 – under what circumstances would lowering a pump gradually be selected? It may be less expensive initially but could be much more expensive after multiple different times of lowering the pump.
9. Section 3.0 – we would support increasing the maximum mitigation reimbursement of \$40,000 if the District provides information showing that the actual cost to mitigate wells is exceeding this value.


Again, thank you for the opportunity to review the proposed revisions to the District's Mitigation Fund Procedure Manual. We look forward to learning more and participating in the Workshop on January 20th. Should you have any questions or need clarifications on our comments, please do not hesitate to contact Graham Moore at 512-294-3214 or at gmoore@alliancewater.org, or Kerry Averyt at 830-609-0543 or kaveryt@crwa.org.

Sincerely,

ALLIANCE REGIONAL WATER AUTHORITY

By: 
Graham M. Moore, P.E.
Executive Director, Alliance Regional Water Authority
gmoore@alliancewater.org

CANYON REGIONAL WATER AUTHORITY

By: 
Kerry Averyt, P.E.
General Manager, Canyon Regional Water Authority
kaveryt@crwa.org

Attachment

cc: Trish Erlinger Carls, Special Counsel, *via email to* tcarls@tcarlaw.com

MEMORANDUM

TO: Greg Ellis, General Counsel
Gonzales County Underground Water Conservation District

FROM: Law Offices of Patricia Erlinger Carls

SUBJECT: Mitigation Manual Revisions and Mitigation Program

DATE: January 7, 2026

CC: Board of Directors and General Manager
Gonzales County Underground Water Conservation District

This memorandum provides additional information for the Gonzales County Underground Water Conservation District ("District") to consider as it prepares for the January 20, 2026 Workshop and evaluates its mitigation program and the proposed changes to the Mitigation Fund Procedure Manual (the "Mitigation Manual").

As is stated in the Mitigation Agreements¹ and the District Rules, the mitigation program funded by exporters exists for one single purpose – to help mitigate adverse effects of pumping by certain large water producers on existing water well users. District Rule 10.E.3 requires permittees producing 3,000 acre-feet/year or more from wells connected to a common gathering system to have a plan to mitigate the adverse effects of their pumping on existing² water well users. To implement Rule 10.E.3, the District's Board required exporters to enter into Mitigation Agreements as a condition of original export permit issuance. Compliance with the terms of the Mitigation Agreement satisfies Rule 10.E.3.³

¹ As used herein, the term "Mitigation Agreements" refers collectively to the contracts entered into between each of the exporters (SAWS, SSLGC, CRWA, ARWA, and GBRA) and the District pertaining to either the Western Gonzales County Mitigation Fund and the Eastern Gonzales County Mitigation Fund, depending on which side of the San Marcos Arch (San Marcos River) their wellfields are located. Except for the GBRA agreement, all of Mitigation Agreements are included as attachments to the District's most current Mitigation Fund Report, available online on the District's website. Omission of the GBRA agreement seems to be an administrative oversight.

² See Rule 10.E.3 ("In order to ensure no unreasonable effects on existing groundwater and surface water resources or existing permit holders, the District shall require a mitigation plan, acceptable to the District, ...") Existing wells are those in effect on the date that the corresponding export permit was first issued. Each of the Mitigation Agreements have different dates: 2010 for SAWS and SSLGC; 2012 for CRWA and ARWA; and 2013 for GBRA.

³ Each of the Mitigation Agreements describes purpose of the agreement as follows:

"In the course of certain permitting actions, including contested case hearings, certain applicants and permittees, including [exporter], have agreed to assist the GCUWCD in creating a dedicated fund that would be used by the GCUWCD for the purpose of investigating and evaluating mitigation claims and implementing mitigation measures for qualifying wells in Eastern Gonzales County [or Western Gonzales County] in lieu of a permittee's obligations to perform its own mitigation under the District's Rules (the "Eastern Gonzales County Dedicated Mitigation Fund" [or, (the "Western Gonzales County Dedicated Mitigation Fund")]. or the "Fund"). A permittee's payment of the

Mitigation Agreements

If the District uses the mitigation funds as described in the proposed revisions to the Mitigation Manual, the District would be violating the Mitigation Agreements. The Mitigation Agreements contractually limit the use of mitigation funds⁴ to only the following wells:

- wells that were in existence on or before a date certain;⁵ and
- wells that do not produce water for a public water supply; and
- wells that meet the criteria for mitigation under the District's Rules and Policies (i.e., the Mitigation Manual)

The Mitigation Agreements expressly prohibit the District from using mitigation funds on wells drilled after the dates specified in the individual Mitigation Agreements. The Mitigation Agreements expressly prohibit the District from using mitigation funds to mitigate wells owned or used by a municipality (or other public water supplier). Repurposing oil and gas wells to become water wells is not an authorized use of mitigation funds under the Mitigation Agreements. This means that revising Section 1.4 of the Mitigation Manual to use mitigation funds as proposed would cause the District to be in anticipatory breach or actual breach of the Mitigation Agreements. Changing the Mitigation Manual or the District's Rules will not change the terms of the contractually-binding Mitigation Agreements. Further, from a policy perspective, as is explained in more detail below, the reasons for limiting the types of wells for which mitigation funds could be used are still valid and no changes to the Mitigation Agreements or Mitigation Manual are warranted.

Date Restriction

The rationale for restricting eligibility for use of mitigation funds to wells existing as of the date of issuance of the exporter's permit was that, after an exporter's permit was issued, water well drillers and landowners would be on notice that pumping from the exporter's wells would cause lower water levels or reduced artesian pressure over time. In response, new wells could be drilled deeper and any adverse effects could be mitigated from the start.⁶ The anticipated water level declines from large-scale producers are a matter of public record in the permit applications and other records of the District, and are conveniently summarized in Section 6.1 of the Mitigation

specified amount shall satisfy that permittee's obligations concerning mitigation for qualifying water wells pursuant to the Rules of the District."

⁴ As used herein, the term "mitigation funds" means funds paid to the District pursuant to the Mitigation Agreements between certain permittees (currently, only exporters) with the District.

⁵ Generally, this date is the date the export permit was approved. However, ARWA's Mitigation Agreement also allows, but does not require, the District to use money it contributes to the Mitigation Fund to mitigate wells owned by four (4) landowners whose wells otherwise would not have qualified for mitigation but for whom ARWA agreed to waive objection as part of a settlement agreement. The four additional landowners are Bruce and Joan Siebert, Rancho de Sueños, LLC/McCorvey/McCorvey Ranch Holdings, Ted Boriack, and Wayne LePori.

⁶ The exporters' permits and application materials, including modeling, are public information. The State Water Plan and Regional Water Plans contain information about the future needs of public water suppliers and are also public information.

Manual. However, existing water well owners did not have the information about the exporters' wells available to them when they drilled their wells. So the program was designed so that new well owners could adapt, and existing well owners could use mitigation funds to make adjustments. If this date restriction were not in place, the concern was and is that the fund could be abused by unscrupulous landowners who might purposefully drill shallow wells to save their own money, and then apply to the District funds to complete the job properly.

The current concern about the date restriction seems to be related to the eligibility of wells drilled after the date of permit issuance but before a permit amendment authorizing increased production is granted. In that situation, the proper time to address the concern is during the permit amendment process and can be accomplished by amending the dates in the affected exporter's Mitigation Agreement. It is an issue to be considered on a case-by-case basis as part of the permit amendment process, just as the original date was considered on a case-by-case basis during the original permitting process.

Municipal Water Supply Wells

Public water suppliers (including municipal public water suppliers) are in a wholly different position than an individual landowner when it comes to water system planning, operation, maintenance, and financing. The concerns expressed at the District's Board meetings about in-District municipally owned water supply systems were concerns about their actual or possible operational failures and maintenance shortcomings.⁷ Those concerns are unrelated to the effects of pumping by the exporters, are outside the scope of the mitigation program, and use of mitigation funds on municipal or other public water supply wells expressly violates the Mitigation Agreements.

The reasons for excluding all public water supply wells (including municipally-owned wells) from mitigation fund eligibility are several. First, a public water supplier's operational and maintenance expenses will eclipse those of any individual landowner and mitigation of a public water supply well would likely wipe out the funds in one claim, making the program unavailable to individual well owners and destabilizing the program irreparably.

Second, to meet their greater financing obligations, public water suppliers have access to funding sources that individual landowners do not, such as tax revenue, rate revenue, bond proceeds, and public grants and loan programs. Individuals do not have access to those funding sources.

Third, a public water supplier is required by state law to have the financial, managerial, and technical expertise to adequately maintain and operate their systems to protect public health and ensure water quality. If it is unable to do so, the Texas Commission on Environmental Quality, Public Utility Commission, and/or Attorney General have the authority to step in. No state agency programs exist to help individual landowners.

To reiterate, the mitigation program was established to be a resource for individual landowners with existing wells who actually experience or are expected to experience adverse impacts due to production by exporters. The mitigation program was never meant to be backstop

⁷ See, for example, discussion at the Dec. 9, 2025 GCUWCD Board Meeting, beginning at Minute 30:30.

for a public water supplier's duty to perform its financial, managerial, or technical obligations under state law.

Repurposed Oil and Gas Wells

Using mitigation funds to convert a landowner's old oil and gas well to a water well would also be an unauthorized use of mitigation funds under the Mitigation Agreements. This activity is unrelated to the effect of exporters' production on existing water wells. Perhaps, if such repurposing is determined to be the most cost-effective way to address a well impacted by an exporters' production, such work might qualify for mitigation funding if the other eligibility requirements are met. That would have to be determined on a case-by-case basis. But as a stand-alone use unrelated to mitigation of adverse effects caused by an exporter's pumping, use of funds to convert oil and gas wells into water wells for landowners would be a violation of the Mitigation Agreements.

Other Comments

Mitigation Fund Area

The Mitigation Fund Area described in Section 1.3 is wrong. It describes only the Western District area. It needs to be amended to also describe the Eastern District area, and simplified, as follows:

1.3 Mitigation Fund Area

The area of the District covered by ~~this~~ the western mitigation fund is the area within the District lying west of the middle of the San Marcos Arch (San Marcos River). The area of the District covered by the eastern mitigation fund is the area within the District lying east of the middle of the San Marcos Arch (San Marcos River). ~~bounded on the west by the Gonzales/Wilson/Karnes County lines, on the south by the southern boundary line of the District, on the north by the Gonzales/Guadalupe County Lines, and on the east along the middle of the San Marcos Arch (San Marcos River);~~

Additional Eligibility or Qualification Verification Requirements

We support the requirement for landowners to demonstrate two years of continuous groundwater production as a condition of eligibility. However, the District does not require all water well owners to file production reports or for all wells to be monitored. For landowners who have water service from a retail water supplier but also have water wells, objective, verifiable documentation of water well use may not exist. Please provide more information on how this eligibility criteria is to be demonstrated by a well-owner and verified by the District.

We also support the requirement for landowners to provide documentation that their well is a Carrizo well. For legally drilled wells, the well depth will be documented in the State of Texas Water Well Report. Illegally drilled wells should not qualify for mitigation.

Program Audit

Comments previously have been submitted to the District requesting an audit of the mitigation program, and we re-urge the District to engage a qualified professional to perform an audit of the nearly 13-year-old program. A program audit is the first step toward determining whether changes need to be made to the Mitigation Manual. As discussed above, ad-hoc changes to the Mitigation Manual create inconsistencies and deviations from the purpose of the program, and possibly trigger legal action for violations of the Mitigation Agreements. The scope of the audit should include evaluation of compliance with the Mitigation Agreements, review and analysis of all of the information in the Annual Mitigation Reports, procedures to increase transparency and accountability in the District's implementation of the program, and benchmarking of effectiveness and costs.

The currently proposed changes to the Mitigation Manual reflect unacceptable scope-creep. The program as funded by parties to the Mitigation Agreements has a very clearly defined scope and objective – to assist in mitigating existing wells adversely affected by pumping by large-scale producers. Attempting to expand the program funded by the Mitigation Agreements via the proposed changes to the Mitigation Manual will have adverse consequences going forward.

Thank you in advance for reviewing this information and for studying the Mitigation Agreements. If you have any questions, please feel free to contact me.

January 7, 2026 Mitigation Rules Revision

To: GCUWCD Board Members, Greg Ellis, GCUWCD Attorney

Changes to support the landowners, municipalities and taxpayers are needed for the GCUWCD mitigation rules. The current mitigation

rules favor the water exporters who are taking our water and selling it to other areas for unsustainable development. Please consider the

following that would lend support to the well owners and municipalities who need access to their water.

1. Prompt mitigation payments to landowners when a well is damaged due to exporters. The mitigation should not go on for years.
2. Do not set caps for well mitigation. The well should be repaired completely.
3. Plug all wells on properties that leased or sold their water.
4. The funds in the mitigation accounts should have a balance of \$400,000 at all times. If the balance is lowered due to a mitigation payment, the exporters should replenish the account immediately.
5. Any exporter wasting water for any reason should have their permit revoked permanently. If the water levels in the district are at lower levels the district should not renew permits for exporters.

I reserve the right to supplement at a later date.

Sally Ploeger

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January 7, 2026

Mr. Bruce Tieken, President, Board of Directors
Gonzales County Underground Water Conservation District (GCUWCD or the District)
522 Saint Matthew Street
P.O. Box 1919
Gonzales, TX 78629

Subject: SSLGC Comments on Proposed Mitigation Manual Changes by GCUWCD

Dear Board Members of the Gonzales County Underground Water Conservation District,

On behalf of the Schertz/Seguin Local Government Corporation (SSLGC), I am writing to provide our comments and concerns regarding the proposed revisions to the Mitigation Fund Procedure Manual. Based on the red-line rule changes provided, we have identified several critical issues.

The foundational concern is that the mitigation manual should not contradict or attempt to alter the established parameters of the SSLGC/GCUWCD Participation Agreement In The Western Gonzales County Dedicated Mitigation Fund, dated March 16, 2010.

According to section 7 of the agreement, SSLGC is active in its "Water Production Operations", and as such, the agreement endures. Any permits that were amended, renewed or additional permits that were pursued were related to or incidental to the water production operations.

There is a distinct expectation, Section 3 of the agreement, that the District will come to a determination that "...no more mitigation is required...". The number of wells that meet the agreement's standard for mitigation qualification should ultimately reach zero. As noted by our now-retired Professional Hydrogeologist, Mr. Bill Klemt: the predicted



hydraulic drawdown rates that were established prior to SSLGC's commencement of operations, have been remarkably accurate, twenty-five years later. Consequently, any applicant seeking a District permit would expect to have access to relevant District hydraulic information and preemptively mitigate any anticipated localized hydraulic drawdown.

1.4 Wells Covered Under the Mitigation Fund

SSLGC's assertion is that the District cannot unilaterally alter specifics of the 2010 agreement through revision of the Mitigation Fund Procedure Manual.

In consideration of the previously mentioned mitigation expectations by District permittees, drilling wells after the January 1, 2010 date, what justification is offered to extend these dates?

The proposal to include municipal wells is in direct opposition to Section 4c of the 2010 agreement. Additionally, municipal wells, by their nature (they impact the local groundwater hydrology) and statute (Texas Administrative Code), are required to set rates and issue bonds, to ensure operational efficacy.

Recommendation

SSLGC respectfully requests the District to acknowledge the enduring 2010 Mitigation Agreement and modify the proposed Mitigation Fund Procedure Manual revisions to reflect the specifics of said agreement.

SSLGC appreciates the opportunity to participate in this critical discussion and looks forward to collaborating with GCUWCD to ensure the long-term sustainability of our shared groundwater resources. Please do not hesitate to reach out if you require further information or clarification on our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew McBride".

Andrew McBride

General Manager, SSLGC

Cc:

Laura Martin-Preston, General Manager, GCUWCD

GCUWCD Mitigation Fund Procedure Manual (To be applied District-wide Including Eastern and Western Mitigation)

CONCEPTUAL DRAFT by Ted Boriack January 7, 2025 of GCUWCD version Adopted: August 10, 2010, Revised: January 10, 2023

TABLE OF CONTENTS

1.0 Introduction	1
1.1 Purpose	1
1.2 Objective	1
1.3 Mitigation Fund Area	1
1.4 Wells Covered Under the Mitigation Fund	1
1.5 Mitigation Fund Contact Information	2
1.6 Exporter Permit Holder Mitigation Plans	2
2.0 Pre-Mitigation Assessment	2
3.0 Handling Mitigation Assessment Requests	2
4.0 Assessing Drawdown Effects on Wells	3
5.0 Assessing Water Quality Effects on Wells	4
6.0 Determining Appropriate Mitigation Remedies	4
7.0 Conducting Well Mitigation	5
8.0 Mitigation Fund Contracts	6
9.0 Funding of Well Mitigation	8
10.0 Mitigation Fund Management	9
11.0 Recordkeeping and Reporting	9

APPENDICES

- Appendix A – Mitigation Assessment Request Form
- Appendix B – Mitigation Work Order Form
- Appendix C – Mitigation Fund Services Contract
- Appendix D – Unit Cost Schedule
- Appendix E – GCUWCD Mitigation Zones Map

1.0 INTRODUCTION

The mission of the Gonzales County Underground Water Conservation District (GCUWCD) is to conserve, preserve, protect, and prevent waste of the groundwater resources. The rules of the District require permittees capable of producing greater than 3,000 acre-feet of water per year from the same producer or connected or to be connected to a common gathering/transportation piping system to work with the District in mitigating the effects of large-scale pumping projects on existing permitted wells. This is accomplished through the use of a Mitigation Fund that is funded by the permittees and managed by the District. The permittees recognize and acknowledge that the District may utilize monies in the Mitigation Fund for investigating, evaluating and/or implementing mitigation by either contractors or employees and that the Mitigation Fund may be used to cover administrative expenses, contractor costs, and equipment costs associated with such contractors or employees.

District Rule 10.E.3 states: In order to ensure no unreasonable effects on existing groundwater and surface water resources or existing permit holders, the District shall require a mitigation plan, acceptable to the District, to be included in the application to mitigate the effects of the drawdown of artesian pressure or the level of the water table upon the registered or permitted well owners potentially affected by that water well or wells. The mitigation plan, at permit issuance, shall be incorporated into a binding agreement between the permittee and the District.

Historically, GCUWCD operated separate Eastern and Western mitigation programs. The Jan 10, 2023 revision combined them into a single mitigation program but did not incorporate detail on treatment of the two mitigation funds. This revision combines the Eastern and Western mitigation funds under a single manual to avoid confusion and provide clarity on administration of the mitigation program.

The Eastern Mitigation Program addresses impacts in the eastern District portion, funded by exporters :

- AQUA Water Supply Corporation (AQUA)
- Alliance Regional Water Authority (ARWA)
- Guadalupe-Blanco River Authority (GBRA)

The Western Mitigation Program covers the western portion, funded by exporters:

- Schertz Seguin Local Government Corporation (SSLGC)
- Canyon Regional Water Authority (CRWA)
- San Antonio Water System (SAWS)

1.1 Mitigation Fund Manual Purpose

The purpose of this manual is to set policies and procedures for managing the Mitigation Fund in an efficient, legal, and fiscally responsible manner. This manual includes information on assessing the effects of drawdown on water wells in the District, determining appropriate mitigation remedies, conducting well mitigation, contracting, recordkeeping and reporting, and management of funds.

1.2 Mitigation Fund Manual Objectives

- Provide an overview of the Mitigation Fund.
- Detail District operational functions.
- Explain contracting services.
- Describe contractor functions.
- Guide mitigation fund management.

1.3 Mitigation Fund Area

The mitigation fund covers the entire GCUWCD boundaries, as defined in enabling legislation and Management Plan (Section 3.4).

For administrative purposes, the territory divides into Eastern and Western zones.

The Eastern zone comprises areas primarily impacted by AQUA, ARWA, and GBRA well fields—generally east of Gonzales city and along the Guadalupe River basin.

The Western zone includes areas impacted by SSLGC, CRWA, and SAWS well fields—generally west, closer to San Antonio and the Carrizo-Wilcox Aquifer outcrop areas.

The San Marcos Arch, a geological feature influencing aquifer thickness, connectivity, and groundwater flow, divides the East and West zones.

The zones are shown in Appendix E map (GCUWCD Mitigation Zones Map).

1.4 Wells Covered Under the Mitigation Fund

Qualifying wells include any registered or permitted within GCUWCD boundaries that:

- Are not exporter wells (large-scale export pumping > 3,000 acre-feet/year).
- Demonstrate impacts from drawdown or water quality degradation.

Qualifying wells include public supply wells that serve the towns located within the GCUWCD boundary, ensuring equity as required by Management Plan Section 8.5.

Landowners who leased or sold water their groundwater rights do not qualify for well mitigation and no longer have the right to produce groundwater as it has been allocated to an exporter entity.

1.5 Mitigation Fund Contact Information

Gonzales County Underground Water Conservation District
522 Saint Matthew Street
P.O. Box 1919
Gonzales, TX 78629
Phone: 830.672.1047
Fax: 830.672.1387
generalmanager@gcuwcd.org

1.6 Permit Holder Mitigation Plans [NOTE: this section needs further edits but concept is here]

In accordance with GCUWCD Rules (Rule 11.3), permittees for large-scale pumping (greater than or equal to 3,000 acre-feet per calendar year from connected systems) must prepare and submit a mitigation plan with their initial permit application for review and approval by the District. This plan must be incorporated into a binding agreement between the permittee and the District upon permit issuance. The mitigation plan must be updated from time to time to stay current with aquifer conditions and drawdown impacts. The mitigation plan must be updated and resubmitted to the District prior to every permit renewal to reflect current conditions, modeling updates, and any changes in impacted wells (GCUWCD Rules, Rule 11.3 and Rule 26 for changed conditions). The plan shall include:

- An assessment of all third-party wells within the impact distance of the permittee's exporter wells that experience a drawdown of more than 5 feet from the baseline (pre-operation of the exporter's wells), based on groundwater modeling.
- A list of the potentially impacted wells, including their locations, owners, and registration/permit details.
- Maps showing the locations of the impacted wells and the permittee's wells.
- Drawdown contour lines illustrating the impacts of pumping on aquifer levels.
- A cost estimate for mitigating the identified wells, including potential remedies such as pump lowering, well deepening, or replacement.

This requirement ensures no unreasonable effects on existing resources or permit holders (GCUWCD Rules, Rule 11.3) and aligns with the District's authority to revise or revoke permits for such effects (GCUWCD Rules, Rule 8.10 for transportation, incorporated via export requirements in Rule 15).

As per GCUWCD Rules Rule 10.E.3: In order to ensure no unreasonable effects on existing groundwater and surface water resources or existing permit holders, the District shall require a mitigation plan, acceptable to the District, to be included in the application to mitigate the effects of the drawdown of artesian pressure or the level of the water table upon the registered or permitted well owners potentially affected by that water well or wells.

The mitigation plan, at permit issuance, shall be incorporated into a binding agreement between the permittee and the District. The plan shall include but not be limited to:

- a. The actions and procedures to be taken by the holder of the drilling and operating permit in the event that pumping causes the water level in a registered or permitted well to drop to an unacceptable level.
- b. The actions and procedures to be taken by the holder of the drilling and operating permit in the event that the pumping from the permitted well causes the water to become objectionable or renders the water unusable to a registered or permitted well owner.
- c. The actions and procedures to be taken by the holder of the drilling and operating permit in the event that pumping causes the well casing or equipment to be damaged so that the recorded quality or quantity of water cannot be produced by the registered or permitted well owner.
- d. The plan shall also include measures to be taken in cases where the reduction of artesian pressure causes an emergency to arise which may threaten human or animal health safety or welfare.
- e. The plan shall also contain a specifically enumerated time schedule for the execution of the mitigation plan.

2.0 PRE-MITIGATION ASSESSMENT

The District will take a proactive approach to mitigating Carrizo Aquifer wells in the mitigation fund area. This approach will allow the District to mitigate wells at a mutually agreeable time before the well owners encounter an emergency situation.

The District shall conduct pre-mitigation assessments of Carrizo Aquifer wells to identify wells that will potentially require future mitigation. The District will use its well registration database to identify the registered Carrizo Aquifer wells. The District will then contact the well owners to gather well completion, pump settings, and water level information. If the information required is not available, the District or its contractor will mobilize to the field and acquire the information from the well site.

The pre-mitigation assessment information will be used to plan a cost-effective mitigation effort within the mitigation fund area. A Groundwater Availability Model (GAM) may be used to estimate the approximate dates that these wells will encounter drawdown's that will exceed pump depths. The District may also use actual drawdown data from the District monitoring well network to assist with determining when and which wells to mitigate. Qualified wells that require mitigation within the first ten years, after initial adoption of this manual, will be mitigated as soon as possible. Wells that require mitigation after ten years will be mitigated on a yearly basis with the District attempting to stay ten years ahead of the drawdown effects.

3.0 HANDLING MITIGATION ASSESSMENT REQUESTS

All requests for mitigation fund work must be reviewed and pre-approved by the District and all mitigation fund work must be completed by the District's approved contractors. No mitigation work will be conducted on wells that are not timely registered with the District. A request for mitigation fund work shall be submitted to the District on a Mitigation Assessment Request Form (MARF). A copy of a MARF is included in Appendix A. In an emergency situation, such as an incident that occurs on the weekend, verbal approval from the District to the District's approved contractors shall suffice in lieu of a completed MARF. A MARF must be completed and signed by all parties as soon as possible to document the mitigation assessment request. To address resident concerns about phone requests being ignored, the GCUWCD website (gcuwcd.org) features a prominent online well mitigation request form on the homepage. Residents can submit requests digitally, which are automatically tracked in the District's system for transparency and accountability. The following information is required to properly assess a mitigation fund request:

- The name, address, and contact number of the registered well owner.
- The location of the well.
- The well completion information (casing diameter, screen type, total depth, etc.)
- The aquifer in which the well is completed.
- The depth to pump setting

- The reason for the mitigation request (i.e. water level decline or water quality degradation)
- The date the well problem was first encountered.

The District or its contractor may also need to schedule a time and date to meet at the well site to collect the following data, as needed:

- Current water level.
- Water quality data (field measurements).
- Camera survey.
- Water quality sample for laboratory analysis (if field measurements and/or camera survey warrant).

By signature on the MARF, the well owner grants access to District personnel and/or its contractor to perform the mitigation assessment activities. All eligible claims will be processed on an equitable, first-come, first-served basis, in alignment with the Management Plan's equity and discretion requirements (Section 8.5). However, in cases in which the health of a well owner is impacted due to lack of well water, attention shall be given to provide well mitigation response as necessary to help protect the lives of the residents of the District.

4.0 ASSESSING DRAWDOWN EFFECTS ON WELLS

4.1 Aquifers

The mitigation fund is funded by permittees with well fields that pump greater than or equal to 3,000 acre-feet per year from the Carrizo Aquifer. Wells completed in the Carrizo Aquifer will experience the greatest drawdown effects from the pumpage in these well fields. Therefore, the mitigation fund will predominantly assist Carrizo Aquifer well owners.

Groundwater availability models indicate that some leakage will occur from the Queen City and Wilcox aquifers into the Carrizo Aquifer over time due to the Carrizo Aquifer pumpage. The District monitors water levels in wells in each of these aquifers and will use the actual water level data to assess drawdown effects from Carrizo Aquifer pumpage on the Queen City and Wilcox Aquifers.

4.2 Water Levels [NOTE: this section needs further review]

The District monitors water levels in the Carrizo, Wilcox, Queen City, and Sparta Aquifers across the District. The District will use this data to determine the actual drawdown that occurs in the aquifers. The drawdown will be computed from historical water level measurements on

September 2002 adopted by the Board (Resolution 12-03), or subsequent measurements by District personnel using water wells or monitoring wells. For newly installed monitoring wells or existing wells added to the monitoring well network after December 31, 2001, a groundwater availability model may be used to compute the historic water level in the well that would have occurred at the monitor well location in 2002. Alternatively, a comparison of data from a December – January timeframe in both the year in which drawdown is assessed and in the historic period may be used.

This historical water level will be used to determine the depth for lowering pumps in an aquifer and to deepen or drill new wells.

4.3 Camera Surveys

Camera surveys may be used to assess casing construction details in water wells, if deemed necessary to the evaluation. A camera survey may also be used to locate the depth of reduced casing diameters or impediments to lowering pumps in wells.

4.4 Timeline for Assessing Drawdown Effects

The District will commence assessment on any mitigation request from qualifying well owners within 21 days of receiving a properly completed MARE. In emergency situations the District will act as soon as possible to alleviate the problem.

5.0 ASSESSING WATER QUALITY EFFECTS ON WELLS [NOTE: this section needs further review]

5.1 Aquifers

The mitigation fund is funded by permittees with well fields that pump greater than or equal to 3,000 acre-feet per year from the Carrizo Aquifer. Wells completed in the Carrizo Aquifer will experience the greatest effects from the pumpage in these well fields. Therefore, the mitigation fund will predominantly assist Carrizo Aquifer well owners. Groundwater availability models indicate that some leakage will occur from the Queen City and Wilcox aquifers into the Carrizo Aquifer over time due to the Carrizo Aquifer pumpage. The District monitors water quality in wells in each of these aquifers and will use this water quality data to assess the effects from Carrizo Aquifer pumpage on the Queen City and Wilcox Aquifers.

5.2 Water Sampling

Water sampling may be required to assess water quality complaints. If required, the District will collect samples for major cation and anion analyses to assess whether pumpage from the mitigation fund entities has caused the water quality concern.

5.3 Camera Surveys

Camera surveys may be used to assess water quality concerns, if deemed necessary to the

evaluation. A camera survey will be used to assess well casings for corrosion or casing damages that may be causing water quality concerns.

5.4 Timeline for Assessing Water Quality Effects

The District will commence assessment on any mitigation request from qualifying well owners within 21 days of receiving a properly completed MARF. In emergency situations the District will act as soon as possible to alleviate the problem.

6.0 DETERMINING APPROPRIATE MITIGATION REMEDIES

Once the District or its contractor has conducted a mitigation assessment of a qualified well the District will contact the well owner to discuss the appropriate mitigation remedy. Mitigation remedies may include, but are not limited to, lowering pumps in wells, installing a new pump in a well that was previously flowing, replacing a well with a stock tank, or drilling a new well. The District, in consultation with its water well drilling contractor, will determine which remedy or remedies should be applied based upon the information obtained from the well assessment activities.

6.1 Wells with Declining Water Levels

Mitigation for well owners that have or will experience water level declines below the current pump setting in the well due to effects of large-scale pumpers may include dropping the pump in the well to a depth that will exceed the anticipated 50-year water level declines (approximately 150 – 200 feet below water levels in 2002) in the Carrizo Aquifer.

Mitigation for well owners in which a pump can not be lowered due to restrictions in the well or reduced casing size may include properly plugging and abandoning the well and drilling of a new replacement well.

Mitigation for well owners in which a pump can not be lowered due to the shallow depth of the well may include properly plugging and abandoning the well and drilling of a new replacement well to a deeper depth in the Aquifer or in another suitable Aquifer.

6.2 Flowing Wells

Mitigation options for well owners with wells that have ceased flowing due to water level declines due to the effects of large-scale pumpers may include one of the following:

- Installation of an electric pump system.
- Installation of a solar pump system.
- Replacement of the well with a stock tank.

7.0 CONDUCTING WELL MITIGATION [NOTE: this section needs further review, it would seem much of this section is written into the contractor agreement form attached as an exhibit and not written into this section]

7.1 Well Mitigation Agreement

Prior to beginning any mitigation work, the well owner must sign the Mitigation Work Order Form (MWOFF) accepting the mitigation work selected and approved by the District and granting access to District personnel and/or the District's contractor to perform the mitigation activities. A copy of the District MWOFF is included in Appendix B.

7.2 Contractor Scheduling

A well owner may select from the list of pre-qualified water well drillers, as provided in Section 8.0 of this Manual, to conduct mitigation work. If the selected water well driller is unable to accept the mitigation work at the time of selection, due to other obligations, the well owner may either select another pre-qualified water well driller or agree to abide by the selected water well drillers schedule. In the latter circumstance, the selected water well driller would be under no obligation to meet the District's timeline for starting the mitigation work.

7.3 Well Mitigation Work

The District shall issue the selected water well driller a completed MWOFF that describes the work to be performed and the pre-determined costs to complete the work. No mitigation work shall be performed without first receiving a MWOFF from the District. Costs incurred for any work conducted by a water well driller without a signed MWOFF will not be paid. In an emergency situation, such as an incident that occurs on the weekend, verbal approval from the District to the District's approved contractors shall suffice in lieu of a completed MWOFF. A MWOFF must be completed and signed by all parties as soon as possible to document the work conducted for the emergency situation.

If, during the course of the mitigation work, unforeseen conditions occur that require changes in the work described in the MWOFF a water well driller must first get an amendment to the MWOFF approved by the District before conducting the changed scope of work. Except under unforeseen and emergency circumstances, the costs incurred for any work conducted by a water well driller without an amended MWOFF will not be paid.

All mitigation work must be completed to the satisfaction of the District in order to receive payment.

7.4 Timeline for Starting Scheduled Work

A water well driller selected for mitigation work shall begin work on site within 7 days of receiving notification (MWOFF) by the District. In emergency situations the selected water well driller shall begin work on site within 48 hours of notification (MWOFF) by the District.

7.5 Standard Practices

All water well drillers contracted for mitigation work with the District shall use standard practices acceptable to the Texas Department of Licensing and Regulation for Water Well Drillers and Water Well Pump Installers and rules of the Gonzales County Underground Water Conservation District.

7.6 Completion of Mitigation Work

The selected water well driller shall use reasonable due diligence in accordance with standard practices for water well drillers and pump installers for completing the approved mitigation work in a timely matter. Upon completion of the mitigation work, the water well driller and well owner shall sign off on the MWOFF. The completed and signed MWOFF shall be submitted to the District for final approval of the work and payment. 8.0 MITIGATION FUND CONTRACTS The District will solicit bids from and contract with several qualified water well drilling and pump installation companies, duly licensed in the State of Texas, to provide mitigation services under the Mitigation Fund Agreements. Contracting with more than one water well drilling company will ensure that a water well driller will be available in emergency situations.

8.1 Contractor Qualifications

Contractors engaged in work for the District shall:

- Be a company engaged in the business of providing water well drilling and pump services for a minimum of five years within the last seven years. Recent start-up businesses do not meet the requirements of this contract. A start-up business is defined as a new company that has no previous operational history or expertise in the relevant business and is not affiliated with a company that has that history or expertise.
- Be a licensed Water Well Driller in the State of Texas with a current license issued by the Executive Director pursuant to the Texas Occupations Code, Chapter 1901 and maintain the license throughout the term of the contract.
- Be a licensed Water Well Pump Installer in the State of Texas with a current license issued by the Executive Director pursuant to the Texas Occupations Code, Chapter 1902 and maintain the license throughout the term of the contract.
- Be located within a 70-mile radius of the District boundaries.
- Be in good financial standing, not in bankruptcy, current in payment of all taxes and fees as required by law.
- Have sufficient personnel and equipment to handle all Mitigation Fund service requests from the District.

8.2 Insurance

Before being qualified to perform any mitigation work, a contractor must provide and maintain a certificate of insurance, at contractor's expense, covering all the activities to be performed by contractor's company or contractor's subcontractors, as described below.

- Statutory workers' compensation insurance valid in the State of Texas is required.
- Comprehensive General Liability Insurance, covering liability, including but not limited to Public Liability, Personal Injury, and Property Damage, with coverage of at least \$1,000,000 per occurrence.
- All insurance shall be placed with insurance companies licensed to do business in the State of Texas, and/or acceptable to the District.
- The Comprehensive General Liability Insurance policy must include GCUWCD as an additional insured during the duration of the contract with GCUWCD. Any coverage afforded the District, the Certificate Holder, as an Additional Insured shall apply as primary and not excess to any insurance issued in the name of the District.
- Comprehensive Automobile Liability Insurance covering the use of all vehicles used by the contractor, whether owned, hired or non-owned. This insurance shall be in at least the following amounts: bodily injury: \$500,000 per person; \$1,000,000 per occurrence; and property damage: \$500,000 per occurrence.
- Contractor shall give the District unqualified prior written notice of cancellation or diminution of said insurance coverage ten (10) days prior to the effective date of any such cancellation or diminution.

8.3 Contract Terms

The mitigation fund contracts shall be valid for a three-year period with an option to extend. A copy of the District Mitigation Fund Services Contract is included in Appendix C.

8.4 Unit Costs

The District will reimburse contractors for mitigation work performed based on the attached Unit Cost Schedules. These schedules shall be reviewed by the District every year and provided to qualified contractors when changes are made. Copies of the initial Unit Cost Schedules are included in Appendix D.

8.5 Payment Terms

Contractors will be reimbursed for mitigation work performed under a Mitigation Work Order Form (MWOFF) at the rates identified in the Unit Cost Schedule. Except in unforeseeable or emergency circumstances no contractor costs will be reimbursed without an approved MWOFF.

The MWOFF must be agreed to by the District and Contractor prior to beginning any work (signatures on MWOFF required) and the mitigation work performed must be approved by the District (signature on MWOFF required) before any payments to the contractor will be made. Contractor payments must be approved by the District Board of Directors prior to payment. MWOFF payments will be mailed out on the following work day after approval at the monthly board meeting or the contractor can pick up the check at the District office.

8.6 Damages

The contractor is responsible for any damages to property that occurs during the course of conducting mitigation activities.

9.0 FUNDING OF WELL MITIGATION

The Mitigation Fund is divided into separate Eastern and Western Mitigation Funds, each with distinct budgets and banking accounts, as outlined in the GCUWCD 2024 Mitigation Fund Annual Report and financial reports (e.g., 2023-2024 FY Eastern and Western Mitigation Fund Budgets).

Both the Eastern and Western funds shall maintain balances of \$400,000 each to ensure sufficient resources for ongoing mitigation activities.

Funding for each program is sourced from negotiated export fees and contributions under mitigation agreements with respective exporters. However, nothing herein shall prevent the District from applying export fees toward costs associated with costs and expenses incurred in the course of performing its responsibilities as a groundwater conservation district.

The Eastern Mitigation Fund is primarily funded by annual payments from AQUA Water Supply Corporation (AQUA), Alliance Regional Water Authority (ARWA), and Guadalupe-Blanco River Authority (GBRA), which support mitigation activities in the eastern portion of the District impacted by their operations.

The Western Mitigation Fund is funded by contributions from Schertz Seguin Local Government Corporation (SSLGC), Canyon Regional Water Authority (CRWA), and San Antonio Water System (SAWS) to address impacts in the western portion.

Exporters with permits granting 3,000 acre-ft/yr or more shall pay an export fee per every acre-ft produced within the GCUWCD. The export fee is defined in Table 1 and may be revised from time to time depending on well mitigation costs and the cost to administer the impacts of exporter pumping.

Eastern funds for wells affected by Eastern exporters' pumping, and Western funds for those affected by Western exporters. This includes costs for assessments, remedies (e.g., pump lowering), contractor services, and administrative expenses.

Certain costs of administering the well mitigation program shall be shared equally between the Eastern and Western funds, such as salaries and related expenses for GCUWCD employees including the mitigation manager and general manager, to ensure fairness and prevent burdening taxpayers.

In the event that the balance of either the Eastern or Western Mitigation Fund falls below \$400,000, the District shall request additional funds from the relevant exporters. Exporters must make payment within 30 days of the request to replenish the fund, ensuring that well mitigation activities are not delayed due to lack of funds. This requirement supports timely execution under GCUWCD Rules (Rule 10.E.3.e) and prevents interruptions in protecting affected wells.

The authority to charge export fees is provided under Texas Water Code §36.122, which allows groundwater conservation districts to impose reasonable export fees on groundwater transported out of the district. The use of these fees for mitigation programs is authorized under Texas Water Code §36.207, which permits districts to use export fee revenue for purposes consistent with the district's management plan, including assessing and addressing impacts from groundwater exports such as monitoring, studies, and mitigation of aquifer levels or water quality, as amended by House Bill 1689 (effective September 1, 2025).

Table 1: Export Fee Schedule

(Need to revise GCUWCD Rules Exhibit D – Export Fee Schedule)

(Revised Export Fee Schedule Below)

<u>Effective Year</u>	<u>Export Fee (\$/1,000 gallons)</u>
2025	\$0.210
2026	\$0.216
2027	\$0.223
2028	\$0.229
2029	\$0.236
2030	\$0.243

Note: Export fee schedule revised per Texas Water Code §36.122(e)(2), (e-1).

10.0 MITIGATION FUND MANAGEMENT

The District has an investment policy which is in compliance with various provisions of Texas law relating to the investment and security of funds of districts. As of the inception of the Mitigation Fund, Sections 36.155 and 36.156 of the Texas Water Code and Chapters 2256 and 2257 of the Government Code are applicable to the investment of the District's funds, including the investment of the Mitigation Fund. The investment policy addresses the methods, procedures, and practices that must be used to ensure effective and judicious fiscal management of the District's funds. The District purchases various insurance policies, including the bonding of all directors and employees of the District.

11.0 RECORDKEEPING AND REPORTING

The District shall maintain records and supporting documentation for all mitigation fund work in accordance with the District Bylaws. The District shall maintain a log in an Excel spreadsheet of all wells receiving mitigation resources, including details such as well owner, location, date of request, assessment findings, mitigation remedy provided, costs, and completion date. The District shall also maintain an updated map showing the locations of all wells that have received mitigation resources. The GCUWCD shall issue an Annual Mitigation Fund Report concurrently with its annual financial audit report. The Annual Mitigation Fund Report shall include, at a minimum:

- Introduction and overview of the program.
- Funding summary (revenues, expenses, balances for Eastern and Western Funds).
- Description and updates to the Mitigation Fund Procedure Manual.
- List of qualified Mitigation Fund contractors.
- Report from the Well Mitigation Manager (including progress on assessments and mitigations).
- Summary of mitigation work conducted during the year (with table of mitigated wells).
- Recordkeeping and reporting details.
- Mitigation Fund management and investment summary.
- Attachments, including:
 - Mitigation Fund Permittee Agreements.
 - Summary Table of Mitigation Work.
 - Unit Cost Sheets.
 - Mitigation Fund Financial Reports.
 - Financial Audit Report.

- Excel log of wells receiving mitigation resources.
- Map of wells that received mitigation resources.

The District shall provide all participating permittees an accounting of Mitigation Fund revenues and expenses, information regarding qualified water well drillers, and the full Annual Mitigation Fund Report summarizing claims inspected, evaluated, or mitigated.

APPENDICES

Appendix A – Mitigation Assessment Request Form

[Full form as previously provided.]

Appendix B – Mitigation Work Order Form

[Full form as previously provided.]

Appendix C – Mitigation Fund Services Contract

[Unchanged from original; full contract text as provided in the original manual.]

Appendix D – Unit Cost Schedule

[Unchanged from original; full schedule as provided in the original manual.]

Appendix E – GCUWCD Mitigation Zones Map

[Map showing the Gonzales County Underground Water Conservation District divided into Eastern and Western mitigation zones. The division is approximately along the center of the county, influenced by the San Marcos Arch, with the Western zone covering the western half impacted by SSLGC, CRWA, and SAWS well fields, and the Eastern zone covering the eastern half impacted by AQUA, ARWA, and GBRA well fields. Detailed boundaries are defined in the Mitigation Fund Permittee Agreements.]

REQUEST FOR QUALIFICATIONS (RFQ)

Conservation Consultant Services

Gonzales County Underground Water Conservation District

RFQ No. 20251120

Issue Date: November 20, 2025

I. Introduction

The Gonzales County Underground Water Conservation District ("District" or "GCUWCD") is soliciting Statements of Qualifications (SOQs) from qualified individuals or firms to provide professional conservation consulting services. The selected consultant will support the District in evaluating, developing, and implementing groundwater conservation programs, best management practices, and public outreach initiatives consistent with the District's mission to protect, conserve, and manage groundwater resources within Gonzales County.

This RFQ is issued in accordance with Texas Water Code requirements and applicable state procurement standards. Selection will be based solely on demonstrated qualifications, experience, and technical competence.

II. Background

GCUWCD manages and protects groundwater resources within Gonzales County. The District oversees groundwater production, permitting, education, conservation programs, and compliance with District rules and regional/state planning objectives. The District seeks a consultant to assist with conservation program development, technical analysis, planning, and specialized groundwater expertise.

III. Scope of Services

The consultant shall provide comprehensive conservation consulting services aligned with groundwater resource management, District regulatory requirements, and best conservation practices. The level of detail and technical specificity in the proposal should reflect the consultant's qualifications to support District programs at both strategic and operational levels. The consultant may be required to perform the following services:

A. Conservation Program Development

- Develop comprehensive conservation strategies consistent with the District Management Plan and Texas Water Code requirements.

- Identify, evaluate, and recommend groundwater conservation best management practices (BMPs) suitable for agricultural, municipal, industrial, and rural well owners.
- Conduct comparative analyses of BMP effectiveness across other groundwater conservation districts.
- Develop implementation plans including timelines, resource needs, and measurable performance indicators.
- Provide recommendations for rule amendments or new conservation-related policies.

B. Technical Support & Data Analysis

- Evaluate groundwater production data, historical use trends, and conservation performance metrics.
- Conduct analysis supporting conservation targets, anticipated production patterns, and long-term aquifer sustainability.
- Assist with hydrologic modeling inputs, GAM updates, and technical documentation supporting Desired Future Conditions (DFCs).
- Develop dashboards, spreadsheets, or other decision-support tools for tracking conservation outcomes.

C. Public Outreach & Education

- Develop educational materials including brochures, fact sheets, presentations, and digital content tailored to local groundwater users.
- Conduct workshops, stakeholder meetings, and community educational sessions.
- Assist with school-based conservation programs and youth outreach.
- Provide Spanish-language materials when beneficial for community access.

D. Regulatory & Planning Support

- Provide guidance on District compliance with state water planning processes (TWDB, regional planning groups, GMA participation).
- Assist with drafting language for rule updates, management plan revisions, and policy documents.
- Conduct evaluations of consistency with DFCs and MAGs and propose conservation-related adjustments.
- Coordinate with regional entities, stakeholders, and production permit holders on conservation matters.

E. Special Projects (as assigned)

- Conservation impact studies related to drought, pumping patterns, or emerging groundwater concerns.
- Support drought contingency planning and demand-reduction strategies.
- Grant writing and grant compliance support for federal, state, or cooperative conservation funding.
- Evaluation of conservation technologies such as advanced metering, leak detection, or efficiency programs.
- Conservation impact studies
- Benchmarking against other groundwater districts
- Drought response program support
- Grant writing or grant-related compliance assistance

IV. Qualifications

Respondents should demonstrate:

- Experience working with groundwater districts, water utilities, or natural resource agencies.
- Technical expertise in conservation, hydrology, water resource management, or related fields.
- Knowledge of Texas water law and groundwater permitting frameworks (preferred).
- Ability to communicate technical information clearly.
- A record of developing conservation programs, analyses, and educational materials.
- Relevant professional licenses or certifications.

V. Submission Requirements

SOQs must include:

1. Cover Letter – Contact information and summary of qualifications.
2. Firm/Consultant Profile – Description of expertise, history, and personnel.
3. Relevant Experience – Project descriptions and experience with similar work.

4. Project Team – Roles, credentials, and resumes of key personnel.
5. Approach & Methodology – Description of proposed conservation consulting approach.
6. References – At least three relevant clients with contact information.
7. Administrative Information – Conflict disclosures, proof of insurance, and related items.

VI. Selection Process

The District will evaluate submissions based on:

- Qualifications and expertise
- Technical competence
- Understanding of groundwater conservation
- Quality of proposed approach
- Past performance
- Availability of personnel

Interviews may be conducted at the District's discretion. Final scope and fee negotiation will occur after selection of the most qualified respondent.

VII. Submission Instructions

Submission Deadline: December 31, 2025

Delivery Method:

- Physical Submission:
Gonzales County Underground Water Conservation District
Attn: Ms. Laura Martin, General Manager
Address: P.O. Box 1919
522 Saint Matthew Street
Gonzales, TX 78629
- Electronic Submission (if applicable):
Email: generalmanager@gcuwcd.org
Subject: "RFQ – Conservation Consultant Services – [Firm Name]"

Late submissions will not be accepted.

8. Questions & Clarifications

All inquiries must be submitted in writing to:

Contact: Ms. Laura Martin, General Manager

Email: generalmanager@gcuwcd.org

Question Deadline: December 30, 2025

Responses may be posted publicly or distributed to all known RFQ holders.

9. District Rights

The District reserves the right to:

- Reject any or all submissions
- Waive informalities
- Request additional information
- Negotiate terms with the selected consultant
- Cancel or revise the RFQ

10. Tentative Schedule

Milestone	Date
RFQ Issued	November 20, 2025
Deadline for Questions	December 30, 2025
SOQ Submission Deadline December 31, 2025	
Evaluation Period	January 02, 2026-January 13, 2026
Interviews (if held)	January 12, 2026-January 13, 2026
Selection & Notification	January 13, 2026-January 14, 2026

GONZALES COUNTY
UNDERGROUND WATER CONSERVATION DISTRICT



Groundwater Conservancy Program (GCP)

Original Adopted: _____

Table of Contents

- I. Purpose and Philosophy**
 - II. Eligibility and Enrollment Criteria**
 - III. Program Structure and Compensation**
 - IV. Contracting, Compliance, & Monitoring**
 - V. Governance, Funding, and Financial Management**
 - VI. Risk Management and Contingency Planning**
 - VII. Administrative Structure and Implementation**
 - VIII.**
 - IX. Outreach, Education, and Community Engagement**
 - X. Metrics and Evaluation**
 - XI. Policy Review and Amendment**
 - Contact Information**
-

I. Purpose and Philosophy

The Groundwater Conservancy Program (GCP) is a voluntary program designed to:

1. Encourage landowners to conserve groundwater resources in Gonzales County;
2. Provide financial incentives for landowners who agree to limit or suspend production of groundwater on enrolled acreage;
3. Support sustainable management of local aquifers while respecting private property and water rights;
4. Establish a long-term conservation legacy to ensure the availability of groundwater for future generations.

The program aligns with GCUWCD's mission to conserve and protect groundwater resources, prevent waste, and promote long-term sustainability.

II. Eligibility and Enrollment Criteria

To participate in GCP, applicants must meet the following criteria:

1. **Land Ownership:** Property must be within GCUWCD's jurisdiction.
 2. **Groundwater Rights:** Applicants must hold groundwater rights associated with the enrolled property. GCUWCD does not acquire ownership of land or water rights.
 3. **Non-Leasing / Non-Production Commitment:** Participants agree not to lease, sell, or allow commercial or export use of groundwater from enrolled acreage for the contract term.
 4. **Exempt Wells:** Exempt wells for domestic or livestock use are allowed if they comply with program rules.
 5. **Application Documentation:** Required materials include:
 - o Legal property description or appraisal district property ID;
 - o Total acreage and acreage proposed for enrollment;
 - o Proof of ownership and groundwater rights;
-

- Selected contract term.

III. Program Structure and Compensation

Enrollment Options

Landowners may enroll part or all of their property and select from multiple contract terms.

Contract Terms & Annual Payment Rates

Term Length	Annual Payment per Acre	Sign-Up Bonus
5 years	\$10	\$50
10 years	\$16	\$50
20 years	\$20	\$50
30 years	\$30	\$50
50 years	\$50	\$50

Referral Incentives

Landowners may receive referral payments (e.g., \$5 per acre, capped per referrer) for introducing new participants.

Contract Upgrades

Participants may upgrade to a longer term. The new annual payment rate applies immediately for the remainder of the year.

Payment Schedule

- Sign-up bonuses are paid upon contract execution;
- Annual payments are issued at the end of each calendar year;
- Referral payments are issued upon verification of new participant enrollment.

IV. Contracting, Compliance, and Monitoring

1. **Contract Documentation:** Each contract specifies property description, enrolled acreage, term, payment schedule, rights and obligations, and confirms GCUWCD does not assume ownership.
2. **Early Termination Clause:**
 - Early termination requires repayment of all funds received (sign-up bonus, annual payments, referral incentives);
 - Repayment is due immediately;
 - Failure to repay may result in legal action;
 - Affected acreage is removed from enrollment.
3. **Compliance Monitoring:** GCUWCD may inspect enrolled properties. Exempt wells must be registered and maintained per program rules.
4. **Breach of Contract:** Unauthorized groundwater production, leasing, or sale constitutes breach. GCUWCD may enforce early termination provisions and terminate the contract immediately.

V. Governance, Funding, and Financial Management

1. **Funding:** Program funds are drawn from district revenues, including fees, assessments, or other allocated funds.
 2. **Board Oversight:** Board sets payment rates, incentives, and program policies; reviews performance annually.
 3. **Reporting and Transparency:**
 - Annual public reporting of enrolled acreage, participants, payments, upgrades, and referrals;
 - Maintain publicly accessible guidance document.
 4. **Long-Term Commitment:** Contracts survive board changes to ensure program stability.
-

VI. Risk Management and Contingency Planning

1. Monitor financial obligations, especially for 30- and 50-year contracts.
2. Enforce early termination and breach provisions to maintain integrity.
3. Contracts clearly define rights, responsibilities, remedies, dispute resolution, and governing law.
4. Maintain institutional knowledge to ensure continuity despite staff or board turnover.

VII. Administrative Structure and Implementation

1. **Program Coordinator:** Manages applications, contracts, inspections, payments, and public inquiries.
2. **Application Management:** Accept online or paper applications with all required documentation.
3. **Enrollment Cycles:** Applications accepted annually or semi-annually.
4. **Contract Execution and Payment Distribution:** Execute contracts promptly, issue payments and track referrals.
5. **Monitoring:** Inspect enrolled properties and maintain exempt well records.

VIII. Outreach, Education, and Community Engagement

1. Conduct workshops, town halls, and informational sessions.
2. Promote sign-up bonuses, referral incentives, and success stories.
3. Publicly recognize enrolled landowners.
4. Collect feedback to refine program rules and administration.

IX. Metrics and Evaluation

- Track acreage enrolled, participants, contract terms, costs, referrals, renewals, and upgrades.
-

- Monitor groundwater trends under enrolled areas.
- Evaluate participant satisfaction and recommendations.
- Conduct financial audits to ensure program sustainability.

X. Policy Review and Amendment

- Board reviews policies and contract structures at least every five years.
- Changes to rates, terms, or incentives require board approval and public notice.

Contact Information

GCUWCD Office

P.O. Box 1919

522 Saint Matthew Street

Gonzales, TX 78629

Phone: (830) 672-1047

Email: generalmanager@gcuwcd.org

Website: www.gcuwcd.org

Program Coordinator: TBD

GCUWCD Conservation Consultant Services

Detailed Comparison Matrix

Prepared for the Board of Directors

Gonzales County Underground Water Conservation District

January 13, 2026

Introduction

This standalone document provides a comprehensive, side-by-side comparison of the four qualified firms responding to GCUWCD's RFQ for Conservation Consultant Services. The matrix below evaluates each respondent across 11 critical dimensions, supporting the Board's decision-making process.

Detailed Comparison Matrix

Relationship with GCUWCD

DBSA

Daniel B. Stephens Associates has 15+ years as GCUWCD's current consultant with deep expertise in GMA 13, DFC development and compliance, and the District's Carrizo outcrop monitoring well network. DBSA is the institutional repository of GCUWCD's hydrogeologic history and data integration workflows.

Spheros

Spheros Environmental has no current contract with GCUWCD but is actively serving analogous districts (Lost Pines GCD, Barton Springs Edwards Aquifer Conservation District, Clearwater UWCD, Middle Trinity GCD). The firm brings experience from similar conservation program contexts but would require data integration and relationship-building with GCUWCD staff.

KTGW

KT Groundwater is new to GCUWCD but brings staff with extensive GCD experience. Multiple team members (Dirk Aaron, Alyssa Balzen, Philip Webster) have worked directly for GCDs or in closely aligned roles, providing insider GCD perspective despite lack of GCUWCD-specific history.

Meadows Center

The Meadows Center has no direct prior work with GCUWCD but operates strong Central Texas and Hill Country regional presence. The center has collaborated with Hays Trinity

GCD and Central Texas GCD on joint projects, understanding regional water management context.

Primary Organizational Identity

DBSA

Private hydrogeology firm founded 1984 with approximately 100 professionals and access to 400+ additional staff through parent company Geo-Logic Associates. Operates as a specialized hydrogeology and GAM development consultancy with long track record serving 30+ Texas Groundwater Conservation Districts.

Spheros

Large, multidisciplinary water resources firm with 54 years of combined business history (LRE Water + parent entities), 300 team members, and 19 offices across 11 states. Offers broad service portfolio including modeling, engineering, policy, and outreach, with national footprint and significant institutional capacity.

KTGW

Small, specialized GCD-centric boutique founded 2024, comprising 6 core staff members based in Round Rock with remote offices in Dallas and San Antonio. Focuses exclusively on hydrogeologic solutions, groundwater management, numerical modeling, and GCD support —boutique model emphasizing senior-level expertise and personalized service.

Meadows Center

University research and outreach center at Texas State University established 2002, organized around four pillars (Applied Research, Leadership, Education, Stewardship). Operates as a nonprofit research institution with faculty, graduate students, and professional staff; subject to state procurement and public-entity governance.

Conservation Program Concept

DBSA

Paid conservancy/acreage set-aside model benchmarked against Post Oak Savannah GCD. Districts pays landowners to designate acreage unavailable for development or production (either by landowner or exporters). Includes lease verification, GIS tracking, compliance monitoring, and landowner outreach. Straightforward incentive structure; simple to verify; requires sustained funding.

Spheros

In-district BMPs + export-side incentives across multiple user classes. Differentiates between agricultural, municipal, industrial, and rural/domestic users. Export-fee rebate concepts leverage GCUWCD's permitting authority and export revenue as policy levers. Includes historical water-use benchmarking, municipal efficiency analysis, and industry-specific BMPs (oil/gas, poultry processing). Holistic, system-wide optimization approach.

KTGW

3-phase, science-driven program tightly integrated with DFC/MAG/rulemaking:

- Phase 1: Foundational data assessment (hydrogeologic, production, water-level, water-quality data compilation; DFC status assessment; knowledge gap identification)
- Phase 2: Strategy development and evaluation via decision matrix (DFC compliance impacts, MAG implications, cost/feasibility, user-class applicability, regulatory context; BMPs ranked by impact per dollar)
- Phase 3: Implementation, outreach, and tracking (dashboards, calculators, bilingual education, KPI measurement, refinement)

Meadows Center

Policy-level conservation planning with emphasis on best-practices research, stakeholder engagement, and education. Includes detailed review of GCUWCD management plan and production trends, benchmarking against other Texas GCDs and national standards, stakeholder engagement workshops, bilingual educational materials, alignment with state/regional water planning, drought mitigation planning, and grant-writing support.

Technical Modeling and GAM Work

DBSA

Built and applied TWDB Groundwater Availability Models across Texas aquifer systems. Maintains custom, proprietary code integrating GAM outputs with GCUWCD's monitoring network data for DFC compliance assessments. Already fully integrated with GCUWCD's data structures, GMA 13 models, and DFC workflows. Extensive experience defending DFCs in SOAH proceedings across multiple GMAs. Comprehensive GAM expertise (Gulf Coast, Carrizo-Wilcox, Edwards-Trinity Plateau, Ogallala, Pecos Valley).

Spheros

MODFLOW 6 expertise with sophisticated local model development experience (Williamson County 3D hydrogeologic modeling, Lost Pines, Goliad, Middle Trinity GCD). Strong at translating numerical models into interactive dashboards and permitting tools. Recently led GMA 13 & 15 third-round DFC efforts (Dr. Jordan Furnans). Gretchen Miller brings 20+ years modeling experience including Williamson County Edwards-Trinity work applicable to GCUWCD geology. Risk: Model migration/reconciliation work needed; potential recalibration timeline.

KTGW

Heavy emphasis on numerical modeling and uncertainty quantification. Built Clearwater UWCD local model (Aquifer Status Tool, Groundwater Model Dashboard), Lone Star GCD compaction modeling, Middle Trinity GCD web-based applications (Drawdown Tool, Aquifer Status Tool). MODFLOW 6 and MODFLOW expertise across staff. Dashboard decision-support emphasis. All staff have hands-on GCD hydrogeology experience. Will need to reconcile with existing DBSA models and workflows.

Meadows Center

Focus on conceptual and planning-level analysis, not permit-level simulation. "How Much Water" series (Pedernales, Guadalupe, Hill Country basins) demonstrates strong surface-

groundwater interaction modeling capability. Relies on existing TWDB GAMs and partner models rather than developing local GCUWCD-specific tools. Strong on policy-level narrative and scenario development; limited depth in permit-level DFC/MAG simulation.

Outreach and Bilingual Education

DBSA

Julia Stanford (subconsultant, former TAGD staffer) brings statewide GCD relationships, conservation program benchmarking expertise, and proven grant-writing track record (North Plains GCD: \$600K+ in irrigation efficiency contracts over 136,000 acres). TAGD-connected outreach network. Strong grant-funded incentive program experience. Less emphasis on social media campaign design; more emphasis on traditional outreach and cost-share program administration.

Spheros

Gonzales-based Southwest Engineers (55-person firm, founded 1978, 50+ years local credibility) provides on-the-ground presence and community relationships. Dedicated social media specialist (Claire Marks) for campaign design, print materials, and school-based programming. Spanish translation capability via in-house staff. Strong local/print/digital media expertise. Jerry Shepherd (Director of Public Infrastructure, 30+ years) brings funding and compliance expertise complementing outreach.

KTGW

Micaela Pedrazas (bilingual Spanish, PG) leads K-12 and community outreach with science communication emphasis. Strong on hands-on bilingual workshops and one-on-one stakeholder engagement. Less explicit on social-media campaign design or large-scale media presence. Emphasis on community science and educational partnership development.

Meadows Center

Largest education footprint: Texas Stream Team (11,000+ trained volunteers; ~4,000 monitoring events annually; 400+ sites statewide). Institutionalized bilingual and public-facing programs. School curricula and K-12 partnerships. Best fit for **high-visibility, region-wide education push** but less tailored to District-specific permitting and export policy context.

Regulatory and Planning Support

DBSA

Deep hands-on DFC work for multiple GMAs with SOAH contested case defense experience. Extensive DFC-compliance assessment workflows. Expert witness preparation and testimony experience specifically with GCUWCD matters. Strong on regulatory defense and legal support for contentious proceedings.

Spheros

Led GMA 13 & 15 third-round DFC efforts (Dr. Furnans, Dr. Miller). Currently leading GMA 12 DFC work. Strong in rule/management plan revision support. Dr. Furnans and Dr. Miller

have contested case testimony experience. Comprehensive GMA planning and regulatory support. Large firm depth for complex regulatory proceedings.

KTGW

Dirk Aaron (former Clearwater UWCD General Manager 2011–2025, 40+ years hydrogeology experience) brings unmatched insider GCD governance expertise: board governance processes, rule development, permitting frameworks, contested case strategy, regional water planning, and TAGD leadership (served as TAGD President; led legislative committee). Staff include ex-GCD hydrogeologists with intimate knowledge of district governance and rulemaking workflows.

Meadows Center

Strong state-level water policy and planning expertise via Robert Mace's 18-year tenure at TWDB and statewide groundwater availability/conservation leadership roles. Less direct emphasis on district-level rule drafting and permit-level regulatory support. Better positioned for policy-level dialogue with state agencies and GMA planning bodies.

Conflicts of Interest and Alignment

DBSA

No conflicts disclosed. Serves GCUWCD alone as primary hydrogeology and expert-witness consultant. Selection preserves "single technical voice" for both conservation and traditional permitting/hydrogeology work. 100% organizational alignment with GCUWCD objectives.

Spheros

Works for City of Cibola (which holds GCUWCD export permit). Provides science support to GMA 13 on behalf of Legacy Water Supply Corporation. Interacts with Central Rivers Water Authority (CRWA) on export-related science. Commits to coordinating with GCUWCD before taking new overlapping work; states no material conflict. **Board consideration:** Managed conflicts provide insider export-side perspective but create optics question regarding primary alignment with GCUWCD conservation mission versus maintaining export stakeholder relationships.

KTGW

Supports Aqua Water Supply Corporation in Caldwell County (south of Gonzales County). Reports no current or anticipated conflicts with GCUWCD. **Mitigation risk:** As firm grows, potential future overlap with water-supply corporations; early communication and explicit conflict protocols recommended.

Meadows Center

University entity subject to state procurement and ethics rules. Works with multiple NGOs and districts across Texas but not on export projects affecting GCUWCD. No material conflicts disclosed. **Advantage:** Clean independence. **Disadvantage:** Less insider knowledge of Texas water markets and export dynamics.

Scale and Organizational Capacity

DBSA

Medium-size firm (~100 professionals) with access to 400+ additional staff through parent company Geo-Logic Associates. Can scale special projects and grant-funded initiatives but relies on established network rather than in-house bench. Scalability moderate; strong for specialized hydrogeology work; limited for large parallel initiatives.

Spheros

Large firm with 54 years of combined history, 300 team members, and 19 offices across 11 states. Deep bench for parallel task execution and special projects. Significant institutional capacity for complex, multi-workstream programs. Strong scalability; excellent for large-scale implementation and simultaneous outreach/technical work streams.

KTGW

Small, lean firm (6 core staff) relying on senior-level talent and post-hire experience rather than large internal bench. Limited scalability for very large, complex programs; strong for focused, specialized engagement. Requires careful workload management and potential strategic partnerships for major tasks.

Meadows Center

University center with deep faculty and graduate student bench. Institutional stability and research capacity strong. Subject to state procurement and public-entity governance, which may slow decision-making and contracting. Excellent for long-term, multiyear research initiatives and grant-funded projects; less agile for rapid implementation or responsive task execution.

Technical Capabilities Summary Table

Capability	DBSA	Spheros	KTGW	Meadows Center
GAM/Model Continuity	Highest (current provider)	Moderate (reconciliation needed)	Moderate (reconciliation needed)	Low (planning-level focus)
Dashboard Development	Low	Highest (MODFLOW 6)	Highest (MODFLOW 6)	Low (partners needed)
MODFLOW 6 Expertise	Not emphasized	Strong	Strong	Limited
DFC/SOAH Support	Strongest (15-yr history)	Strong (recent work)	Strong (insider knowledge)	Limited
Contested Case Experience	Strongest (with GCUWCD)	Strong	Strong	Limited

Numerical Modeling Focus	Operational	Emphasis	Emphasis	Conceptual
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Table 1: Technical Capabilities Comparison

Governance and Stakeholder Expertise Summary Table

Capability	DBSA	Spheros	KTGW	Meadows Center
GCD Board Dynamics	Strong (15 years)	Moderate	Strongest (GM experience)	Limited
Rule Development	Moderate	Moderate	Strongest (GM background)	Limited
Local Relationships	Strongest	Strong (Southwest Engineers)	Moderate	Moderate (regional)
Regional GCD Network	Strong (30+ GCDs)	Strong	Moderate	Strongest (statewide)
Education/Outreach Scale	Moderate	Strong	Moderate	Strongest (11K+ volunteer)
Grant Writing Expertise	Strong	Moderate	Moderate	Strong (university resources)

Table 2: Governance and Stakeholder Expertise Comparison

Detailed Evaluation Scorecard

Continuity and Model Integration

Firm	Score	Rationale
DBSA	★★★ ★★	Current provider; maintains custom DFC workflows; seamless integration
Spheros	★★★	Will require model reconciliation and potential platform migration

KTGW	★ ★ ★	Will require model reconciliation; excellent approach, longer timeline
Meadows Center	★ ★	Relies on TWDB models; not positioned for permit-level technical work

Technical Capability (Modeling and GAM Work)

Firm	Score	Rationale
DBSA	★ ★ ★ ★	Deep GAM expertise; SOAH defense experience; established workflows
Spheros	★ ★ ★ ★ ★	MODFLOW 6 excellence; recent GMA 13/15 DFC leadership; sophisticated dashboards
KTGW	★ ★ ★ ★ ★	MODFLOW 6 expertise; dashboard emphasis; uncertainty quantification strength
Meadows Center	★ ★ ★	Planning-level excellence; limited permit-level simulation capability

Dashboard and Decision-Support Tools

Firm	Score	Rationale
DBSA	★ ★	Focuses on GIS/mapping; not emphasizing modern interactive tools
Spheros	★ ★ ★ ★ ★	Hays Trinity system, North Plains dashboard, Middle Trinity tools—proven capability
KTGW	★ ★ ★ ★ ★	Clearwater Aquifer Status Tool, Drawdown Tool, Model Dashboard—direct experience
Meadows Center	★ ★	Would support frameworks; partnership model for implementation

Conservation Program Innovation

Firm	Score	Rationale
DBSA	★ ★ ★	Clear conservancy model; proven elsewhere; incremental innovation
Spheros	★ ★ ★ ★ ★	Multi-user, export-leverage strategy; policy-integrated; comprehensive
KTGW	★ ★ ★ ★	Science-driven, phased approach; transparent decision matrix; strong coherence
Meadows Center	★ ★ ★ ★	Policy/education focus; best-practices research; stakeholder-centric

Local Presence and Existing Relationships

Firm	Score	Rationale
DBSA	★ ★ ★ ★ ★	15-year history; deep GCUWCD relationships; GMA 13 integration
Spheros	★ ★ ★ ★	Gonzales-based Southwest Engineers; 50+ years local credibility
KTGW	★ ★	New to GCUWCD; staff expertise strong; relationships need building
Meadows Center	★ ★	Regional presence; not GCUWCD-specific; would require relationship development

GCD Governance and Board Relations

Firm	Score	Rationale
DBSA	★ ★ ★ ★	Strong SOAH/contested case experience; established Board trust
Spheros	★ ★ ★	Large-firm governance expertise; less GCD insider knowledge
KTGW	★ ★ ★ ★ ★	Dirk Aaron (former GM) unmatched expertise; TAGD leadership background
Meadows Center	★ ★ ★	University credibility; state-level policy; less district-level rulemaking focus

Education and Public Outreach

Firm	Score	Rationale
DBSA	★ ★ ★	Julia Stanford strong; grant-funded programs; traditional outreach
Spheros	★ ★ ★ ★	Dedicated social media specialist; local Southwest Engineers support; digital media
KTGW	★ ★ ★	Bilingual workshops; K-12 partnerships; less social media emphasis
Meadows Center	★ ★ ★ ★ ★	Texas Stream Team; school curricula; largest institutional reach

Bilingual Capacity

Firm	Score	Rationale
DBSA	★ ★ ★	Julia Stanford; TAGD network; moderate bilingual capability
Spheros	★ ★ ★ ★	In-house Spanish translation; Southwest Engineers bilingual staff
KTGW	★ ★ ★	Micaela Pedrazas (bilingual); K-12 workshop focus
Meadows Center	★ ★ ★ ★	Institutionalized bilingual programs; Texas Stream Team bilingual volunteers

Conflicts and Independence

Firm	Score	Rationale
DBSA	★ ★ ★ ★ ★	No conflicts; 100% GCUWCD-focused; single technical voice
Spheros	★ ★ ★	Managed conflicts (Cibolo, GMA 13, CRWA); optics consideration needed
KTGW	★ ★ ★ ★	Minor conflicts (Aqua WSC); good communication protocols available
Meadows Center	★ ★ ★ ★ ★	University independence; no export-related conflicts; clean slate

Implementation Complexity

Firm	Score	Rationale
DBSA	★ ★ ★ ★ ★	Minimal onboarding; seamless integration; lowest implementation risk
Spheros	★ ★ ★	Model reconciliation work; multiple teams; coordination overhead
KTGW	★ ★ ★ ★	Phased approach; transparent governance; moderate onboarding

Meadows Center	★ ★ ★ ★	Works as complement; university procurement may slow timelines
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Firm Capacity and Scalability

Firm	Score	Rationale
DBSA	★ ★ ★	Medium firm; moderate scalability; strong for specialized work
Spheros	★ ★ ★ ★ ★	Large firm (300 staff); excellent parallel task capacity; high scalability
KTGW	★ ★ ★	Small firm (6 staff); limited large-workload scalability; requires partnerships
Meadows Center	★ ★ ★ ★	University bench; good for long-term research; less responsive execution

Overall Summary Scorecard

Evaluation Criteria	DBSA	Spheros	KTGW	Meadows Center
Continuity / Model Integration	★★★★★	★★★★	★★★★	★★
Technical Capability (Modeling/GAM)	★★★★★	★★★★★	★★★★★	★★★★
Dashboard / Decision-Support Tools	★★	★★★★★	★★★★★	★★
Conservation Program Innovation	★★★★	★★★★★	★★★★★	★★★★★
Local Presence / Existing Relationships	★★★★★	★★★★★	★★	★★
GCD Governance / Board Relations	★★★★★	★★★★	★★★★★	★★★★
Education & Public Outreach	★★★★	★★★★★	★★★★	★★★★★
Bilingual Capacity	★★★★	★★★★★	★★★★	★★★★★
Conflicts / Independence	★★★★★	★★★★	★★★★★	★★★★★
Implementation Complexity	★★★★★	★★★★	★★★★★	★★★★★
Firm Capacity / Scalability	★★★★	★★★★★	★★★★	★★★★★

Table 3: Summary Scorecard: Evaluation of Four Conservation Consultant Firms

Key Insights by Selection Dimension

Continuity vs. Innovation Trade-Off

DBSA (Continuity Maximized)

- 15-year incumbent; supports existing workflows
- Seamless model integration; immediate conservation output
- Lower implementation risk; slower innovation adoption

Spheros or KTGW (Innovation Maximized)

- Modern MODFLOW 6 platforms; sophisticated interactive tools
- Advanced dashboard and decision-support capabilities
- Moderate implementation risk; model reconciliation overhead

Local Presence vs. Specialized Expertise Trade-Off

DBSA (Local Presence)

- 15-year GCUWCD history; deep local understanding
- Gonzales-area credibility; existing staff relationships

KTGW (Specialized Expertise)

- Unmatched GCD governance ability (Dirk Aaron, former GM)
- All staff GCD-experienced; insider institutional knowledge
- New to GCUWCD but rapidly buildable relationships

Technical Depth vs. Education Breadth Trade-Off

Spheros/KTGW (Technical Depth)

- MODFLOW 6, modeling, dashboards, DFC expertise
- Permit-level simulation and regulatory support
- Less emphasis on broad public education

Meadows Center (Education Breadth)

- Texas Stream Team (11,000+ volunteers)
- K-12 curricula and bilingual programs
- Planning-level policy; limited technical depth

References and Key Contacts

Files Reviewed

[1] Spheros Environmental. (2025). Statement of Qualifications. December 31, 2025.

[2] Daniel B. Stephens Associates. (2025). Qualifications for Conservation Consultant Services. December 31, 2025.

[3] KT Groundwater. (2025). Statement of Qualifications. December 31, 2025.

[4] The Meadows Center for Water and the Environment. (2025). Statement of Qualifications. December 18, 2025.

Key Contact Information

DBSA

- Neil Blandford, PG, Principal-in-Charge – (505) 239-9446 or nblandford@geo-logic.com
- Julia Stanford (subconsultant, conservation lead)

Spheros

- Gretchen Miller, PhD, PE, PG, Project Manager – (979) 676-1273
- Clarence Littlefield, PE, Vice President (Southwest Engineers)
- Jim Totten (Wellspring Advising) – Former Lost Pines GCD GM

KTGW

- Michael Keester, PG, Principal – (512) 621-7237 or mike@ktgroundwater.com
- Dirk Aaron, Senior Consultant – Governance/board relations

Meadows Center

- Robert Mace, PhD, PG, Executive Director – (512) 245-9200 or robertmace@txstate.edu

Document Preparation and Purpose

This detailed comparison matrix was prepared as a standalone reference guide to support GCUWCD Board decision-making on consultant selection. Information is drawn directly from the four respondents' Statements of Qualifications submitted in response to RFQ No. 20251120.

Prepared for: GCUWCD Board of Directors

Date: January 13, 2026

September 9, 2025

Via email to: generalmanager@gcuwcd.org

Ms. Laura Martin-Preston, General Manager
Gonzales County Underground Water Conservation District
522 Saint Matthew Street
Gonzales, Texas 78629

Re: Comments on the District's 2025-2026 Budget, Export Fees, and Mitigation Fund

Dear Ms. Martin-Preston:

These comments are submitted on behalf of the Canyon Regional Water Authority ("CRWA"), the Alliance Regional Water Authority ("ARWA"), and the Guadalupe-Blanco River Authority ("GBRA") (collectively, "the Authorities"). We appreciated the opportunity to have open discussion about export and mitigation fees at the workshop held on September 5, 2025. It was helpful to hear more from the General Manager about how the Gonzales County Underground Water Conservation District ("District") intends to organize and, potentially, spend the funds derived from export fees. Although discussions are ongoing, we offer the following comments ahead of the September 9, 2025, District Board Meeting. Several items on the September 9 Board meeting agenda directly address export fees and their role in the District's budget for fiscal year 2025-2026.

1. **The Authorities will pay only negotiated export fees.** Pursuant to Water Code Section 36.122(e), the Authorities each entered into a Negotiated Export Fee Agreement with the District (collectively, the "Export Fee Agreements") in the years 2012-2013. Under the Export Fee Agreements, the Authorities each remit negotiated export fee payments to the District annually. The Authorities' export fees support that portion of the District's budget that is not covered by ad valorem taxes or by other entities' paid export fees. The Export Fee Agreements are contracts. None stipulates that changes in the District's rules or rates void or modify the Export Fee Agreements. Additionally, no statutory change supports any attempt by the District to undercut or modify the Export Fee Agreements. In the absence of a mutual renegotiation of the Export Fee Agreements between the District, on the one hand, and the Authorities, on the other, each of the Authorities plans to continue complying with its respective Export Fee Agreement. We expect the District to similarly comply with its obligations under the Export Fee Agreements. To be clear, the Authorities will not pay purported export fee invoices from the District that are calculated under the June 10, 2025 amended District Rules or new Appendix B. The Water Code permits a District only one method of imposing export fees. For the Authorities, the District chose to charge export fees based on negotiated agreements. We will pay only those negotiated export fees.
2. **The District should continue to honor Mitigation Agreements and separate mitigation funds from general funds.** The Authorities have each entered into Mitigation Agreements with the District (collectively the "Mitigation Agreements"). We have never requested, and do not desire, to terminate the Mitigation Agreements or to end the District's

groundwater well mitigation program. The District's groundwater well mitigation program has been very successful. The Authorities remain committed to working cooperatively with the District and each other to ensure the program remains robust and accessible to eligible landowners. To this end, the Authorities strongly believe that maintaining separate mitigation funds—distinct from general revenue—is essential. The Authorities object to commingling the funds the District has committed for mitigation with other operating funds. The dollars committed to mitigate eligible wells within the District must be separately and carefully accounted for; only this approach will allow the District, the Authorities, and the public to track the District's investment in well mitigation. That financial data can then inform other development of, or investment in, measures that reflect mitigation program successes or address ongoing needs.

We look forward to continued conversations with the District about export fees, mitigation funds, and the continued success of the District's current mitigation program.

Respectfully submitted,



Kerry Averyt, P.E.
General Manager
Canyon Regional Water Authority



Graham M. Moore, P.E.
Executive Director
Alliance Regional Water Authority



Darrell Nichols
General Manager/CEO
Guadalupe-Blanco River Authority

Gonzales County Underground Water Conservation District

Board Report: Phase-In of Water Permit Fees

Date: December 1, 2025

Prepared by: Laura Martin

Executive Summary

This report outlines the proposed phase-in approach for transitioning from the current **Actual Negotiated Fee schedule (Now)** to the **Full Permit Amount Fee Schedule (New Rules)** over 2025–2030.

The phased approach ensures:

- Gradual fee increases to minimize financial impact on water users.
- Predictable transition from negotiated rates to full permit fees.
- Stakeholder clarity and operational readiness for the District.

Background

Current water permit fees are collected under the **Actual Negotiated Fee schedule (Chart 1 Now)**. The **Full Permit Amount Fee schedule (Chart 2 New Rules)** represents the authorized target fees.

Direct transition to Chart 2 would result in significant fee jumps for permit holders. A gradual phase-in ensures manageable increases and allows planning for both the District and water users.

Actual Negotiated Fee Amount + Fee Schedule		2025	2026	2027	2028	2029	2030
	Permit Amount Ac-ft	\$ 0.025	\$ 0.05	\$ 0.10	\$ 0.15	\$ 0.20	3%
ARWA	11620	\$ 106,602.85	\$ 117,263.14	\$ 128,989.45	\$ 141,888.39	\$ 156,077.23	\$ 171,684.96
CRWA	8320.5	\$ 76,039.11	\$ 83,643.02	\$ 92,007.32	\$ 101,208.06	\$ 111,328.86	\$ 122,461.75
GBRA	15000	\$ 137,062.09	\$ 150,768.30	\$ 165,845.13	\$ 182,429.64	\$ 200,672.61	\$ 220,739.87
Total		\$ 319,704.05	\$ 351,674.46	\$ 386,841.90	\$ 425,526.09	\$ 468,078.70	\$ 514,886.57

Full Permit Amount Fee Schedule		2025	2026	2027	2028	2029	2030
	Permit Amount Ac-ft	\$ 0.025	\$ 0.05	\$ 0.10	\$ 0.15	\$ 0.20	3%
ARWA	6800 11620	\$ 55,394.67	\$ 110,789.34	\$ 221,578.68	\$ 567,958.29	\$ 757,277.72	\$ 779,996.06
CRWA	8320.5	\$ 67,781.08	\$ 135,562.16	\$ 271,124.32	\$ 406,686.49	\$ 542,248.65	\$ 558,516.11
GBRA	10000 15000	\$ 81,462.75	\$ 162,925.50	\$ 325,851.00	\$ 733,164.75	\$ 977,553.00	\$ 1,006,879.59
Total		\$ 204,638.50	\$ 409,277.00	\$ 818,554.00	\$ 1,707,809.53	\$ 2,277,079.37	\$ 2,345,391.75

Phase-In Methodology

The smoothed phase-in is calculated using the formula:

$$[\text{Smoothed Fee}] = \text{Actual Fee} + (\text{Full Permit Fee} - \text{Actual Fee}) \times \text{Phase Factor}$$

Where the Phase Factor increases linearly from 0 in 2025 to 1 in 2030:

Year	Phase Factor
2025	0.0
2026	0.2
2027	0.4
2028	0.6
2029	0.8
2030	1.0

This ensures a gradual transition rather than a sudden jump to full fees.

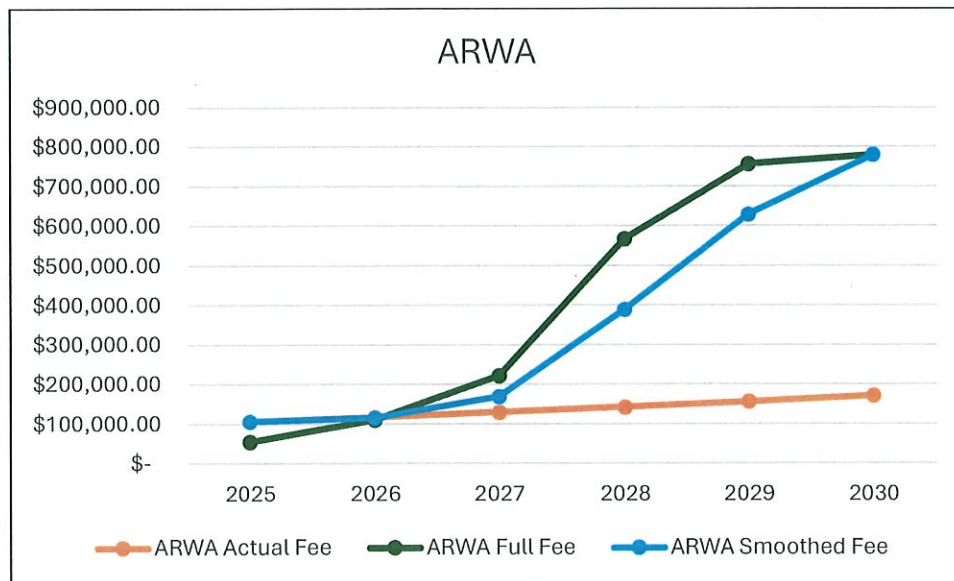
Smoothed Phase-In Fee Table

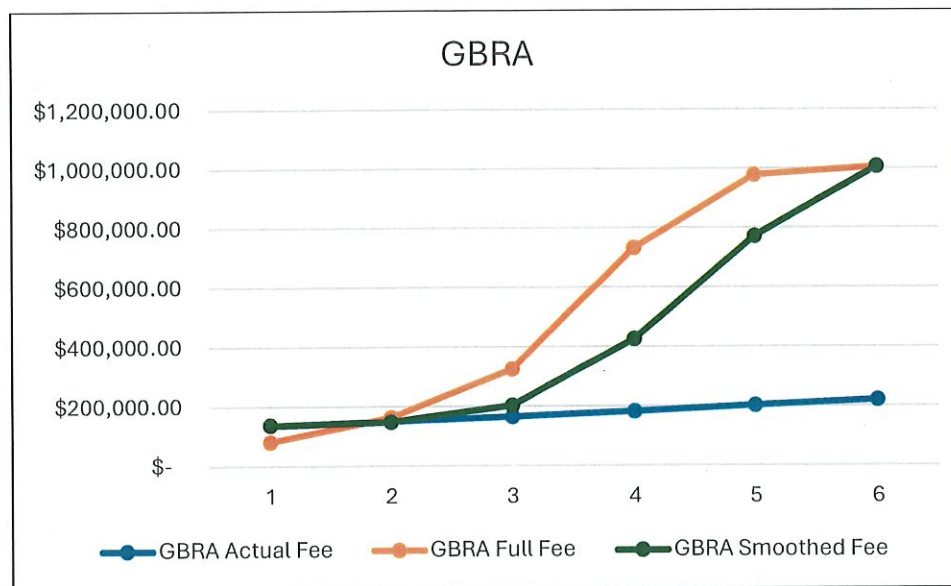
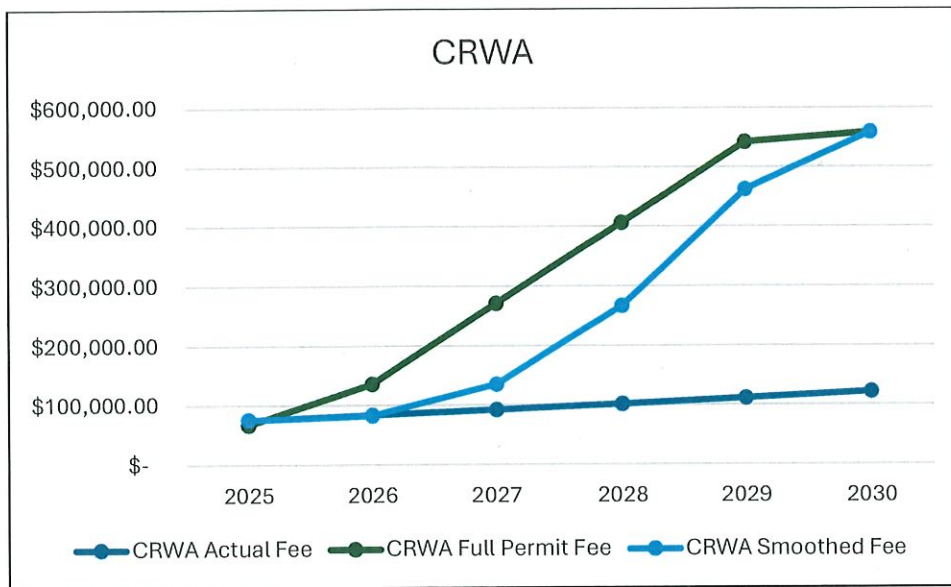
Entity	2025	2026	2027	2028	2029	2030
ARWA	\$106,603	\$115,122	\$168,538	\$389,264	\$629,903	\$779,996
CRWA	\$76,039	\$82,908	\$135,013	\$266,947	\$462,586	\$558,516
GBRA	\$137,062	\$147,300	\$203,389	\$426,638	\$771,609	\$1,006,880
Total	\$319,704	\$345,330	\$506,940	\$1,082,849	\$1,864,098	\$2,345,392

Actual Negotiated Fee

Full Permit Fee

Smoothed Phase-In Fee





This chart visually demonstrates the gradual transition over six years.

Benefits of the Phase-In Approach

Financial predictability – allows permit holders to plan for incremental increases.

Stakeholder transparency – clear, gradual transition reduces concerns about sudden fee spikes.

Operational readiness – District staff can monitor and adjust implementation.

Equity among entities – each entity's fees increase proportionally toward the full permit schedule.

Prepared by:

Laura Martin

General Manager

Gonzales County Underground Water Conservation District

FY 2025-2030
GCUWCD Budget Project Expenses Remediations

Funding									
Actual Negotiated Fee Amount + Fee		2025	2026	2027	2028	2029	2030		
	Permit Amount Ac-ft	Average Annual Usage Ac-ft							
ARWA	11620	33.3% Budget	\$ 106,602.85	\$ 117,263.14	\$ 128,989.45	\$ 141,888.39	\$ 156,077.23	\$ 171,684.96	3%
AQUA	5000	207.17	\$ 1,687.66	\$ 3,375.33	\$ 6,750.66	\$ 10,125.98	\$ 13,501.31	\$ 13,906.35	
CRWA	8320.5	23.8% Budget	\$ 76,039.11	\$ 83,643.02	\$ 92,007.32	\$ 101,208.06	\$ 111,328.86	\$ 122,461.75	
GBRA	15000	42.9 Budget	\$ 137,062.09	\$ 150,768.30	\$ 165,845.13	\$ 182,429.64	\$ 200,672.61	\$ 220,739.87	
SAWS	11688	10775.1	\$ 87,776.93	\$ 175,553.86	\$ 351,107.71	\$ 526,661.57	\$ 702,215.42	\$ 723,281.88	
SSLGC	19362	12749	\$ 103,856.86	\$ 207,713.72	\$ 415,427.44	\$ 623,141.16	\$ 830,854.88	\$ 855,780.53	
		Total	\$ 513,025.50	\$ 738,317.36	\$ 1,160,127.71	\$ 1,585,454.80	\$ 2,014,650.31	\$ 2,107,855.33	

Full Permit Amount Fee Schedule		Funding							
	Permit Amount Ac-ft	Average Annual Usage Ac-ft	2025	2026	2027	2028	2029	2030	
ARWA	6800/11620	168	\$ 55,394.67	\$ 110,789.34	\$ 221,578.68	\$ 567,958.29	\$ 757,277.72	\$ 779,996.06	
AQUA	5000	207.17	\$ 40,731.38	\$ 81,462.75	\$ 162,925.50	\$ 244,388.25	\$ 325,851.00	\$ 335,626.53	
CRWA	8320.5	6229.63	\$ 67,781.08	\$ 135,562.16	\$ 271,124.32	\$ 406,686.49	\$ 542,248.65	\$ 558,516.11	
GBRA	10000/15000	184	\$ 81,462.75	\$ 162,925.50	\$ 325,851.00	\$ 733,164.75	\$ 977,553.00	\$ 1,006,879.59	
SAWS	11688	10775.1	\$ 95,213.66	\$ 190,427.32	\$ 380,854.65	\$ 571,281.97	\$ 761,709.30	\$ 784,560.58	
SSLGC	19362	12749	\$ 157,728.18	\$ 315,456.35	\$ 630,912.71	\$ 946,369.06	\$ 1,261,825.41	\$ 1,299,680.17	
		Total	\$ 498,311.71	\$ 996,623.43	\$ 1,993,246.86	\$ 3,469,848.81	\$ 4,626,465.08	\$ 4,765,259.04	

5 year Average Annual Use Fee Schedule		Funding							2030
	Permit Amount Ac-ft	Average Annual Usage Ac-ft	2025	2026	2027	2028	2029	2030	
ARWA	11620	168	\$ 1,368.57	\$ 2,737.15	\$ 5,474.30	\$ 8,211.45	\$ 10,948.59	\$ 11,277.05	
AQUA	5000	207.17	\$ 1,687.66	\$ 3,375.33	\$ 6,750.66	\$ 10,125.98	\$ 13,501.31	\$ 13,906.35	
CRWA	8320.5	6229.63	\$ 50,748.28	\$ 101,496.56	\$ 202,993.12	\$ 304,489.67	\$ 405,986.23	\$ 418,165.82	
GBRA	15000	184	\$ 1,498.91	\$ 2,997.83	\$ 5,995.66	\$ 8,993.49	\$ 11,991.32	\$ 12,351.06	
SAWS	11688	10775.1	\$ 87,776.93	\$ 175,553.86	\$ 351,107.71	\$ 526,661.57	\$ 702,215.42	\$ 723,281.88	
SSLGC	19362	12749	\$ 103,856.86	\$ 207,713.72	\$ 415,427.44	\$ 623,141.16	\$ 830,854.88	\$ 855,780.53	
	Total		\$ 246,937.22	\$ 493,874.44	\$ 987,748.88	\$ 1,481,623.32	\$ 1,975,497.76	\$ 2,034,762.69	

FY 2025-2030
GCUWCD Budget Project Expenses Remediations

				Funding with		Fee Schedule Effective	
FY		Project	Projected Cost	Contracts		June 10, 2025	
2025-2026				\$	513,025.50	\$	498,311.71
1		Groundwater Testing & GW Fair	\$6,500.00	\$506,525.50		\$491,811.71	
2		WL Recorder Equip. & Maintenance	\$2,000.00	\$504,525.50		\$489,811.71	
3		Well Plugging Program	\$175,000.00	\$329,525.50		\$314,811.71	
4		Well Inspection Program	\$25,000.00	\$304,525.50		\$289,811.71	
5		Election Expenses	\$15,000.00	\$289,525.50		\$274,811.71	
6		Post Modeling VS Actual Report	\$5,000.00	\$284,525.50		\$269,811.71	
7		Eastern Drawdown Report	\$32,000.00	\$252,525.50		\$237,811.71	
8		Subsidence Probability	\$12,000.00	\$240,525.50		\$225,811.71	
9		Leased Property Audit	\$7,500.00	\$233,025.50		\$218,311.71	
10		Carrizo Outcrop Census	\$40,000.00	\$193,025.50		\$178,311.71	
11		Recharge Enhancement Study	\$85,000.00	\$108,025.50		\$93,311.71	
12		Local Model for Permitting 1 of 2	\$120,000.00	-\$11,974.50		-\$26,688.29	
13		Conservation Program	\$248,000.00	-\$259,974.50		-\$274,688.29	
14		GCWUCD Vehicle	\$65,000.00	-\$324,974.50		-\$339,688.29	
Total Project Expenses			\$838,000.00	-\$324,974.50		-\$339,688.29	
2026-2027				Funding - Previous	\$413,342.86	\$656,935.14	
1		Groundwater Testing & GW Fair	\$6,500.00	\$406,842.86		\$650,435.14	
2		WL Recorder Equip. & Maintenance	\$2,000.00	\$404,842.86		\$648,435.14	
3		Well Plugging Program	\$250,000.00	\$154,842.86		\$398,435.14	
4		Well Inspection Program	\$25,000.00	\$129,842.86		\$373,435.14	
5		Post Modeling VS Actual Report	\$0.00	\$129,842.86		\$373,435.14	
6		Eastern Drawdown Report	\$32,000.00	\$97,842.86		\$341,435.14	
7		Subsidence Probability	\$12,000.00	\$85,842.86		\$329,435.14	
8		Leased Property Audit	\$0.00	\$85,842.86		\$329,435.14	
9		Carrizo Outcrop Census	\$40,000.00	\$45,842.86		\$289,435.14	
10		Recharge Enhancement Study	\$0.00	\$45,842.86		\$289,435.14	
11		Recharge Enhancement Remediation	\$250,000.00	-\$204,157.14		\$39,435.14	
12		Local Model for Permitting 1 of 2	\$120,000.00	-\$324,157.14		-\$80,564.86	
13		Conservation Program	\$300,000.00	-\$624,157.14		-\$380,564.86	
Total Project Expenses			\$1,037,500.00	-\$624,157.14		-\$380,564.86	
2027-2028				Funding - Previous	\$535,970.57	\$1,612,682.00	
1		Groundwater Testing & GW Fair	\$6,500.00	\$529,470.57		\$1,606,182.00	
2		WL Recorder Equip. & Maintenance	\$2,000.00	\$527,470.57		\$1,604,182.00	
3		Well Plugging Program	\$250,000.00	\$277,470.57		\$1,354,182.00	
4		Well Inspection Program	\$25,000.00	\$252,470.57		\$1,329,182.00	
5		Subsidence Monitoring Network	\$25,000.00	\$227,470.57		\$1,304,182.00	
6		Recharge Enhancement Remediation	\$250,000.00	-\$22,529.43		\$1,054,182.00	
7		Local Model for Permitting Additions	\$50,000.00	-\$72,529.43		\$1,004,182.00	
8		Investigate Mitigation RE:HB1689	\$90,000.00	-\$162,529.43		\$914,182.00	
9		Conservation Program	\$300,000.00	-\$462,529.43		\$614,182.00	
Total Project Expenses			\$998,500.00	-\$462,529.43		\$614,182.00	

FY 2025-2030
GCUWCD Budget Project Expenses Remediations

2028-2029

	Funding - Previous	\$1,122,925.37	\$4,084,030.81
1	Groundwater Testing & GW Fair	\$6,500.00	\$1,116,425.37
2	WL Recorder Equip. & Maintenance	\$2,000.00	\$1,114,425.37
3	Well Plugging Program	\$250,000.00	\$864,425.37
4	Well Inspection Program	\$25,000.00	\$839,425.37
5	Subsidence Monitoring Network	\$25,000.00	\$814,425.37
6	Investigate Mitigation RE:HB1689	\$40,000.00	\$774,425.37
7	Dam Restoration	\$1,250,000.00	-\$475,574.63
8	Recharge Enhancement Remediation	\$250,000.00	-\$725,574.63
9	Conservation Program	\$300,000.00	-\$1,025,574.63
	Total Project Expenses	\$2,148,500.00	-\$1,025,574.63

2029-2030

	Funding - Previous	\$989,075.68	\$3,928,777.67
1	Groundwater Testing & GW Fair	\$6,500.00	\$982,575.68
2	WL Recorder Equip. & Maintenance	\$2,000.00	\$980,575.68
3	Well Plugging Program	\$250,000.00	\$730,575.68
4	Well Inspection Program	\$25,000.00	\$705,575.68
5	Subsidence Monitoring Network	\$25,000.00	\$680,575.68
6	Investigate Mitigation RE:HB1689	\$40,000.00	\$640,575.68
7	Dam Restoration	\$1,250,000.00	-\$609,424.32
8	Recharge Enhancement Remediation	\$250,000.00	-\$859,424.32
9	Conservation Program	\$300,000.00	-\$1,159,424.32
	Total Project Expenses	\$2,148,500.00	-\$1,159,424.32