NECHES & TRINITY VALLEYS
GROUNDWATER CONSERVATION DISTRICT
Protecting Anderson, Cherokee, and Henderson Counties
Phone: (903) 541-4845 Fax: (903) 541-4869
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P.O. Box 1387 501 Devereux, Ste 201 Jacksonville, Texas 75766

Terry Morrow, President
Jimmy Terrell, Treasurer
Jeff Horton, Director
Gary Douglas, Vice President
Cody Rayburn, Director
Randall Chandler, Secretary
Danny Crossley, Director

MINUTES OF REGULAR BOARD MEETING – August 13, 2026

DIRECTORS PRESENT Terry Morrow, President; Jimmy Terrell, Treasurer; Cody Rayburn, Director; Danny Crossley, Director; Randall Chandler, Secretary; Jeff Horton, Director; Gary Douglas Vice-President

DIRECTORS ABSENT All present

ALSO PRESENT Penny Hanson, General Manager; Tony McCarty, Assistant General Manager; Holli Baze, Attorney; Members of Public

1. CALL TO ORDER

The meeting was called to order by Terry Morrow, President at 1:00 pm. A quorum was declared by Randall Chandler, Secretary.

2. INVOCATION

The invocation was given by Terry Morrow, President.

There was an administrative error and there was no #3 on agenda.

4. OPEN BOARD MEETING

The Board meeting was opened at 1:00 pm.

5. PUBLIC FORUM FOR ITEMS ON THE AGENDA. CITIZENS WHO DESIRE TO ADDRESS THE BOARD ON ANY MATTER ON THE AGENDA MAY SIGN UP TO DO SO PRIOR TO THIS MEETING. PLEASE LIMIT COMMENTS TO 3 MINUTES. NO DISCUSSION OR FINAL ACTION WILL BE TAKEN BY THE BOARD

Public comments were made by the following:
Jim Allison
Judge Carey McKinney
Stacey Reese

6. RECEIVE FINANCIAL STATEMENTS AND REPORTS FROM RANDY GORHAM, CPA.

Randall Gorham, CPA, presented the financial reports to the Board.

7. **CONSENT ITEMS:**

A motion was made to approve the minutes for the July 16, 2026 Board meeting by Gary Douglas, 2nd by Cody Rayburn , passed unanimously.

A motion was made to approve payment of the bills for September 1, 2026 through September 30, 2026 by Cody Rayburn, 2nd by Danny Crossley, passed unanimously.

8. **GENERAL MANAGER REPORT:**

a) Summary of Status Report on drilling authorizations issued, production reports and fees, and monitor well reports.
b) Update on potential date for GMA 11 meeting – September 15, 2026.

The Assistant General Manager gave updates to the Board.

9. **RECEIVE PRESENTATION FROM DISTRICT HYDROLOGIST JAMES BEACH ON WATER VOLUMES PERMITTED AND PRODUCED IN DISTRICT; POTENTIAL DISCUSSION ON SAME.**

Mark Nickels, with Advanced Groundwater Solutions, gave the presentation on water volumes permitted and produced in the District, with James Beach, hydrologist, present by teams meeting.

10. **DISCUSS AND TAKE POSSIBLE ACTION ON PUBLIC DONATIONS SUBMITTED TO THE DISTRICT.**

Donations were presented to the Board and a motion was made to accept donations submitted to the District by Jeff Horton, 2nd by Cody Rayburn, passed unanimously.

11. **RECEIVE AND TAKE POSSIBLE ACTION ON THE INTERLOCAL AGREEMENT WITH THE COMMISSIONERS COURTS OF ANDERSON, HENDERSON, AND CHEROKEE COUNTIES FOR MONETARY DONATIONS FROM COUNTY BUDGETS.**

A motion was made to accept the Interlocal Agreement with the Commissioners Courts of Anderson, Henderson, and Cherokee Counties for Monetary Donations from County Budgets by Danny Crossley, 2nd by Jeff Horton, passed unanimously.

12. **REVIEW AND DISCUSS PROPOSED DISTRICT RULES.**

CLOSED SESSION; The regular board meeting was ended at 2:07 p.m. The board entered close session at 2:07 p.m. The closed session was ended at 4:30 p.m and the regular board meeting was reopened at 4:30 p.m.

13. **CLOSED SESSION:** The Board reserves the right to go into closed session for any of the purposes authorized under Texas Government Code Section 551.071, for any item on the above agenda or as otherwise authorized by law, including:
    a. Consultation with Attorney-Attorney/Client Privileged Consultations(§ 551.071)
    b. Consultation with Attorney-Pending or Contemplated Litigation(§ 551.071), including active litigation:
        i. *Pine Bliss LLC et al v. Sanderson Farms et al* (DCCV25-5998-369; 369th Dist. Ct., Anderson County, TX) and on appeal Texas Court of Appeals—Tyler (Cause No. 12-26-00067-CV)

ii. *Pine Bliss, LLC et al v. NTVGCD* (Cause No. 2025-110404; 369th Dist. Ct., Cherokee County, TX) and on appeal Texas Court of Appeals—Tyler (Cause No. 12-26-00043-CV)

c. Consultation with Attorney- Settlement Offers (§ 551.071)
d. Deliberations Regarding Real Property(§ 551.072)
e. Deliberations Regarding Personnel Matters(§ 551.074)
f. Deliberations Regarding Security Devices or a Security Audit(§§ 551.076, 551.0894)

14. ADJOURN.

A motion to adjourn at 4:30 pm was made by Cody Rayburn, 2nd by Randall Chandler, passed unanimously.

Terry Morrow President

9-17-26
DATE

Attest

INTERLOCAL COOPERATION AGREEMENT BETWEEN NECHES AND TRINITY VALLEYS GOUNDWATER CONSERVATION DISTRICT AND ANDERSON COUNTY, TEXAS; CHEROKEE COUNTY, TEXAS; AND HENDERSON COUNTY, TEXAS

This Interlocal Cooperation Agreement ("Agreement") is made and entered into by and between Neches and Trinity Valleys Groundwater Conservation District ("the District" or "N&TVGCD"), a political subdivision acting through its Board of Directors, and Anderson County, Texas; Cherokee County, Texas; and Henderson County, Texas, acting through their Commissioners Courts. Collectively, N&TVGCD and Anderson County; Cherokee County; and Henderson County may be referred to as the "Parties".

PREMISES

WHEREAS, Chapter 791 of the Texas Government Code authorizes contracts to the greatest extent possible between political subdivisions for the performance of governmental functions and services;

WHEREAS, Section 791.038 of the Texas Government Code provides that a local government may contract with another local government to jointly participate in research and planning activities related to water resources;

WHEREAS, the N&TVGCD was created as a groundwater conservation district in Anderson, Cherokee, and Henderson Counties, pursuant to Chapter 8863, Texas Special District Local Laws Code;

WHEREAS, pursuant to Section 8863.052, Texas Special District Local Laws Code, the Commissioners Courts of Anderson, Cherokee, and Henderson Counties each appoint two members of the Board of Directors of the N&TVGCD;

WHEREAS Anderson, Cherokee, and Henderson Counties are authorized to use county funds for local economic development, pursuant to Chapter 381, Local Government Code; and

WHEREAS, the Parties each find that contracting for and with respect to the governmental services described herein will result in increased efficiency, economy, and enhanced preservation and protection of the groundwater resources and local economic development;

NOW THEREFORE, in consideration of the mutual covenants and agreements of the Parties, it is agreed as follows:

1. GENERAL DUTIES AND RESPONSIBILITIES

1.1 Neches and Trinity Valleys Groundwater Conservation District agrees to perform any obligations required to preserve and protect the groundwater resources in Anderson, Cherokee, and Henderson Counties as provided in Chapter 36, Texas Water Code and

Chapter 8863, Texas Special District Local Laws Code and assist Anderson, Cherokee, and Henderson Counties in programs for local economic development.

1.2 N&TVGCD Board of Directors will provide an annual report and financial audit of its activities in the performance of this Agreement to the Commissioners Courts of Anderson, Cherokee, and Henderson Counties.

2. FINANCIAL RESPONSIBILITIES

2.1 The County Commissioners Courts of Anderson, Cherokee, and Henderson Counties shall each provide funding from current revenues in the amount of $ 25,000.00 on or before August 31, 2026, and $100,000.00 on or before January 15, 2027, each for the services provided by the N&TVGCD.

2.2 The funding from Anderson, Cherokee and Henderson Counties is conditioned on the right to terminate at the end of each budget period and a best efforts attempt to obtain and appropriate funds for the payment, pursuant to Section 271.903, Local Government Code..

3. RELATIONSHIP BETWEEN THE PARTIES

3.1 The relationship of the Parties shall, with respect to that part of any service or function undertaken as a result of or pursuant to this Agreement, be that of independent contractors.

3.2 No party to this Interlocal Agreement shall be responsible for the acts of an employee of another party.

3.3 Neither party waives, nor shall be deemed to have waived, any immunity or defense otherwise available to it under the law.

3.4 All governmental functions and services traditionally provided by the Parties shall be and remain the sole responsibility of each such party.

4. TERM

4.1 The initial term of this Agreement shall commence on August 31, 2026, ending September 1, 2027, and may be renewed by the Parties.

4.2 This Agreement may be terminated at any time by any Party, without cause, by giving the other Parties a minimum of sixty (60) days written notice of its intention to terminate, such notice to be delivered by hand or U.S. Certified Mail to the other Parties.

5. NOTIFICATIONS

5.1 All correspondence and communications regarding this Agreement shall be directed to:

Anderson County
Anderson County Judge
703 N. Mallard St., Ste. 101
Palestine, TX 75801

Cherokee County
Cherokee County Judge
135 S. Main St., 3rd Fl.
Rusk, TX 75785

Henderson County
Henderson County Judge
125 N. Prairieville St., Room 100
Athens, TX 75751

N&TVGCD
501 Devereaux St.
Jacksonville, TX 75766.

5.2 Notices provided pursuant to this Agreement must be in writing and hand-delivered or sent by certified mail, return receipt requested.

6. MISCELLANEOUS PROVISIONS

6.1 If any portion of this Agreement shall be deemed void or invalid, the remaining portions of the Agreement shall continue in full force and effect.

6.2 This Agreement represents the entire Agreement between the Parties, and it may not be modified, altered, changed, or amended, except by written agreement of the Parties.

6.3 This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

6.4 By the execution and delivery of this Agreement, the undersigned individuals warrant that they have been duly authorized by their governing body in order to enter into and perform the terms of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Interlocal Agreement as of the ___ day of _____, 2026.

ANDERSON COUNTY, TEXAS

By _____ 07.27.2024
Hon. Carey G. McKinney
County Judge, Anderson County, Texas

CHEROKEE COUNTY, TEXAS

By _____
Hon. Chris Davis
County Judge, Cherokee County, Texas

HENDERSON COUNTY, TEXAS

By _____ 8.11.2024
Hon. Wade McKinney
County Judge, Henderson County, Texas

NECHES AND TRINITY VALLEYS GOUNDWATER CONSERVATIOIN DISTRICT

By _____
President, Board of Directors
Neches and Trinity Valleys Groundwater Conservation District