

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

June 17, 2019

REGULAR MEETING MINUTES OF THE BOARD OF DIRECTORS

The Board of Directors (the "Board") of the Prairielands Groundwater Conservation District (the "District" or "Prairielands GCD") met in a regular board meeting at 205 S. Caddo Street, Cleburne, Texas.

CALL TO ORDER AND DECLARE REGULAR MEETING OPEN TO THE PUBLIC

President Charles Beseda presided and called to order the regular Board of Directors Meeting at 9:04 a.m., announcing the meeting open to the public.

ROLL CALL

The roll was called of the members of the Board of Directors, to wit:

Charles Beseda
Dennis Erinakes
Randy Kirk
Marty McPherson
Maurice Osborn
Tod Sandlin
Kent Smith
Paul Tischler

All members of the Board were present, with the exception of Director Kirk. Also, in attendance at said meeting were Kathy Turner Jones, General Manager; Brian Sledge, District Counsel; District staff; and members of the public.

PUBLIC COMMENTS

None.

ADMINISTRATIVE AND FINANCIALS

Director Smith moved to approve the Consent Agenda, Director Osborn seconded the motion, and it carried.

PRESENTATION OF 2018 ANNUAL FINANCIAL AUDIT:

Jennifer Bird with Gilliam Wharram and Company presented an overview of the 2018 Financial Statements to the Board of Directors and pointed out in the Statement of Activity that expenses had increased, mostly due to legal expenses associated with adoption of permanent rules for the District. However, the District remained under budget, and in fact, had added a second Certificate of Deposit. She spoke about the economic factors concerning the 2019 budget, stating the following:

- The District anticipates an increase in revenue under the new permanent rules
- The Board of Directors approved a loan amount for work to begin on proposed new facilities
- An increase in salaries to include addition to staff and transition overlap of general managers
- Vehicle purchase

Ms. Bird reviewed significant accounting policies and concluded the report by informing the Board of a matter of internal control, that due to the small size of the District's staff there is an absence of appropriate segregation of duties, but added that the District has methods in place to mitigate any deficiencies by continued top management involvement and Board of Directors review of financial information.

UPDATE ON PUBLIC OUTREACH ACTIVITIES, EDUCATIONAL, AND CONSERVATION EFFORTS:

Sinclair Newby, Public Relations/Educational Administrator, briefed the Board on various events attended including the following: Hill County Boys & Girls Club, Italy High School, Ovilla Christian School. Upcoming events: Texas Heritage Festival at the Russell Farm and Art Center on June 29th. In other activities, Ms. Newby is finalizing a plan for the District's website redesign and working to determine the best option for a hosting service with hopes to have something in motion by next month.

ADMINISTRATIVE, OPERATIONAL, AND REGULATORY ISSUES OF THE DISTRICT:

General Manager's Report. Kathy Turner Jones, General Manager informed the Board that the District had received notification from the Texas Water Development Board approving the District's groundwater management plan as administratively complete in accordance with the Texas Water Code §36.1071(a) and (e). The District's next five-year plan is due on May 31, 2024.

Ms. Jones briefly touched on the following items:

- The District's Investment Policy is scheduled to be reviewed at the July Board meeting;
- An inventory log was being created of District owned office equipment and furniture; inventory tags had been ordered;
- With staff, evaluated database capabilities and needs to implement permanent rules for added public access and functionality;
- Staff had begun migrating data to the network server;
- Staff is working to scan in non-electronic records/files; and
- Update on Historic Use Permit Applications:

- Formalized checklist of HUP application requirements and process steps for applicants;
- Cross-referenced existing registered wells with system owner/operator;
- Gathering public water system IDs and well/system locations;
- Drafted letter notice to well owner's regarding HUP application deadline and requirements; and
- Issue formal letter notice first end of June.

Status Report and Possible Action on Construction and Schedule of Office Facility. Ms. Jones informed the Board that the construction project went out for bids early May with 113 bids being received back to the project manager. It looked like 30-40 days before construction could begin, but the appraisal had to come first. Following further discussion, Director Osborn affirmed that Ms. Jones as General Manager is authorized to execute on behalf of the District any and all loan commitments to conclude and document construction and financing for of the District's proposed office facility to be located on Lot 9, Block 2, of the Hal Industrial Park, Johnson County as originally authorized and approved during the February 19, 2019 Regular Board Meeting.

At 9:42 President Beseda announced, "the Board will recess into a Closed Executive Session under Government Code Section 551.071, for consultation concerning attorney-client matters. No action will be taken in closed session, and the Board will reconvene in open session at the conclusion of the closed session." The Executive Session concluded at 10:10 a.m.

At 10:15 a.m. the regular meeting reconvened in open session.

GENERAL COUNSEL'S REPORT

None.

OPEN FORUM / DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING AGENDAS

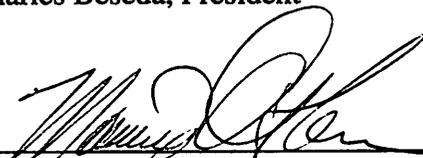
None.

ADJOURN

At 10:16 a.m. Director McPherson moved to adjourn. Director Smith seconded the motion, and it carried.



 Charles Beseda, President



 Maurice Osborn, Secretary/Treasurer