

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

July 15, 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, TX.

CALL TO ORDER AND DECLARE REGULAR MEETING OPEN TO THE PUBLIC

President Beseda presided and called to order the regular Board of Directors Meeting at 9:11 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 Directors McPherson and Sandlin. 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.

UPDATE ON CURRENT BANKING/FINANCIAL ACTIVITIES – Kathy Turner Jones

1. Review Second Quarter Investment Report. Ms. Jones provided a summary of bank account balances and coverage through FDIC and pledged securities, showing that all funds were more than adequately covered. Director Smith moved to accept the Investment Report. Director Kirk seconded the motion, and it carried.

2. Discuss, consider, and take action as necessary to approve Resolution #19-004 reviewing and approving the Investment Policy and Investment Strategies as required annually by the Public Funds Investment Act (PFIA) of Texas: Following discussion, Director Osborn motioned to approve Resolution #19-004 reviewing and amending investment policy and investment strategies. Motion was seconded by Director Smith and unanimously approved by all members present. *A copy of the signed Resolution is attached hereto as Exhibit "A".*
3. Discuss, consider, and take action to adopt Resolution #19-005 approving depository agreement and authorized signors for Citizens National Bank of Texas. In response to previous Board direction, Ms. Jones solicited banking proposals for construction financing. Based on the information received, Citizens National Bank was selected. Without further discussion, Director Osborn motioned to approve Resolution #19-005 to approve the depository agreement and authorized signors with Citizens National Bank. Motion was seconded by Director Tischler and unanimously approved by all members present. *A copy of the signed Resolution is attached hereto as Exhibit "B".*
4. Discuss, consider, and take action to adopt Resolution #19-006 to approve updating authorized banking signature cards for Wells Fargo Bank. Following discussion, Director Osborn motioned to approve Resolution #19-006 to update authorized signors for accounts on deposit with Wells Fargo Bank. Director Smith seconded the motion, and it carried. *A copy of the signed Resolution is attached hereto as Exhibit "C".*

DISCUSS, CONSIDER, AND TAKE ACTION TO CONSIDER APPLICATION FOR EXCEPTIONS TO MINIMUM TRACT SIZE REQUIREMENTS FROM KHAMPHONE CHANTHIRATH FOR A PROPOSED WELL TO BE LOCATED AT 1010 YUNNAN STREET, VENUS, TEXAS 76084 – Kathy Turner Jones / Brian L. Sledge.

Ms. Jones apprised the Board of Ms. Khamphone Chanthirath request for an exception to the District's minimum tract size. Mr. Sledge added that the property was platted in 1993 before new rules became effective. Before the rules came into play, the general manager would approve, but under the new rules, it must come before the Board.

Director Tischler asked about neighbor residents and their source of water. Director Kirk, whose public water supply serves the area, replied that the surrounding area has water wells, but added that easements would need to be made for a water main before Mountain Peak SUD could provide water to the Chanthirath household. When asked where Ms. Chanthirath's household currently obtains their water, Ms. Chanthirath stated that they are sharing the well of a relative who is living in the near vicinity.

Director Erinakes stated that he had concerns about other properties close by. Ms. Jones reported the proposed well would meet the District's minimum 50 ft. distance from property line requirements. Director Tischler moved to approve the exception. Director Osborn seconded the motion, and it carried. Director Erinakes abstained from voting.

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

Sinclair Newby, Public Relations/Educational Administrator, briefed the Board on outreach and educational activities including the following: Water Education Trailer to the Texas Heritage

Festival on June 29th at the Russell Farm and Art Center in Burleson. In addition, Ms. Newby highlighted her attending recently at the 4-H₂O Water Ambassadors leadership academy dinner in Austin. Other highlights included: social media presence has continued to increase and is an excellent resource for networking and sharing news and information; and the Prairielands eLine newsletter is scheduled for distribution the end of July.

GENERAL MANAGER'S REPORT AND UPDATE:

Ms. Jones stated that in keeping with the auditors recommendations during the audit presentation at the June 2019 board meeting, she had been working with staff to develop a monthly reconciliation of the funds deposited in escrow for drilling deposits with the District's well deposit payable list and that a monthly reconciliation will be included in board financials beginning next month

- A. Update of Board of Directors Appointments – In accordance with the District's Bylaws, "permanent directors shall serve staggered four-year terms, with the term of one director from each of the four counties expiring on August 31 of each odd-numbered year. Director positions expiring August 31, 2019 include Charles Beseda, Maurice Osborn, Dennis Erinakes, and Tod Sandlin. Notice of re-appointment(s) to the District's Board of Directors for a term of four years to expire August 31, 2023 were mailed out June 25, 2019 to each respective county judge.
- B. Status Report on Historic Use Permit Applications – Notices of deadline to file an Historic Use Permit application were sent via mail/email to all well owners as well as being published in area newspapers and with the Texas Register. Ms. Jones reported that staff has been extremely busy fielding phone calls and responding to emails questions. As of Friday, July 12, 2019, the District has received two (2) completed historic use permit applications.
- C. Status Report and Possible Action regarding construction of Office Facility – Ms. Jones reported that final construction documents had been approved. Items remaining pending include finalizing the building permit with the City of Cleburne and construction loan. Contractor is tentatively scheduled to begin mobilizing equipment mid to late July. Goal is to begin moving dirt the end of July/first of August.

Ms. Jones highlighted the following items for the Board's information:

- Permitting mailed reminder notices on July 9th to well registrants reporting semi-annually that production reports and water use fee payments for groundwater produced January through June 2019 are due to the District on or before August 1st
- Mr. Heath assisted TWDB with the installation of two weather stations.
- Ms. Rexrode provided reports on number of gallons of groundwater used year-to-date, which showed to be 2,293,210,384 for the District's four counties and number of well registration applications were 18.

At 9:50 a.m. President Beseda announced, "the Board will recess into a Closed Executive Session under Government Code Sections 551.071 for consultation concerning attorney-client matters and 551.072 for deliberation regarding real property. 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 10:38 a.m.

At 10:40 a.m. the regular meeting reconvened in open session.

GENERAL COUNSEL'S REPORT:


Mr. Sledge reported he had been working with District staff on matters related to Historic Use Permits applications. Mr. Sledge noted that a meeting of the Rules and Bylaws Committee has been scheduled to be held immediately following the August 19th board meeting. Sledge added that to his firm's knowledge there had not been any recent activity related to underground injection control wells in the District.

OPEN FORUM / DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING AGENDAS:

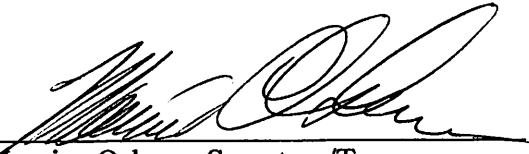
Director Erinakes asked if an agenda had been posted for the upcoming GMA-8 meeting. Ms. Jones replied that the agenda was available on the District's website.

ADJOURN

There being no further business, upon a motion made by Director Smith and seconded by Director Kirk, the meeting was adjourned at 10:47 AM.



Charles Beseda, President



Maurice Osborn, Secretary/Treasurer

EXHIBIT "A"

RESOLUTION NO. #19-004

**PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT
RESOLUTION REVIEWING AND RE-ADOPTING INVESTMENT
POLICY AND INVESTMENT STRATEGIES**

THE STATE OF TEXAS

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PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

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WHEREAS, Prairielands Groundwater Conservation District (the “District”) was created as a groundwater conservation district by the 81st Texas Legislature under the authority of article XVI, Section 59, of the Texas Constitution, and in accordance with Chapter 36 of the Texas Water Code by the Act of May 31, 2009, 81st Leg., R.S., ch. 1208, 2009 Tex. Gen. Laws 3859, codified as Chapter 8855 of the Texas Special District Local Laws Code (the “District Act”);

WHEREAS, the District is a governmental agency and a body politic and corporate;

WHEREAS, Section 36.061 of the Texas Water Code and Section 2256.005(a) of the Texas Government Code requires the District to adopt by resolution a written Investment Policy;

WHEREAS, the Public Funds Investment Act of Texas (“the Investment Act”) requires that the Board of Directors annually review the investment policy and investment strategies of the District and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies;

WHEREAS, Sec. 36.1561, Water Code, requires the investment officers of the District to attend six hours of initial training within twelve months after taking office or assuming duties and four hours of renewal investment training instruction relating to investment responsibilities not less than once every two years from an independent source approved by the Board of Directors of the District;

WHEREAS, the General Manager has reviewed the investment officer designations of the District and has determined such designations are current;

WHEREAS, the General Manager is charged with reviewing annually the investment policy and investment strategies of the District and drafting amendments for consideration by the Board;

WHEREAS, the Board of Directors of the District has previously adopted an investment policy, has recently reviewed it, and has determined that amendments to the Investment Policy are necessary and appropriate.

WHEREAS, the District’s Budget and Finance Committee will be responsible for performing any compliance audits of management controls on investments and adherence to the District’s established investment policies under Section 2256.005(m), Government Code, and reporting the results of the same to the full Board of Directors for any necessary action, in addition to the Budget and Finance Committee’s work on preparing the District’s annual budget, performing any functions necessary under Section 36.061(a)(5), Water Code, Article 5 of the District Management Information Policy, Section 4.1 of the District Bylaws, or any other activities assigned to the committee by the Board President.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT AS FOLLOWS:

1. The Board of Directors of the District, after reviewing the existing investment policy and investment strategies of the District, hereby approves the District’s “AMENDED” Investment Policy with changes (see attached).
2. That such Investment Policy supersedes any and all Investment Policy previously adopted by the Board of Directors.
3. The General Manager and a member of the Budget and Finance Development Committee are hereby authorized to continue to serve as Investment Officers for the District. This designation may be changed from time to time without reference to or repeal of this resolution.
4. The District’s Budget and Finance Committee will be responsible for performing any compliance audits of management controls on investments and adherence to the District’s established investment policies under Section 2256.005(m), Government Code, and reporting the results of the same to the full Board of Directors for any necessary action, in addition to the Budget and Finance Committee’s work on preparing the District’s annual budget, performing any functions necessary under Section 36.061(a)(5), Water Code, Article 5 of the District Management Information Policy, Section 4.1 of the District Bylaws, or any other activities assigned to the committee by the Board President
5. The General Manager is authorized to take any and all action necessary for the implementation of this resolution.
6. The Investment Policy so adopted shall be effective from the date of adoption and continue in effect until modified by the Board of Directors.

AND IT IS SO ORDERED.

PASSED AND ADOPTED on this 15th day of July, 2019.

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

By: Charles Beseda
Charles Beseda, President

ATTEST:

I, Maurice Osborn, certify that I am Secretary/Treasurer of the Prairielands Groundwater Conservation District organized and existing under the laws of the State of Texas, Federal Employer ID Number: 36-4663231, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of the District duly and properly called and held on July 15, 2019. Said resolution appears in the minutes of this meeting and has not been rescinded or modified.

Maurice Osborn
Maurice Osborn, Secretary

EXHIBIT "B "

RESOLUTION NO. #19-005

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT
APPROVING DEPOSITORY AGREEMENT AND AUTHORIZED
SIGNORS FOR CITIZENS NATIONAL BANK OF TEXAS**

THE STATE OF TEXAS

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PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

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WHEREAS, the Board of Directors of the Prairielands Groundwater Conservation District (the "District") is an administrative agency organized and existing under the laws of the State of Texas; and

WHEREAS, at a regular board meeting held on the 15TH of July 2019, the Board of Directors took action to authorize entering into a banking agreement for depository services with Citizens National Bank of Texas (the "Depository"); and

WHEREAS, the Depository agrees to make loans to the District, subject to approval by the Depository's loan committee and acceptance by the District; and

WHEREAS, the Board of Directors further authorized the **Board President, Board Secretary/Treasurer, and General Manager** as banking signors for all depository accounts placed on deposit with Citizens National Bank of Texas; and

WHEREAS, the Board of Directors affirms that **Kathy Turner Jones** as General Manager is authorized to execute on behalf of the District any and all loan commitments to conclude construction 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 of Directors Meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT THAT:


1. Upon motion duly made by Director Osborn and seconded by Director Tischler, the foregoing Resolution was unanimously adopted by all members present and voting.

2. The provisions of this Resolution shall be effective as of its date of approval by the Board of Directors and shall remain in effect until modified by action of the Board of Directors.
3. The General Manager of the District is hereby authorized take any and all action necessary for the implementation of this resolution.

AND IT IS SO ORDERED


PASSED AND ADOPTED this 15th day of July, 2019.

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

By: 
Charles Beseda, President

ATTEST:

I, Maurice Osborn, certify that I am Secretary/Treasurer of the Prairielands Groundwater Conservation District organized and existing under the laws of the State of Texas, Federal Employer ID Number: 36-4663231, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of the District duly and properly called and held on July 15, 2019. Said resolution appears in the minutes of this meeting and have not been rescinded or modified.


Maurice Osborn, Secretary

[SEAL]

EXHIBIT "C"

RESOLUTION NO. #19-006

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT
APPROVING UPDATING AUTHORIZED BANKING SIGNATURE
CARDS FOR WELLS FARGO BANK**

THE STATE OF TEXAS

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PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

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WHEREAS, the Board of Directors of the Prairielands Groundwater Conservation District (the "District") is an administrative agency organized and existing under the laws of the State of Texas; and

WHEREAS, at a regular board meeting held on the 15th of July 2019, the Board of Directors took action to modify all depository agreement(s) held by Wells Fargo Bank to replace **Jim Conkwright** as an authorized signor and to authorize **Kathy Turner Jones** as an additional authorized signor for all depository accounts;

WHEREAS, Kathy Turner Jones is authorized to exercise all powers as provided under powers granted by resolution(s) of the Board of Directors.

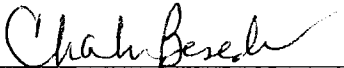
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT THAT:

1. Upon motion duly made by Director Osborn and seconded by Director Smith, the foregoing Resolution was unanimously adopted by all members present and voting.
2. The provisions of this Resolution shall be effective as of its date of approval by the Board of Directors and shall remain in effect until modified by action of the Board of Directors.
3. The provisions of this Resolution so adopted shall supersede any and all previously adopted Resolutions or other actions of the Board of Directors; and
4. The General Manager of the District is hereby authorized take any and all action necessary for the implementation of this resolution.

AND IT IS SO ORDERED


PASSED AND ADOPTED this 15th day of July, 2019.

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

By: 
Charles Beseda, President

ATTEST:

I, Maurice Osborn, certify that I am Secretary/Treasurer of the Prairielands Groundwater Conservation District organized and existing under the laws of the State of Texas, Federal Employer ID Number: 36-4663231, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of the District duly and properly called and held on July 15, 2019. Said resolution appears in the minutes of this meeting and has not been rescinded or modified.


Maurice Osborn, Secretary

[SEAL]