

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

December 16, 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 Charles Beseda presided and called to order the regular Board of Directors Meeting at 9:15 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	Maurice Osborn
Dennis Erinakes	Tod Sandlin
Randy Kirk	Kent Smith
Marty McPherson	Paul Tischler

All members of the Board were present, with the exception of Director(s) Kirk, Erinakes and Sandlin, thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Kathy Turner Jones, General Manager; Brian Sledge, District Counsel; District staff; and members of the public. *Copies of the public sign-in sheets and comments cards received are attached hereto as Exhibit "A".*

PUBLIC COMMENTS

None.

ADMINISTRATIVE AND FINANCIALS

Consent Agenda: Motion by Director Smith to approve the consent agenda. Director Osborn seconded the motion and it carried unanimously by all those who were present.

Update on current banking/financial procedures and activities. Ms. Jones said changes to the District's accounting procedures continue as progress of permit authorization structure continues. She reported that as production is received or entered into the database, bookkeeping will now recognize the transaction as receivable to income. Invoices will now be generated upon receipt if funds are not paid electronically. She also stated that in the past, bookkeeping has not tracked flushing or monthly reporting discounts, and she has asked the District's accounting firm

to set up offsetting revenue account in order to record those costs. In addition, Ms. Jones said since Citizens National Bank is serving as the depository now, the District has closed out the operating account with Grandview Bank. She also said that once all well logs associated with well deposits on file are received, the Escrow account will be closed as well.

UPDATE ON PUBLIC OUTREACH ACTIVITIES, EDUCATIONAL AND CONSERVATION EFFORTS

Ms. Newby discussed a new rainwater harvesting demonstration model she and Ms. Jones had commissioned for future outreach and education events, as well as the purchase of some rainwater harvesting barrels that will be used for giveaway items at certain events and presentations. Ms. Newby also talked about working with the District's contact at Franklin Energy to prepare the spring 2020 Outdoor WaterWise program to 5th grade science classes in Ellis County. Ms. Newby also said she has been working on finalizing the next edition of the District's quarterly newsletter for release later that week. She talked about an upcoming meeting with an education coordinator for Texas A&M AgriLife Extension in Johnson County to discuss opportunities for school, education and public outreach events. She concluded her update with a brief highlight of the District's social media efforts and engagements.

- a) Presentation on 4-H Water Ambassador Program – Brayden DeBorde (Ellis County). Founded in 2017, The Texas 4-H Water Ambassadors Program provides high school youth an opportunity to gain advanced knowledge and develop leadership skills related to the science, technology, engineering, and management of water in Texas. Brayden DeBorde, a junior at Rice High School in Ellis County, said has served as a 4-H Water Ambassador since 2017, and says he got involved with the program in order to learn more about how to conserve water in his family's farming and ranching operations. One of the highlights of his time as a water ambassador that he discussed in his presentation was attending the Tier III Leadership Academy in July 2019. DeBorde described how the leadership academy is a weeklong tour of Texas that allows the ambassadors to learn more about a wide diversity of water resources, sensitive ecosystems, water quality concerns, and applied research and technologies used to conserve water. DeBorde explained how Water Ambassadors commit a minimum 40 hours of service over a 12-month period following the Academy, which include delivering water education at local 4-H clubs, schools, community events, assisting local water utilities, water conservation districts and Extension agents as they conduct water outreach activities and demonstrations. He discussed how through those service hours he has been able to help educate others about water conservation. He said he has taught students ranging from kindergarten to high school and enjoys serving in this role where he can help educate others and become involved in his community.

BUDGET AND FINANCE COMMITTEE

- a) Discuss, consider and take action to approve Resolution #19-017 amending FY 2019 Operating Budget and authorize the General Manager to take any and all action necessary for the implementation of this Resolution. Ms. Jones discussed the budget worksheet provided in the board packet that had been broken down by departments and related expenses. She explained how proposed amendments were included under column three of the worksheet to reflect the current estimate of expenditures expected for the 2019 fiscal year. She stated the expenses were expected to come in 39% over the previous budget,

with the increase associated largely with a 54% increase in building construction and the uncertainty of payment timing during adoption of the District's 2019 budget. Ms. Jones highlighted the proposed amendments such as decreasing employee benefits by 7%, labor by 7%, legal by 11%, public relations by 34%, utilities by 25%, vehicle expenses by 11% and general operating by 12%. She also discussed how office supplies increased by 56% to adjust for expenses related to purchasing computer equipment and IT server needs. She concluded by explaining amendments to other income included increasing reserve funds by \$100,00 and taking an initial draw on the District's construction loan of \$250,000. Director Osborn made a motion to approve the amendments to the District's FY 2019 Operating Budget and authorize the General Manager to take any and all action necessary for the implementation of this resolution. Director McPherson seconded the motion. It passed unanimously among those present. *A copy of said Resolution #19-017 is attached hereto as Exhibit "B".*

POLICY AND PERSONNEL COMMITTEE

- a) Consideration and possible action to authorize cost of living allowance (COLA) adjustment for District employees effective January 2020 based on the federal government's annual COLA percentage increase announcement. Ms. Jones briefly discussed how in the November 18, 2019 Regular Board Meeting as part of approving the updated personnel policies and procedures, the Board agreed to look at implementing a COLA adjustment for District employees that would be evaluated each year since to coincide with federal adjustments. Director Tischler made a motion to allow the general manager to disperse a 1.6% COLA adjustment to District employees at her discretion. The motion was seconded by Director McPherson. The motion carried.
- b) Discuss, consider, and take action approving Resolution #19-016 adopting revisions to the District's personnel policies and procedures and authorize the General Manager to take any and all action necessary for the implementation of this Resolution. Ms. Jones stated following legal review, minor proposed amendments had been included to the District's Personnel Policy. She said the added sections include New Hire Reporting, Records of the District, and Firearms, and Garrity Warning. She said there was also additional language added regarding "benefits coordinator," as most government entities have a 3rd party benefits representative that handles their insurance matters, which clarifies that employees are responsible to notify the benefit coordinator of any needed changes and removes the emphasis of an HR role from District staff. Ms. Jones said other added instruction or clarifying statements were included to the topics of Confidentiality/Non-Disclosure, Personal Belongings and No Expectation of Privacy. Director Tischler made a motion to approve the revisions to the District's personnel policies and procedures and authorize the general manager to take any and all action necessary for the implementation of this resolution. Director Smith seconded the motion. The motion carried. *A copy of said Resolution #19-016 is attached hereto as Exhibit "C".*

GROUNDWATER MANAGEMENT AREA 8 – UPDATE ON ACTIVITIES RELATED TO JOINT PLANNING AND THE DEVELOPMENT OF DESIRED FUTURE CONDITIONS

Mr. Beach started his presentation with discussion about the District's Historic Use Permit (HUP) numbers. He explained how the numbers from the HUPs are slightly over the Groundwater Availability Model (GAM) after looking at where the water is being pumped. He highlighted a series of maps that show each county that indicated permitted wells. He said these maps indicate which wells are multi-screened and where the majority of the screen is. In Ellis County, he said a majority of the wells are multi-screened, with a majority in the Hosston and some screened in the Pearsall. He followed up by saying he wanted to look more into if these wells truly are screened in the Pearsall. In Hill County, Mr. Beach reported there are wells screened in the Hosston, Pearsall and Glen Rose formations. He said this is based on well screen information from TCEQ blended with information from the GAM structure. In Johnson County, he said there is a broader mix of well screen locations, with wells in the Hensell, Pearsall and Hosston formations. He said Somervell County has wells screened in the Hosston.

Director Tischler asked Mr. Beach if it would be any benefit to WSP having the water chemistry data from public water system wells since they are tested on an Environmental Protection Agency mandated schedule. Mr. Beach replied that over time that data may be helpful, and that they would need to discern how helpful it is when determining where water is coming from. Mr. Beach went on to explain how water chemistry samples and testing are variable in many factors. He said because of the dynamics of multi-screened intervals, this data could be helpful over time with water level declines, depending on variation of method of collection.

Mr. Beach explained how the Modeled Available Groundwater (MAG) data comes from the GAM, but before it comes from the GAM it is inputted as pumping data. He said as the District inputs the pumping data, WSP will assess where the pumping is allocated and factor it into the calculation. He added that when it comes to HUP data, they will need to look at one screened well interval at a time to see what changes may need to be made to meet the DFC needs. He said the current numbers are about 6-8% over the MAG right now.

On the topic of submitting updates to GMA 8, Mr. Beach said the goal is to see if the District needs to make changes to what goes into this round of joint planning. He recommended finding out how significant these changes will be, and by January he will have more information on how the allocation breaks down historically and how it relates to the DFC. Ms. Jones explained that if the District is going to submit changes to GMA 8, Mr. Beach would need to know very soon. Mr. Beach said District staff are still working through HUP data, and WSP needs to go through aquifer to aquifer and will have more information in January on how that affects the District. He said changes could be submitted and summarized at the next GMA 8 meeting. Ms. Jones noted that well systems can move production around, and how it will take a year to know the actual production, which could also change year to year. It was determined to include an agenda item on the January board meeting agenda for further discussion.

**DISCUSS, CONSIDER AND TAKE ACTION TO APPROVE RESOLUTION #19-018
ADOPTING AMENDMENTS TO THE DISTRICT BYLAWS PERTAINING TO
PROCEDURES FOR RECEIVING PUBLIC COMMENT DURING OPEN MEETINGS
OF THE BOARD, IN CONTESTED CASE HEARINGS, OR IN OTHER CONTESTED
MATTERS**

The District's legal counsel, Brian Sledge, addressed the board about H.B. 2840 which went into effect on September 1, 2019 and addresses the right of members of the public to address the governing body of a political subdivision at open meetings. Mr. Sledge said this law gives the public the right to give comment before or during discussion of certain items. He also said the law allows the District to adopt reasonable laws regarding the public's right to address the body under this law, including rules that limit the amount of time that a member of the public may address the board on a given item. In contested case hearings, once the District names a party to a hearing, only those parties can provide comments to the board. Members of the public can make comments before the party's names are heard. Work sessions will also now be open to the public. Mr. Sledge said the District will make changes to meeting agendas as necessary.

Director Smith made a motion to approve Resolution #19-018 adopting amendments to the District bylaws pertaining to procedures for receiving public comment during open meetings of the board, in contested case hearings, or in other contested matters. The motion was seconded by Director Osborn. The motion carried. *A copy of said Resolution #19-018 is attached hereto as Exhibit 'D'.*

GENERAL MANAGER'S REPORT AND UPDATE

- a) Status report on Historic Use Applications. Ms. Jones reported the District staff have conducted and completed initial reviews of the applications to determine administrative completeness. She said letters were sent on November 18 to applicants to notify them of the status of administrative completeness for their application and informed them of any missing documents or information that were still needed in order to conduct a technical review of the application. She said staff have been very busy the last few weeks working with applicants to assist in gathering any additional information or documentation by the December 31, 2019 deadline.
- b) Status report and possible action regarding construction of office facility. Ms. Jones said the framing for the new office facility had recently been completed and the masonry was delivered December 13. She said the metal building framework had been delivered the same day of the meeting. She also reported electrical and plumbing work was still ongoing.

Ms. Jones said the Texas Department of Licensing and Regulation had reached out to the District about participating in an abandoned well program. She asked the Board if this was something the District had previously participated in. Mr. Sledge said the District has a memorandum of understanding with TDLR. Ms. Jones said an agenda item would be added to the January meeting agenda regarding further discussion and possible action on this topic.

Ms. Jones discussed the 2019 Year to Date Water Usage data chart included in the board packet and updates on well registration information. There were 16 new wells drilled in the last 30 days. She also reported that the January meeting agenda would include a hearing for an operating permit.

GENERAL COUNSEL'S REPORT – THE DISTRICT'S LEGAL COUNSEL WILL BRIEF THE BOARD ON PERTINENT LEGAL ISSUES AND DEVELOPMENTS IMPACTING THE DISTRICT – Brian Sledge

Mr. Sledge said the House released interim committee charges, with most being focused on monitoring bills that passed regarding monitoring Desired Future Conditions (DFCs) and the joint planning process and achieving those DFCs. Mr. Sledge also said he has been working with the staff regarding the status of Historic Use Production. He said the District's Rules and Bylaws Committee discussed situations where a water system has multiple wells in different aquifers and discerning the maximum historic use for system and maximum historic use on individual wells. He stated the District will need to know in case there are large fluctuations in production, especially if it is changing or affecting DFCs. He reiterated how the District is not seeking to limit production, but just looking for maximum flexibility in operations and not limiting systems, and how there is potential for adjustments in the future.

OPEN FORUM / DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING AGENDAS


None.

ADJOURN

There being no further business, upon a motion made by Director McPherson and seconded by Director Smith, the meeting was adjourned at 10:52 a.m.

PASSED, APPROVED, AND ADOPTED THIS 16TH DAY OF DECEMBER 2019.


Charles Beseda, President


Maurice Osborn, Secretary/Treasurer

Sign-In Sheet

December 16, 2019

[illegible]

RESOLUTION NO #19-0017

**RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT
AMENDING 2019 OPERATING BUDGET**

THE STATE OF TEXAS

§

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT §

WHEREAS, on December 17, 2018, the District Board of Directors' (the "Board") of the Prairielands Groundwater Conservation District (PGCD) adopted an annual operating budget ("the Budget") for 2019, in accordance with Section 36.154 of the Texas Water Code; and

WHEREAS, the attached amended budget will allow the District to carry out the District's objectives and responsibilities as prescribed by the Enabling Act and Chapter 36 of the Texas Water Code; and

WHEREAS, upon consideration of staff recommendations and review of proposed amendments, the Board finds that the adoption of the "amended" 2019 Operating Budget, attached hereto as Attachment "A" and incorporated herein by this reference for all purposes, is merited to support the District's activities and related expenses from January 1, 2019 through December 31, 2019.

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

1. The above recitals are true and correct.
2. The Board of Directors of the Prairielands Groundwater Conservation District hereby adopts an "amended" operating budget for January 1, 2019 to December 31, 2019, as provided in the budget appended hereto as "Attachment A", which is incorporated herein by this reference and is hereby approved and adopted.
3. The Board of Directors, its officers, and the District employees are further authorized to take any and all actions necessary to implement this resolution.

AND IT IS SO ORDERED

Upon motion duly made by Director Osborn, and seconded by

EXHIBIT "B"

Director McPherson, and upon discussion, the Board of Directors voted 5 in favor and 0 opposed, 0 abstained, and 3 absent, and the motion thereby **PASSED** and **ADOPTED** this 16th day of December 2019.

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

By: Charles Beseda
Charles Beseda, Board 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, 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 December 16, 2019. Said resolution appears in the minutes of this meeting and has not been rescinded or modified.

Maurice Osborn
Maurice Osborn, Secretary/Treasurer

[SEAL]





2019 - AMENDED BUDGET

AMENDED 2019 BUDGET APPROVED 12/16/19	
INCOME	
Administrative Fees:	\$500.00
<u>Application Fees:</u>	
Exception Fees	\$12,500.00
HUP Application Fees	\$125,000.00
OP Application Fees	\$10,000.00
Well Registration Fee	\$75,000.00
TOTAL APPLICATION FEES:	\$222,500.00
<u>Groundwater Production Fees:</u>	
Export Fee Funds	\$500.00
Historic Use Permit Fees	\$0.00
Operating Permit Fees	\$0.00
Production Fee Funds	1,080,000.00
TOTAL GW PRODUCTION FEES:	\$1,080,500.00
Interest	\$10,000.00
Late Fee / Violation Fee	\$2,500.00
TOTAL INCOME	\$1,316,000.00
EXPENSES	
<u>Building Construction</u>	
Building Construction	\$1,200,000.00
Mortgage Interest	\$2,000.00
Mortgage Principal	\$0.00
Debt Issuance Cost	\$0.00
TOTAL BUILDING CONSTRUCTION	\$1,202,000.00

Employee Benefits Attachment "A"

FSA - Flex System	\$7,000.00
Health Insurance	\$70,000.00
Relocation Expense	\$7,000.00
Retirement	\$40,800.00

TOTAL EMPLOYEE BENEFITS	\$124,800.00
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Labor

Contract / Temporary Wages	\$2,500.00
Extended Studies	\$0.00
Payroll	\$404,000.00
Payroll Taxes	\$33,400.00

TOTAL LABOR	\$439,900.00
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Legal

Amici Curiae Briefs	\$0.00
Enforcement	\$0.00
General Counsel	\$160,000.00
GMA 8 Administrative	\$1,000.00
Injection Well Monitoring	\$0.00
Legislative - Gov't. Relations	\$83,000.00

TOTAL LEGAL	\$244,000.00
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Public Relations

Advertising/Printing	\$6,000.00
Conservation Demonstration	\$2,500.00
Conservation/Educ Trailer	\$2,000.00
Water Wise	\$17,000.00
Public Relations - Misc.	\$0.00
Public Relations-Outside	\$0.00
Website/Hosting	\$13,000.00

TOTAL PUBLIC RELATIONS	\$40,500.00
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Operating Expense

Accounting	\$1,000.00
Awards and Recognition	\$500.00
Bank Charges	\$9,000.00
Cleaning Services	\$2,000.00
Dues/Subscriptions	\$6,000.00
Errors & Omissions	\$3,000.00
Field Equipment	\$4,000.00
Fuel	\$5,000.00
GMA 8 / NTGCD	\$3,000.00
Insurance - Property	\$500.00

Attachment "A"

Lawn Care	\$1,000.00
Liability/Bonds/Other	\$3,000.00
Lodging	\$8,000.00
Meals	\$5,000.00
Meeting Expenses	\$3,000.00
Mileage Reimbursement	\$1,000.00
Misc.	\$300.00
Monitor Wells - Equip.	\$35,000.00
Office Equipment	\$5,000.00
Office Furniture	\$4,000.00
Office Rent	\$30,000.00
Post Office Box	\$500.00
Public Hearing Notices	\$5,000.00
Recording Fees	\$0.00
Registration Fees	\$6,500.00
Rental Misc.	\$1,000.00
Trailer Storage	\$900.00
Training Fees	\$2,000.00
Travel	\$1,000.00
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	\$146,200.00
<u>Professional Services</u>	
Architect / Consultant	\$122,000.00
Audit	\$17,000.00
Conservation/Education	\$4,000.00
Consultant Agreement	\$12,000.00
Engineering/Reg Planning	\$0.00
Geodatabase Maintenance	\$25,000.00
Hydro-Geologist/Tech	\$110,000.00
Injection Well - Prof.	\$500.00
Special Projects/Water Testing	\$0.00
Water Level/Quality Monitoring	\$0.00
Water Meter Calibration	\$0.00
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TOTAL PROFESSIONAL	\$290,500.00
<u>Supplies</u>	
Computers/Software	\$13,000.00
Field Supplies	\$1,500.00
Office Supplies	\$15,000.00
Postage	\$1,000.00
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TOTAL SUPPLIES	\$30,500.00
<u>Utilities</u>	
Electricity	\$0.00

Attachment "A"

Internet	\$1,000.00
Municipal Utilities	\$0.00
Natural Gas	\$0.00
Telephone	\$5,000.00
TOTAL UTILITIES	\$6,000.00
<u>Vehicle Expense</u>	
Vehicle Insurance	\$3,500.00
Vehicle Maintenance	\$3,100.00
Vehicle Purchase/Payment	\$35,000.00
TOTAL VEHICLE	\$41,600.00
TOTAL EXPENSES	\$2,566,000.00
NET ORDINARY INCOME	-\$1,250,000.00
<u>Other Income</u>	
Reserve Funds	-\$1,000,000.00
Loan Proceeds - Construction	-\$250,000.00
TOTAL OTHER INCOME	-\$1,250,000.00
NET INCOME	\$0.00

RESOLUTION NO #19-016

**RESOLUTION OF THE
PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT
ADOPTING AMENDMENTS TO THE DISTRICT'S PERSONNEL
POLICIES AND PROCEDURES**

THE STATE OF TEXAS

§

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

§

WHEREAS, the 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"); and

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

WHEREAS, the Board of Directors of the District has adopted, in writing, a Personnel Policies and Procedure Manual for the District, which provides important information concerning conditions, policies, guidelines, rules, benefits, and procedures of employment for all employees of the District; and

WHEREAS, the Board of Directors of the District recently approved recently approved amendments on November 18, 2019 to its Personnel Policies and Procedure Manual to include employee group benefits program; and

WHEREAS, said Personnel Policies and Procedure Manual has been reviewed by legal counsel and certain changes thereto have been recommended;

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

1. The above recitals are true and correct;
2. The Board of Directors for the Prairielands Groundwater Conservation District hereby adopts recommended changes to Personnel Policies and Procedure Manual for the District.

EXHIBIT "C"

3. That the Personnel Policies and Procedure Manual shall be applicable to all employees and shall govern the relationship between the District and the employees of the District until amended, repealed or replaced.
4. That such Personnel Policies and Procedure Manual supersedes any and all personnel policies previously adopted by the Board of Directors.
5. That the General Manager of the District is further authorized to take any and all action necessary to implement this Resolution and its Policies as practicable and in coordination with benefit renewal(s) and plan changes(s).

AND IT IS SO ORDERED

PASSED AND ADOPTED this 16th day of December 2019.

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

By: Charles Beseda
Charles Beseda, Board 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, 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 December 16, 2019. Said resolution appears in the minutes of this meeting and has not been rescinded or modified.

Maurice Osborn
Maurice Osborn, Secretary/Treasurer

[SEAL]



RESOLUTION NO #19-018

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT
ADOPTING AMENDMENTS TO DISTRICT BYLAWS**

THE STATE OF TEXAS

§

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

§

WHEREAS, the 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, Texas Water Code § 36.057(f) authorizes groundwater conservation districts to adopt bylaws to govern the affairs of the districts to perform their purposes;

WHEREAS, the District initially adopted bylaws to be effective on May 17, 2010, and have subsequently amended the bylaws as necessary or appropriate from time to time;

WHEREAS, the 86th Texas Legislature in 2019 (Regular Session) passed House Bill 2840, which amends the Texas Open Meetings Act to address public comments at open meetings of governmental entities such as the District;

WHEREAS, House Bill 2840 authorizes a governmental body to adopt reasonable rules concerning the public's right to speak at an open meeting, which may include, among many other things, how long a person may address the governmental body on a given agenda item or items;

WHEREAS, the Board of Directors of the District believe it is necessary for the District to amend its existing bylaws pursuant to such authority as the District carries out its authorized purposes, including the governance of its own affairs in managing the groundwater resources of Ellis, Hill, Johnson, and Somervell Counties, Texas; and

WHEREAS, the Board of Directors of the District met in a public meeting, noticed properly in accordance with applicable law, and considered adoption of the attached bylaws, as amended, and approval of this resolution.

EXHIBIT "D"

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

1. The above recitals are true and correct.
2. The Board of Directors for the District hereby adopts the attached bylaws, as amended, for the District.
3. The Board of Directors and its officers are further authorized to take any and all actions necessary to implement this resolution.
4. The amended bylaws attached hereto and adopted by the Board of Directors shall be effective immediately and shall supersede all previously adopted versions of the District bylaws.

AND IT IS SO ORDERED

PASSED AND ADOPTED this 16th day of December 2019.

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

By: Charles Beseda
Charles Beseda, Board 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, 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 December 16, 2019. Said resolution appears in the minutes of this meeting and has not been rescinded or modified.

Maurice Osborn
Maurice Osborn, Secretary/Treasurer

[SEAL]



PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT BYLAWS

Adopted As Amended and Effective December 16, 2019

SECTION 1. DISTRICT CREATION AND PURPOSE

1.1 Creation and Purpose

The Prairielands Groundwater Conservation District (the "District") was created by the 81st Texas Legislature under the authority of Section 59, Article XVI, of the Texas Constitution, and in accordance with Chapter 36 of the Texas Water Code ("Water Code"), by the Act of May 31, 2009, 81st Leg., R.S., ch. 1208, 2009 Tex. Gen. Laws 3859, codified at TEX. SPEC. DIST. Loc. LAWS CODE ANN. ch. 8855 ("the District Act").

The District is a political subdivision of the State of Texas and a body politic and corporate. The District was created to serve a public use and benefit, and is essential to accomplish the objectives set forth in Section 59, Article XVI, of the Texas Constitution. The District's boundaries are coextensive with the boundaries of Ellis, Hill, Johnson, and Somervell Counties, Texas, and all lands and other property within these boundaries will benefit from the works and projects that will be accomplished by the District.

The mission statement for the District, as previously adopted by its Board of Directors, is as follows:

The Mission of the Prairielands Groundwater Conservation District is to develop rules to provide protection to existing wells, prevent waste, promote conservation, provide a framework that will allow availability and accessibility of groundwater for future generations, protect the quality of the groundwater in the recharge zone of the aquifer, ensure that the residents of Ellis, Hill, Johnson, and Somervell Counties maintain local control over their groundwater, respect and protect the property rights of landowners in groundwater, and operate the District in a fair and equitable manner for all residents of the District.

SECTION 2. BOARD OF DIRECTORS

2.1 Composition and Appointment

The District is governed by a Board of Directors, which is comprised of eight appointed Directors, two from each of the four counties comprising the District. Director appointments shall be made by the commissioners courts of each of the four counties in the manner set forth in the District Act. To be eligible to serve as a Director, a person must be a registered voter in the appointing county. A Director may serve multiple consecutive terms.

2.2 Terms of Office; Director Vacancies; Notification

Initial permanent Directors shall serve terms as specifically provided in the District Act. 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. Should a vacancy occur on the Board for any reason, the County Commissioners of the county with the vacancy shall appoint a replacement from that county. Within thirty (30) days after any appointment of a Director, the District shall notify the Executive Director of the Texas Commission on Environmental Quality in accordance with Section 36.054(e), Water Code. A Director shall serve until the Director's successor has qualified.

2.3 Sworn Statement; Bond; Oath of Office

As soon as practicable after a Director is appointed, the Director shall make the sworn statement prescribed by the Texas Constitution, take the oath of office, and execute a bond, as required by Section 36.055, Water Code. The District shall file the sworn statement, oath, and bond as prescribed in Section 36.055(d).

2.4 Officers

Each odd-numbered year at its September meeting, the Board shall meet and elect four Directors to serve as officers, whose titles shall be President, Vice-President, Second Vice-President and Secretary/Treasurer. Officers shall be elected for terms of two years. Officers may serve multiple consecutive terms.

The President shall preside at all Board meetings, except in the case of a necessary absence or a disability, in which case the Vice-President shall act as the President, and perform other duties prescribed by the Board. The Second Vice-President shall act as the President in case of the absence or disability of the Vice President, and perform other duties prescribed by the Board.

The Secretary/Treasurer shall be responsible for seeing that all records and books of the District are properly kept, according to the requirements of Sections 36.054(c) and 36.065, Water Code, shall attest the President's signature on all documents, and shall perform other duties prescribed by the Board.

The Board may appoint other Directors, the General Manager, or any employee as an Assistant Secretary to assist the Secretary/Treasurer, and any such person shall be entitled to certify as to the

authenticity of any record of the District, including but not limited to all proceedings relating to bonds, contracts, or indebtedness of the District.

The Board shall fill vacant officer positions as needed to serve the remainder of the unexpired term of such vacant officer. If the Board selects a Director who holds another office at the time of the vacancy to fill the unexpired term, the Board shall select another Director to serve the remainder of the unexpired term of such second officer.

2.5 Indemnification of Directors and Employees

The District may purchase and maintain insurance or bonding on behalf of any person who is a Director or employee of the District in any capacity or arising out of his status as such.

Each Director and employee is indemnified by the District against any liability imposed upon him and for any expense reasonably incurred by him in connection with any claim made against him, or any action, suit or proceeding to which he may be a party by reason of his being, or having been, a Director or employee, and against such sums as counsel selected by the Board shall deem reasonable payment made in settlement of any such claim, action, suit, or proceeding; provided, however, that no Director or employee shall be indemnified with respect to actual damages arising out of a cause of action for a willful act or omission, an act or omission constituting gross negligence or official misconduct, or with respect to matters for which such indemnification would be unlawful or against public policy. Any right of indemnification granted by this Section is in addition to and not in lieu of any other such right for which any Director or employee of the District may at any time be entitled under the laws of the State of Texas; and if any indemnification that would otherwise be granted by this Section is disallowed by any competent court or administrative body as illegal or against public policy, then any Director or employee with respect to whom such adjudication was made, and any other Director or employee, shall be indemnified to the fullest extent permitted by law or public policy, it being the express intent of the District to indemnify its Directors and employees to the fullest extent possible in conformity with these Bylaws, all applicable laws and public policy. The indemnification provided herein shall inure to the benefit of the heirs, executors, and administrators of each Director and employee of the District.

2.6 Conflicts of Interest

Directors shall, pursuant to the provisions of Chapters 171 and 176, Local Government Code, and the current District Code of Ethics, disclose any conflict of interest with matters pending before the Board, execute and file the appropriate disclosure affidavits and statements, and refrain from attendance at any closed executive session and participation in any discussion or decision relating to such matters.

2.7 Open Meetings and Public Information Training

Directors shall comply with the requirements for open meetings and public information training as provided by Sections 551.005 and 552.012, Government Code.

2.8 Fees of Office and Reimbursement of Expenses

Directors may not receive fees of office or other compensation for performing the duties of director. However, a director is entitled to reimbursement of actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the District.

SECTION 3. BOARD MEETINGS

3.1 Regular and Special Meetings of the Board

The Board shall annually schedule and hold regular monthly Board Meetings, or on dates as the Board may otherwise establish from time to time. At the request of the President, presiding officer, General Manager, or by written request of at least three Directors, the Board shall hold special meetings. All Board meetings shall be held in accordance with the Open Meetings Act, Chapter 551, Texas Government Code.

The President shall be responsible for establishing the agenda items for each Board meeting. The General Manager shall be responsible for preparing the notice and agenda for each Board meeting and shall coordinate with the President as needed regarding preparation of the notice and agenda and its posting and/or publication. Any Director or the General Manager may request that the President include an item on an upcoming meeting agenda for consideration by the Board, which the President may include at the President's discretion, except as provided below.

Each regular Board meeting agenda shall include an agenda item for "New Business," at which a Director or the General Manager may request the inclusion of an agenda item to be considered at a future regular or special Board meeting or hearing, as applicable under the law and rules of the District. In the event that a Director makes a motion for the inclusion of such an agenda item and the motion prevails by a majority of the Board, or by written request of at least three Directors, the President and General Manager shall include the agenda item in a manner consistent with the prevailing motion or the written request.

The Board shall provide each member of the public who so desires an opportunity to address the Board during an open meeting regarding an item on the Board's agenda before or during the Board's consideration of the item. The Board may require that a person wishing to provide public comment complete a registration or information form indicating the person's name, contact information, and the number of the agenda item that will be addressed. A person shall address only the item for which they registered if such a form is required by the Board. The President or presiding officer may place time limits on the length of time a person may speak on any single posted item or in total, and may place limits on or prohibit the ability of a person to pass his/her time to another speaker. A person whose testimony must be translated shall be given at least twice the amount of time allotted to other speakers to account for the time needed by the translator, unless simultaneous translation equipment is used by the Board. The Board

may allot more time to a speaker solely at its discretion. The Board may place other reasonable limitations on such public comment, including prohibiting unduly repetitious comments or improper conduct, but may not discriminate against a particular point of view. At the discretion of the President or presiding officer, the Board may seek public comment or ask questions of any person in attendance.

Oral or written public comment by non-parties in a contested case hearing or other contested matter in which parties may be designated under the District Rules, such as contested permit applications, contested enforcement matters, and appeals of desired future conditions, shall be limited as set forth in the District Rules unless otherwise required by law, so long as members of the public have an opportunity to provide public comment or request party status in any open meeting of the Board on the matter before parties have been designated.

The Board may provide members of the public an opportunity to speak and may place reasonable limitations on such public comment, including time limitations, prohibiting unduly repetitious comments or improper conduct, and requiring persons wishing to provide comment to complete an information card. A registration form may be provided for this purpose. At the discretion of the President or presiding officer, the Board may seek public comment or ask questions of any person in attendance. Public comment at permit application hearings and rulemaking hearings shall be as provided in the District Rules.

3.2 Work Sessions

From time to time, a regular or special Board meeting, or portion thereof may be designated as a Work Session for the Board and its employees to discuss and evaluate issues that may require lengthy presentations not generally possible during a regular Board meeting. Work Sessions are primarily for the benefit of the Board and employees, although they will be open to the public.

3.3 Quorum

A quorum of the Board must be present to conduct District business. A quorum exists when five or more Directors are present. A concurrence of a majority of the entire Board is required for transacting any business of the District. When the quorum is five Directors, all five Directors must vote in agreement for a motion to prevail.

SECTION 4. COMMITTEES

4.1 Committees

The President with the approval of the Board may establish and appoint Directors for advisory committees for formulation of recommendations to the Board or such other purposes as the President may designate. The President shall establish an audit or finance committee comprised only of Directors. The President shall select a person to serve as Chair of each committee. Each member of a

committee shall have a single vote on any issue before the committee. Written proxy votes shall not be allowed. A meeting of a committee where less than a quorum of the Board is present is not subject to the provisions of the Open Meetings Act.

Committee members serve at the pleasure of the President. Committee membership is voluntary and without compensation or reimbursement, except for reimbursement of expenses of Directors as set forth under Section 2.8.

SECTION 5. EMPLOYEES

5.1 General Manager and Employees

The Board may employ or contract with a person to perform such services as General Manager for the District and set the General Manager's salary. A Director may not be employed as General Manager of the District. At least annually, the Board shall determine the compensation to be paid to the General Manager and review the actions and performance of the General Manager to determine how the General Manager has fulfilled the General Manager's responsibilities.

5.2 Delegation of Authority

The General Manager shall be the chief administrative officer of the District and shall have full authority to manage and operate the affairs of the District, subject only to the direction given by the Board through policies, resolutions, and orders adopted by it. The General Manager may employ all persons necessary for the proper handling of the business and operations of the District and determine the compensation to be paid all employees other than the General Manager, subject to the constraints of the annual budget approved by the Board. The General Manager may delegate administrative duties as may be necessary to effectively and expeditiously accomplish those duties, provided however, that no such delegation shall ever relieve the General Manager of responsibilities which are ultimately the General Manager under the District Act, District Rules, District Bylaws, or Board orders. In the absence of a General Manager, the President shall exercise all of the duties delegated to the General Manager.

SECTION 6. DISTRICT ADMINISTRATION

6.1 District Address

The District's physical address is 205 South Caddo Street, Cleburne, Texas, 76031. The District's physical and mailing addresses may be changed by action of the Board.

6.2 Minutes and Records of the District

All documents, reports, records, taped recordings, and minutes of the District shall be available for public inspection in accordance with the Texas Public Information Act, Chapter 552, Texas Government Code. The preservation, storage, destruction, or other disposition of the District's records is subject to Chapter 201, Texas Government Code.

6.3 Office Hours

The regular office hours of the District shall be determined by the Board. From time to time, circumstances may require the General Manager to modify these hours on a temporary basis. Operating hours, both regular and temporary, shall be posted on or near the front door of the District office. Permanent changes in the District's regular office hours may be approved by the Board from time to time as needed or as may be appropriate.

6.4 Official Seal

The Board, by resolution, may adopt an official seal for the District to be used on official documents of the District.

SECTION 7. FINANCIAL

7.1 Contracts, Instruments, and Documents

a. The Board may authorize the President or the General Manager to enter into any contract or to execute and deliver any instrument or document in the name of and on behalf of the District, subject to compliance with this section. All contracts shall be executed by the President or General Manager and attested by the Board Secretary/Treasurer, and if deemed necessary, by the Board or General Manager, approved by the District's legal counsel.

b. The District may not enter into a contract with a business entity unless the District has received a Certificate of Interested Parties, Texas Ethics Commission Form 1295, from the business entity at the time the signed contract is submitted to the District. Not later than the 30th day after the date the District receives the Certificate of Interested Parties, the District shall submit a copy of the certificate to the Texas Ethics Commission. This subsection only applies to a contract that requires an action or vote by the Board before the contract may be signed. A contract does not require an action or vote by the Board if: (1) the Board, pursuant to Subsection a, has delegated to the General Manager the authority to execute the contract and (2) the Board does not participate in the selection of the business entity with which the contract is entered into.

c. The District may not enter into a contract with a company for goods or services unless the contract contains written verification from the company that it does not boycott Israel and will not boycott Israel during the term of the contract if the contract is with a company with 10 or more full-employees and has a value of \$100,000 or more to be paid wholly or partly by the District.

7.2 Loans

No loans shall be contracted on behalf of the District and no evidence of indebtedness shall be issued in its name unless authorized by the Board, executed by the President, and attested to by the Board Secretary/Treasurer.

7.3 Expenditures and Purchasing

The District's money may be disbursed only by check, draft, order, or other instrument, which shall be signed in accordance with this section. An expenditure in an amount of five-thousand dollars (\$5000.00) or less or an expenditure for payroll to District employees in any amount may be signed solely by the General Manager if the expenditure is within the current budget, or has been expressly pre-approved by the Board. A disbursement in any amount may, and a disbursement in an amount greater than five-thousand dollars (\$5000.00) shall, with the exception of payroll checks, be signed by at least two of the following: the General Manager, Board President, or the Board Secretary/Treasurer.

Expenditures of District funds to acquire goods or services valued at greater than five-thousand dollars (\$5000.00) require approval by the Board in advance. Recurring expenses valued at greater than five-thousand dollars (\$5000.00) incurred pursuant to a contract, expense, or other purchase previously approved by the Board do not require additional Board approval if they are consistent with the terms of the previous Board approval. If the General Manager determines that an emergency acquisition must be made prior to the next regular meeting of the Board that is greater than five-thousand dollars (\$5000.00) and that is not otherwise authorized to be made under these Bylaws without prior Board approval, he shall obtain verbal approval from the President. The transactions shall be presented to the Board for approval and validation at its next meeting. Expenditures of five-thousand dollars (\$5000.00) or less may be made by the General Manager without prior Board approval if the expenditure falls within the existing budget.

No expenditures shall be made that are not authorized by the budget. This requirement shall not, however, prevent the Board from amending the budget at the same time that it authorizes an expenditure, provided that the funds are available from other budget categories or that reserve funds are available.

Contracts for the acquisition of materials and machinery requiring the expenditure of fifty-thousand dollars (\$50,000.00) or more may be competitively bid, or as provided by law. Construction contracts for public works projects shall be executed and bid as required by state law.

7.4 Depositories

The Board shall name one or more banks to serve as depository for district funds and shall deposit such funds in accordance with Section 36.155, Water Code.

7.5 Investments

Funds of the District may be invested and reinvested in accordance with the provisions of the Public Funds Investment Act, Chapter 2256, Government Code, and in accordance with the investment policy of the District.

7.6 Annual Audit

The Board at the end of each fiscal year shall have prepared an audit of its affairs by an independent certified public accountant, who shall have no personal interest directly or indirectly in the fiscal affairs of the District and shall be experienced and qualified in the accounting and auditing of public bodies. This audit shall be open to public inspection. The audit shall be performed in accordance with generally accepted auditing standards and shall satisfy all requirements imposed by Chapter 36, Texas Water Code. The District's auditors may undertake consulting services for the District in addition to their duties in connection with the annual audit.

7.7 Budget

Prior to the commencement of each fiscal year, the Board shall adopt an annual budget in accordance with Section 36.154, Water Code.

7.8 Taxes Prohibited; Assessment of Fees; Use of Revenue

The District may not impose a tax. The Board shall annually set groundwater production fees and other fees in accordance with the District Act and the Water Code. The District may use revenues generated from fees for any lawful purpose. Fiscal Year

The District's fiscal year shall begin on the first day of January.

7.9 Bond Requirement

The Board shall require a Director, employee, or consultant who collects, pays, or handles any funds of the district to furnish good and sufficient bond as provided under Section 36.057(d), Water Code.

SECTION 8.0. AMENDMENT OR REPEAL OF BYLAWS

The Board may amend or repeal in whole or in part these Bylaws.

APPENDIX A

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT BYLAW REVISION/AMENDMENTS

Adopted – 05.17.10	
Amended – 09.19.16	
Amended – 12.18.17	Section 7.1 is amended to clarify that the President or the General Manager, when authorized by the Board of Directors to enter into a contract or execute an instrument or document on behalf of the District, must do so in compliance with this section. Section 7.1 is also amended by adding a provision that requires business entities entering into contracts with the District that require an action or vote by the Board to submit a Certificate of Interested Parties, Texas Ethics Commission Form 1295. The amendments also include an addition to Section 7.1 prohibiting the District from entering into a contract with a company for goods or services without verification in the contract that the company does not and will not boycott Israel during the term of the contract.
Amended – 12.16.19	Amended to include legislative changed as a result of HB 2840 amending the Texas Open Meetings Act to address public testimony at open meetings of governmental entities.