

# **PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT**

**February 18, 2020**

## **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 9:08 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	John Curtis
Randy Kirk	Kent Smith
Marty McPherson	Paul Tischler

All members of the Board were present, with the exception of Director(s) Erinakes, Tischler and McPherson, 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.

### **CONSENT AGENDA**

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

### **ADMINISTRATIVE AND FINANCIALS**

- a) Update on current banking/financial procedures and activities.
- b) Discuss, consider, and take action to approve Resolution #20-002 amending FY 2020 Operating Budget and authorize the General Manager to take any and all action necessary

for the implementation of this Resolution. Ms. Jones said following the January 27<sup>th</sup> board meeting she met with Directors Osborn and Beseda to review proposed amendments to support costs associated with the proposed groundwater management system development. Following her presentation, it was the General Manager's recommendation to amend the 2020 operating budget to reduce payroll expenses by an amount of \$59,300 and increase Professional Services Expenses by a like amount for a revised total of \$99,300. Director Osborn made a motion to approve Resolution #20-002 amending FY 2020 Operating Budget 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 #20-002 is attached hereto as Exhibit "B".*

## **UPDATE ON PUBLIC OUTREACH ACTIVITIES, EDUCATIONAL AND CONSERVATION EFFORTS**

Ms. Newby discussed some of the recent public relations and education efforts since the previous meeting and highlighted the press release that was distributed to media contacts and the public about Director Curtis joining the Board. She also talked about an event that she and the District's Field Operations Coordinator, Michael Heath, attended at Fossil Rim Wildlife Center for the debut of their new Public Water System well house where the District was recognized. She also talked about working on the District's annual report and finalizing the next issue of the District's newsletter. She discussed a few of the upcoming events and presentations she had for the next few weeks. She also discussed the performance of the District's social media platforms for January 2020.

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

- a) Update and possible action on evaluation of production and procedures from various aquifers as related to DFC Planning. Mr. Beach said the focus for the next GMA 8 meeting was looking at GMA 8 planning and DFC planning, as well as discussing three of the nine factors for the upcoming GMA 8 meeting on February 26, 2020. He said in the process of DFC assessment, looking at which wells in the District have historical water measurements that can be used for DFC planning. Beach explained that water sources for 2020 and new strategies for GMA 8 come from the 2017 State Water Plan, with 68% surface water, 22% reuse, and 3% groundwater. He said there continues to be a shift in the allocation of where the water is coming from, including a new major reservoir. Mr. Beach discussed the private property rights issues identified in the current Explanatory Report, which focus on existing issues in each GCD, projected future uses with GCD, and investment-backed expectations of existing users and property owners in the GCD. Looking at PWS well impacts, Mr. Beach discussed simulations of available drawdown by 2070 and analysis of scenarios varying from very aggressive pumping to very conservative. He said this assessment helps plan for growth while keeping in mind the historic use. He said this is a helpful way to show impacts depending on different findings, and that this was a synopsis of a major point of discussion GMA 8 has had. Mr. Beach also discussed the two hydrogeologic regions that the District is categorized in, Region 4 and Region 2. He said the nomenclature changes, but the District is looking at

what is known as the Travis Peak versus Twin Mountains formations. He said after discussions in the DFC Committee meeting, it was decided to go back in this round of planning to Groundwater Availability Model runs and have vertical allocations of pumping in each aquifer so there is a better understanding of where the pumping allocation is coming from. He said the District would hopefully be able to implement these vertical changes to the DFC run without causing any change to the GMA 8 meeting agenda which had already been posted, and Mr. Beach said other GCDs are still making changes as well. Director Osborn moved to implement changes to vertical distribution of pumping in the GMA 8 NTWGAM DFC run. Director Kirk seconded the motion. The motion carried.

### **DISCUSS, CONSIDER AND POSSIBLE ACTION TO EXECUTE AGREEMENT WITH HALFF & ASSOCIATES REGARDING GROUNDWATER MANAGEMENT SYSTEM DEVELOPMENT**

Ms. Jones said at the January 27<sup>th</sup> meeting there was an item on the agenda to approve a new groundwater management database. She explained that no action was taken and the item was tabled. She said an additional proposal was received to the District from Collier Consulting. She said both proposals received were competitive and proposed to develop, maintain, and host a web-based application with an integrated database. She said following review and presentation from both firms, and based on the unique needs of the District, it would be her recommendation to execute an agreement with HALFF and Associates to develop and customize a web-based groundwater management system in an amount not to exceed \$88,500. If approved, she said Halff could commence development April 1st with the standard groundwater management system with the existing data imported within six weeks and full deployment with all customizations completed within three to four months. Director Osborn made a motion to approve and authorize the General Manager to execute an agreement with HALFF & Associates. Director Smith seconded the motion. The motion carried.

### **GENERAL MANAGER'S REPORT AND UPDATE**

Ms. Jones said she and Director Beseda attended the Texas Alliance of Groundwater Districts' business meeting at the end of January, and at this meeting the District's previous General Manager, Jim Conkwright, was awarded an honorary membership with TAGD. She said she was selected to serve on the TAGD legislative committee's Joint Planning Subcommittee. The objective of the subcommittee is (1) To consider the functioning of the GMA joint planning process, identify opportunities to improve the joint planning process, and prepare a brief white paper that summarizes the overall functioning of the GMA joint planning process and make recommendations for possible improvements; (2) to review what GCDs are doing to monitor achievements of DFCs

- a) Status report on Historic Use Applications. Ms. Jones reported the District staff are wrapping up administrative review of each of the historic use permit applications and plans to begin conducting technical review of each of the applications within the next 30-45 days to begin preparing recommendations to the Board based upon the information contained in each of the applications while considering the applicable criteria set forth in Chapter 36, the District's enabling legislation, and the District rules. She said during this process, the District

may find it necessary to request additional information from the applicant to support the technical review in development of a recommendation. Also, because of the volume of Historic Use Permit applications received and the administrative and technical needs required to process such applications, she added it may be necessary to bring in an outside consultant to assist with the technical review of certain applications as well as those applications requiring a groundwater production Verification Period. She stated she will continue to keep the Board apprised as this process continues to develop.

- b) Status report and possible action regarding construction of office facility. Ms. Jones said contractors were finishing up the drywall and will begin tape and bedding, which should take just over a week and then painting will begin. Tile has been ordered and is expected to be delivered in about two weeks and will begin installing. The overhead door color was released the previous week and has gone into production for the metal building. She said she is working with the utility companies to set up accounts and to get gas and permanent power turned on. She said she should also have all the landscaping information that week to finalize our demonstration gardens and rainwater harvesting features in order to get material ordered for the irrigation and landscape needs. She said the contractors estimate the project is roughly 75% complete.

Ms. Jones said the Senate Water & Rural Affairs Committee and the Senate Natural Resources & Economic Development Committee will meet jointly on Thursday, April 30, 2020 at 9:00 AM to hear invited and public testimony on joint interim committee charges. She said the District will provide additional updates as more information becomes available on the specific interim charges that may be the subject of this hearing.

She also provided a reminder that HB 3834, from the last legislative session, requires local government employees with access to a district database to complete a certified cybersecurity awareness training course by June 14, 2020. Each employee is also required to renew their training certification annually. She said a majority of PGCD staff will be attending a training class locally on April 8th. She added that TAGD is also exploring ways to provide resources to help member districts work toward compliance as well.

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 said field staff had been busy conducting HUP field verifications and working on monitor well maintenance and possible locations for additional monitoring wells.

To complete her report, Ms. Jones provided an update on violations and non-compliance of District rules and gave a brief summary of each situation.

**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 most of his work has been focused on reviewing Historic Use Permit applications and DFC planning. He wanted to note that Texas Senator Kirk Watson would be retiring.

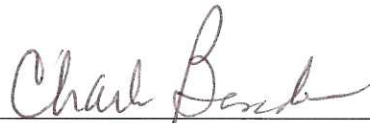
**OPEN FORUM / DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING  
AGENDAS**

Ms. Jones briefly mentioned that there was a chance that the hotel may have double booked the meeting room for an upcoming board meeting. She said she would keep the Board informed if any change to meeting place would be needed.

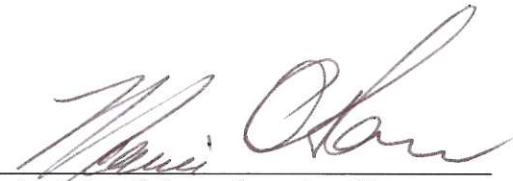
**ADJOURN**

There being no further business, upon a motion made by Director Kirk and seconded by Director Smith, the meeting was adjourned at 10:07 a.m.

**PASSED, APPROVED, AND ADOPTED THIS 16<sup>th</sup> DAY OF MARCH 2020.**



Charles Beseda, President



Maurice Osborn, Secretary/Treasurer

# Sign-In Sheet

February 18, 2020

[illegible]

**RESOLUTION NO #20-002**

**RESOLUTION OF THE  
BOARD OF DIRECTORS OF THE  
PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT  
AMENDING 2020 OPERATING BUDGET**

**THE STATE OF TEXAS**

**§**

**PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT §**

**WHEREAS**, on November 18, 2019, the District Board of Directors' (the "Board") of the Prairielands Groundwater Conservation District (PGCD) adopted an annual operating budget ("the Budget") for 2020, 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" 2020 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, 2020 through December 31, 2020.

**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, 2020 to December 31, 2020, 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 Smith, 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 18<sup>th</sup> day of February 2020.

### 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 February 18, 2020. Said resolution appears in the minutes of this meeting and has not been rescinded or modified.

Maurice Osborn  
Maurice Osborn, Secretary/Treasurer

[SEAL]







## AMENDED FY\_2020 Budget

### INCOME

Administrative Fees:	\$	800.00
<b><u>Application Fees:</u></b>		
Exception Fees	\$	10,000.00
OP Application Fees	\$	8,000.00
Well Registration Fee	\$	75,000.00
<b>TOTAL APPLICATION FEES:</b>	<b>\$</b>	<b>93,000.00</b>
<b><u>Groundwater Production Fees:</u></b>		
Export Water Use Fees	\$	250.00
Historic Use Permit Fees	\$	-
Operating Permit Fees	\$	10,000.00
Production Fee Funds	\$	1,200,000.00
<b>TOTAL GW PRODUCTION FEES:</b>	<b>\$</b>	<b>1,210,250.00</b>
Interest Earned	\$	8,000.00
Late Fee / Violation Fee	\$	2,500.00
<b>TOTAL INCOME</b>	<b>\$</b>	<b>1,314,550.00</b>

### EXPENSES

#### **Building Construction Expense**

Architect/Consultant	\$	15,000.00
Building Construction	\$	780,000.00
Mortgage Interest	\$	30,000.00

## Attachment "A"

Mortgage Principal	\$ 25,000.00
Moving Expense	\$ 1,200.00
Office Equipment	\$ 30,000.00
Office Furniture	\$ 25,000.00

<b>TOTAL BLDG CONSTRUCTION</b>	<b>\$ 906,200.00</b>
--------------------------------	----------------------

### **Field/Technical Expense**

Field Equipment	\$ 4,000.00
Field Supplies	\$ 4,500.00
Monitor Wells - Equip.	\$ 42,000.00
Special Projects	\$ 1,000.00
Travel/Training/Edu	\$ 2,500.00
Vehicle Expense - Fuel	\$ 3,500.00
Water Meter Calibration	\$ 1,000.00
Vehicle Repair & Maintenance	\$ 3,500.00

<b>TOTAL FIELD EXPENSE</b>	<b>\$ 62,000.00</b>
----------------------------	---------------------

### **Insurance Expense**

Errors & Omissions	\$ 3,000.00
Insurance - Property	\$ 6,000.00
Liability/Bonds/Other	\$ 3,800.00
Vehicle Insurance	\$ 3,500.00

<b>TOTAL INSURANCE EXPENSE</b>	<b>\$ 16,300.00</b>
--------------------------------	---------------------

### **Legal Expense**

Amici Curiae Briefs	\$ 5,000.00
Enforcement	\$ 4,000.00
General Counsel	\$ 100,000.00
GMA 8 Administrative	\$ 4,000.00

## Attachment "A"

Injection Well Monitoring	\$	2,000.00
Legislative - Gov't. Relations	\$	55,000.00
<b>TOTAL LEGAL</b>	<b>\$</b>	<b>170,000.00</b>

### **Meeting/Travel/Training Expense**

Mileage Reimbursement	\$	2,500.00
Board Member/Travel Expense	\$	8,000.00
Manager Meeting/Travel Expense	\$	10,000.00
Staff Meeting/Travel Expense	\$	1,500.00
<b>TOTAL TRAVEL/TRAINING EXPENSE</b>	<b>\$</b>	<b>22,000.00</b>

### **Office Expense**

Custodial Services	\$	8,500.00
Computer Software	\$	2,500.00
Internet/Managed IT Service	\$	12,000.00
Lawn Maintenance	\$	2,000.00
Office Equipment	\$	5,000.00
Office Lease	\$	20,000.00
Office Supplies	\$	6,000.00
Postage Expense	\$	2,000.00
Post Office Box	\$	500.00
Utilities	\$	17,000.00
Website/Hosting	\$	5,000.00
<b>TOTAL OFFICE EXPENSE</b>	<b>\$</b>	<b>80,500.00</b>

### **Operating Expense**

Accounting	\$	3,000.00
Awards and Recognition	\$	1,000.00
Bank Charges	\$	7,500.00
Dues/Subscriptions	\$	6,500.00

## Attachment "A"

GMA 8 / NTGCD	\$	3,000.00
Misc.	\$	300.00
Public Hearing Notices	\$	5,000.00
Recording Fees	\$	2,000.00
Refund - Unused Permitted Water Use Fees	\$	1,500.00
Relocation Expense	\$	5,000.00
<b>TOTAL OPERATING</b>	<b>\$</b>	<b>34,800.00</b>

### **Payroll Expense**

FSA - Flex System	\$	1,000.00
Health Insurance	\$	88,600.00
Payroll	\$	580,200.00
Payroll Service/Fees	\$	5,000.00
Payroll Taxes	\$	45,000.00
Retirement	\$	53,000.00
<b>TOTAL LABOR</b>	<b>\$</b>	<b>772,800.00</b>

### **Professional Services Expense**

Audit Fee	\$	16,000.00
Database Redevelopment	\$	99,300.00
Hydro-Geologist/Tech	\$	100,000.00
UIC Injection Well - Prof.	\$	1,000.00
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>\$</b>	<b>216,300.00</b>

### **Public Relations/Education Expense**

Advertising/Printing	\$	10,000.00
Conservation Demonstration	\$	12,000.00
Conservation/Educ Trailer	\$	4,000.00
Conservation/Education	\$	4,000.00
Public Relations - Misc.	\$	4,000.00
Trailer Storage	\$	1,500.00



## Attachment "A"

Travel/Training/Edu	\$	4,000.00
Video Production	\$	900.00
Water Wise	\$	23,000.00
<b>TOTAL PUB. RELATIONS/EDU EXPENSE</b>	<b>\$</b>	<b>63,400.00</b>
<b><u>Vehicle Expense</u></b>		
Fuel	\$	2,500.00
Vehicle Maintenance	\$	1,000.00
<b>TOTAL VEHICLE EXPENSE</b>	<b>\$</b>	<b>3,500.00</b>
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>2,347,800.00</b>
<b>NET ORDINARY INCOME:</b>	<b>\$</b>	<b>(1,033,250.00)</b>
<b>Other Income</b>		
Reserve Funds	\$	(1,034,000.00)
<b>NET INCOME:</b>	<b>\$</b>	<b>750.00</b>