

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

August 17, 2020

MINUTES OF OPERATING PERMIT HEARING

The Board of Directors of the Prairielands Groundwater Conservation District ("District") met in special session, open to the public, at 208 Kimberly Dr, Cleburne, TX, within the boundaries of the District on August 17, 2020.

President Charles Beseda presided and called to order the Operating Permit Hearing at 9:25 a.m.

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

Charles Beseda
Dennis Erinakes
Kent Smith
Marty McPherson

Maurice Osborn
John Curtis
Randy Kirk
Paul Tischler

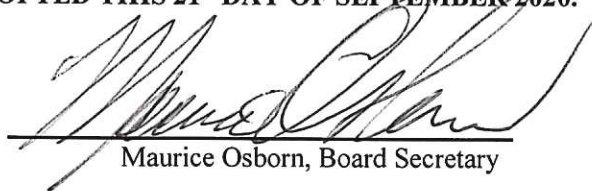
All members of the Board were present, with the exception of Director Erinakes, thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Kathy Turner Jones, General Manager; Brian Sledge, General Counsel; District staff; and members of the public. *Copies of the public sign-in sheets are attached hereto as Exhibit "A" to the August 17, 2020 Regular Board Meeting minutes.*

RECEIVE PERMIT HEARING REPORT FROM GENERAL MANAGER, ANY PUBLIC COMMENT(S), REQUESTS TO CONTEST AND CONSIDER GRANTING, DENYING, OR AMENDING APPLICATIONS FOR THE FOLLOWING OPERATING PERMITS AND/OR EXCEPTIONS:

- 1) City of Carl's Corner, for a proposed well (#2181) to be drilled in Hill County at 695 Linda Rd., Carl's Corner, Texas 76645; not to exceed 300,000 gallons per calendar year for 2020 and 22 MG per calendar year (2021-2025); Municipal Use. (Driller of record: THI Water Well). Ms. Jones reported the City of Carl's Corner is a municipal public water system located in Hill County and is requesting registration and authorization to begin construction of a new well which will serve a public water supply with a population of approximately 130 people, 35 service connections. Primary source of water is Groundwater. The portion of the City south of I-35E is serviced by Files Valley. Following Ms. Jones' report, Director Kirk motioned to approve granting an Operating Permit for the City of Carl's Corner as recommended by the General Manager. Director Smith seconded the motion. The motion passed unanimously among all who were present.

There being no further business, Director McPherson made a motion to adjourn the permit hearing. Director Smith seconded the motion. The hearing was adjourned at 9:30 a.m.

PASSED, APPROVED, AND ADOPTED THIS 21st DAY OF SEPTEMBER 2020.



Maurice Osborn, Board Secretary

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

August 17, 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, open to the public, but held via a publicly accessible webinar/telephone conference call, at 208 Kimberly Dr, 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 9:32 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 Erinakes, thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Kathy Turner Jones, General Manager; Brian Sledge, General Counsel; District staff; and members of the public. *Copies of the public sign-in sheet(s) received and video conference attendee list 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 – Kathy Turner Jones

- a) Update on current administrative and financial activities of the District. Ms. Jones reported she had been visiting with Director Osborn and planned to have a budget committee meetings in the coming weeks to discuss forecasts of expected end-of-year

expenses and to look at projections for 2021 budget planning. She also discussed a certificate of deposit that matured the beginning of August at Grandview Bank. Funds were deposited to the District's money market account.

Review 2nd Quarter Investment Report 2020. 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. She recommended to accept the 2nd Quarter Investment Report as presented. There was no further discussion.

UPDATE ON PUBLIC OUTREACH ACTIVITIES, EDUCATIONAL AND CONSERVATION EFFORTS – Sinclair Newby

Ms. Newby talked about the release of the summer 2020 edition of the eLine Newsletter the week of August 10, which featured articles about conserving water during the summer, the new WaterMyYard app, upcoming events and meetings and more. She talked briefly about pop-up banners she was designing with educational and promotional content to be displayed at the office building and used at education and outreach events. She talked about planning and research of a digital toolkit to provide teachers this fall to use if in-person visits are prohibited due to COVID-19 restrictions. Ms. Newby gave a brief summary of upcoming presentations to members of the Ennis Rotary Club on September 8 and Cleburne Rotary Club on September 10. She said the District would be participating virtually during the Ellis County Rural Heritage Farm event on September 27 and would be hosting members of the Ovilla Garden Club on November 19. Lastly, she discussed the District's social media engagements and reach for the month of July.

DISCUSS, CONSIDER, AND TAKE ACTION TO APPROVE RESOLUTION #20-004 ADOPTING AMENDMENTS TO THE DISTRICT BYLAWS UPDATING THE DISTRICT'S PHYSICAL ADDRESS – Kathy Jones

Ms. Jones discussed the proposed amendments to the District Bylaws that were noted in a redline version provided to the directors. She summarized that the proposed amendments were to reflect the District's change of address to the new office location as well as a few non-substantive formatting changes. Director Smith made a motion to approve Resolution #20-004 adopting amendments to the District Bylaws updating the District's physical address. Director McPherson seconded the motion. The motion passed unanimously. *Copy of said Resolution #20-004 is attached hereto as Exhibit "B".*

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

Mr. Beach reported that GMA 8 at their August 7, 2020, meeting approved Run 11 of the Trinity Woodbine Groundwater Availability Model, and that there would be a resolution available for review before the next GMA 8 meeting. He also said the non-relevant aquifers were officially voted on.

UPDATE AND DISCUSSION OF BRACKISH GROUNDWATER PRODUCTION ZONES DESIGNATED BY THE TEXAS WATER DEVELOPMENT BOARD – Brian

Sledge and James Beach

Mr. Sledge said that in order to encourage utilization of brackish groundwater, the legislation for several sessions in row has undertook creating an incentive to propose brackish groundwater and desalination. He said in 2015, H.B. 30 passed requiring the Texas Water Development Board to go around the state and identify areas of brackish groundwater where the water could be safely pumped without impacting the freshwater groundwater. He said the areas considered as brackish groundwater are between 1,000 and 10,000 ppm TDS (total dissolved solids). Mr. Sledge discussed the way that the aquifers beneath the District start with a low TDS in the outcrop, and as they dip downward towards the gulf coast moving southeast across the District, the level of TDS increases. He said in the 2019 legislative session, another bill was passed that specified what the implications are for designating these brackish groundwater production zones, which are that if someone wants to apply for a permit to produce brackish groundwater, the permit falls into a separate set of rules. He said these rules include the Texas Water Development Board modeling how much groundwater can be pumped without impacting freshwater resources as well as receiving a 30-year permit term. Mr. Sledge said groundwater conservation districts can adopt specialized rules to align with these statutes governing brackish groundwater withdrawals. He said if a groundwater conservation district at any time within that 30-year term discovers that the brackish groundwater production is having effects on freshwater resources or achievement of desired future conditions, they can reduce the pumping allotment but only with approval of the Texas Water Development Board.

Mr. Sledge discussed the aquifer formations within the District and which areas included the designated brackish groundwater production zones. He said that any wells currently in production had a five-mile radius placed around them that pushed back the edge of the brackish groundwater zone. He added that what the District staff and consultants are now working on is seeing if there are any wells that were not identified by the Texas Water Development Board. Mr. Sledge said the most important item to discuss was if the District wanted to move forward on adopting rules regarding brackish groundwater production permits as a proactive measure in the instance that someone eventually applies for a permit.

Director Curtis asked if the pumping of brackish groundwater would affect the freshwater groundwater. Mr. Beach explained that the goal was to identify brackish groundwater production zones that would have little impact on freshwater zones. He said through the groundwater conservation district rulemaking process, and oversight of the Texas Water Development Board, there will be some checks put in place to make sure there isn't more harm being done than was anticipated by legislation. Mr. Sledge added that the District also has to keep in mind protecting private property rights. Mr. Beach mentioned that if the 30-year permit could not be retracted or reduced, it needs to be granted based on an amount available without significant impact. He said the groundwater availability models were used to determine the anticipated impacts and that there are documents that show where wells are located to take them into consideration.

Director Curtis also asked if there were other groundwater conservation districts working on developing rules related to brackish groundwater production permits. Mr. Beach and Mr. Sledge both detailed how this is a new development and that there are a number of groundwater conservation districts have draft rules in development at this stage.

There being no further discussion, at 10:29 a.m. President Beseda announced, "The Board will recess into a Closed Executive Session under Government Code Section(s) 551.071 and 551.074 for consultation concerning attorney-client matters and personnel matters. No action will be taken in closed session, and the Board will reconvene in open session at the conclusion of the closed session."

The Executive Session concluded at 11:59 a.m., and at 12:05 p.m. President Beseda announced that the meeting was reconvening into an open session and that it was open to the public.

CONSIDER ENFORCEMENT ACTION, INCLUDING WITHOUT LIMITATION LITIGATION, IMPOSITION OF CIVIL PENALTIES, AND/OR COMPROMISE AND SETTLEMENT AGREEMENTS FOR VIOLATIONS OF DISTRICT RULES FOR THE FOLLOWING:

- a) Failure to Properly Register Well, Operating Well Without A Permit; Failure To Submit a Complete and Accurate Water Production Report Within The Required Period: The Orchard On The Brazos Well ID 1554. Mr. Sledge stated that based on the discussion during executive session, he would recommend the board entertain a motion to direct the general manager to send a notice of violation to Orchard on the Brazos for failure to obtain a permit, falsifying registration, failure to pay water use fees, failure to pay transport fees, and failure to submit water production reports, as well as having the Orchard on the Brazos scheduled to have a show cause hearing before the board in conjunction with the September board of directors meeting. Director Kirk made the motion as described by Mr. Sledge, and Director Tischler seconded the motion. The motion passed unanimously.

DISCUSS, CONSIDER, AND POSSIBLE ACTION ON RECOMMENDATIONS OF THE POLICY AND PERSONNEL COMMITTEE

Director Tischler discussed that the annual performance review of the general manager had been done and that the Policy and Personnel Committee had made recommendation to the Board regarding the general manager's performance and compensation. Director Tischler made a motion that the Board approve the recommendations of the Policy and Personnel Committee following regarding the performance review and compensation of the general manager. Director Kirk seconded the motion. The motion passed unanimously.

GENERAL MANAGER'S REPORT AND UPDATE – Kathy Turner Jones

- a) Historic Use Permit Applications. Ms. Jones reported staff continues to work through the Historic Use Permit applications for administrative completeness; including meeting with applicants to assist gathering additional information needed to complete reviews of the applications.
- b) Status report and possible action regarding construction of office facility. Ms. Jones reported contractors were completing their final punch list with hopes that staff could move in to the new facility by the end of August. Ms. Jones noted the District's existing office lease agreement at the Liberty Hotel was through September, but that staff could potentially move out sooner. She said furniture was still coming in over the next few

weeks and encouraged the board members to walk through the building and offices before they left.

Ms. Jones noted 19 new wells had been drilled during July with 18 of those being exempt wells spread out across the District. She also said field staff were working to gain updated information and double-checking meters and verifying naming and location of wells as they work on cross-referencing production.

Ms. Jones also discussed the need to look at reviewing and updating the District's investment policy. She added that she and Director Osborn recently discussed possible changes following his attendance at TAGD's investment training seminar in May. One of the changes discussed included the possible need to add a disclosure requirement for any board member who might be affiliated with any of the banking institutions the District was involved in business with.

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 what he has been working on since the previous meeting was related to brackish groundwater production zones, rule implementation, and enforcement cases. He gave an update on the LCRA and Lost Pines GCD case, saying there is still yet to be a decision regarding approval from the administrative law judge, and that there had been exceptions filed to the judge's Proposal for Decision (PFD), but some argument has arisen after issuance of the PFD that the findings of fact and the conclusions of law might not match up. He said a decision should be made within the next month.

In terms of legislation, Mr. Sledge said there has been no meetings of legislative committees since the committees cannot meet virtually under House and Senate rules, so most are seeking written comments submitted electronically to the committees to do their interim charges and studies.

The last item that Mr. Sledge discussed was the passing of Director Dennis Erinakes due to health issues since the previous meeting. He highlighted Director Erinakes' many dedicated years of service to the board and asked that the board adjourn the meeting in memory of him.

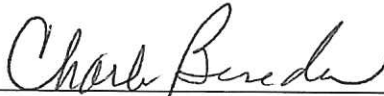
OPEN FORUM / DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING AGENDAS

None.

ADJOURN

There being no further business, Director McPherson made a motion to adjourn the meeting in memory of Director Dennis Erinakes, which was seconded by Director Kirk. The motion passed unanimously. The meeting was adjourned in memory of Director Dennis Erinakes at 12:20 p.m.

PASSED, APPROVED, AND ADOPTED THIS 21st DAY OF SEPTEMBER 2020.


Charles Beseda, President

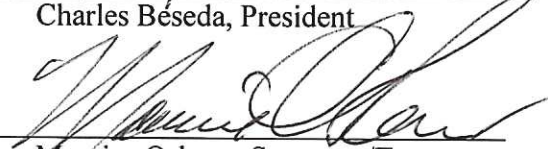

Maurice Osborn, Secretary/Treasurer

Exhibit "A"



Regular Board Meeting

Sign-In Sheet

August 17, 2020

**** Note: If you are speaking, please limit to 3 minutes ****

Name	Business	Phone #	Email Address	Speaking? (YES / NO)

Exhibit "A"

Participant Name or Phone Number	Join Time	Leave Time	Duration (Minutes)
1-806-570-0419	8/17/2020 9:14	8/17/2020 9:21	7
1-817-655-2450	8/17/2020 11:24	8/17/2020 11:37	13
Brian Sledge	8/17/2020 10:31	8/17/2020 10:35	5
Buck Benson	8/17/2020 8:56	8/17/2020 12:20	204
Collier Consulting	8/17/2020 11:10	8/17/2020 11:26	16
James Beach	8/17/2020 8:56	8/17/2020 10:29	93
Jim Conkwright	8/17/2020 8:59	8/17/2020 11:20	141
Marty McPherson	8/17/2020 9:56	8/17/2020 10:01	5
Peter Schulmeyer	8/17/2020 8:49	8/17/2020 12:20	211
Prairielands GCD	8/17/2020 8:31	8/17/2020 12:20	159
Sinclair Newby	8/17/2020 11:48	8/17/2020 12:07	21
sport	8/17/2020 8:59	8/17/2020 10:12	73

RESOLUTION NO #20-004

**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, 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, following construction and completion of its building facilities, the Board of Directors of the District desires to amend and establish a new District address; and

WHEREAS, in accordance with Section 6.1 of the District Bylaws, the Board hereby establishes a new District address as set forth herein.

**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. That the Board of Directors of the Prairielands Groundwater Conservation District hereby establishes its meeting and physical office location as 208 Kimberly Drive, Cleburne, Texas 76031
3. The Board of Directors for the District hereby adopts the attached bylaws, as amended, for the District.
4. The Board of Directors and District staff are further authorized to take any and all actions necessary to implement this resolution.

5. 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 17th day of August 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 August 17, 2020. 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 August 17, 2020

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 208 Kimberly Drive, 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 transaction 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 changes as a result of HB 2840 amending the Texas Open Meetings Act to address public testimony at open meetings of governmental entities.
Amended – 08.17.20	Updated to include change of physical address from 205 S. Caddo Street to 208 Kimberly Drive, Cleburne, Texas 76301; format modifications.