

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

July 19, 2021

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, within the boundaries of the District at 208 Kimberly Dr, Cleburne, TX, and remotely via the publicly accessible audio and video conference call on July 19, 2021.

CALL TO ORDER AND DECLARE REGULAR MEETING OPEN TO THE PUBLIC

In the absence of President Charles Beseda, 2nd Vice-President Randy Kirk presided and called to order the regular Board of Directors Meeting at 9:14 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
John Curtis	Kent Smith
Randy Kirk	Marty McPherson
Paul Tischler	Barney McClure

All members of the Board were in attendance, with the exception of Director(s) Beseda, McPherson, and Curtis, thus constituting a quorum of the Board of Directors. Attending virtually, Director McClure. Also, attending 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 Osborn seconded the motion and it carried unanimously by all those who were present.

PRESENTATION OF UNAUDITED FINANCIALS FOR THE MONTH OF JUNE 2021 – Brian Watts, Comptroller

- a) Review of monthly cash flow and cash projection for 2021. Mr. Watts discussed the balance sheet and profit and loss analysis for the month of June 2021. Director Tischler made a motion to approve the finances as presented, and Director Smith seconded the motion. The motion carried unanimously. Following the motion, Mr. Watts briefly discussed a cash flow projection for the remainder of 2021 for information purposes only and stated there was no action necessary.
- b) Review 2nd quarter Investment Report 2021. Mr. Watts provided a summary of bank account balances and coverage through FDIC and pledged securities, showing that all funds were more than adequately covered. Following review, Mr. Watts recommended to accept the 2nd Quarter Investment Report as presented. Motion by Director Osborn to accept the 2nd quarter Investment Report 2021. Director Smith seconded the motion and it carried unanimously by all those who were present.

**BUDGET AND FINANCE DEVELOPMENT COMMITTEE – Maurice Osborn,
Treasurer**

- a) Consider and act on Resolution #21-003 adopting water use fee rate schedule for 2022. *Copy of Resolution #21-003 attached hereto as Exhibit "B"*. Ms. Jones stated the Budget and Finance Committee had met the prior week and following review and discussion of cash flow projections for 2022, the committee recommends the Board maintain the water use fee of \$0.20 per thousand gallons of groundwater used annually for nonagricultural purposes that adequately addresses anticipated budgeting and revenue considerations for the District. Director Osborn made a motion to approve Resolution #21-003 adopting water use fee rate schedule for 2022. Director Smith seconded the motion and the motion carried unanimously.
- b) Discuss, consider, and take action as necessary to approve Resolution #21-004 reviewing and approving Investment Policy and Investment Strategies as required annually by the Public Funds Investment Act of Texas. *Copy of Resolution #21-004 attached hereto as Exhibit "C"*. Ms. Jones advised the Board that the District's Budget and Finance committee is tasked annually with reviewing the Investment Policy, and in a committee meeting the prior week the committee found no changes were needed, and therefore it would be the committee's recommendation to approve the resolution. Director Osborn made a motion to approve Resolution #21-004 re-adopting the investment policy without changes. Director Smith seconded the motion, and the motion carried unanimously by those present.
- c) Consider and act on Resolution #21-005 amending administrative fee schedule and authorize the General Manager to take any and all action necessary for the implementation of this Resolution. *Copy of Resolution #21-005 attached hereto as Exhibit "D"*. Ms. Jones reported the Budget and Finance Committee reviewed the current administrative fee schedule and provided proposed amendments including additional fees that had been overlooked or were needed due to changes in the District Rules, an added application fee for extension of well drilling authorization, and clarification to the public hearing fees. Director Osborn made a motion to approve Resolution #21-005 amending administrative fee schedule. Director Tischler seconded the motion and the motion

carried unanimously.

- d) Discuss, consider, and take action as necessary to approve and authorize participation in the TexPool Investment Pools and designating authorized representatives. Ms. Jones explained how TexPool is one of the largest and oldest local government investment pools in the state of Texas and allows public entities to combine their investment dollars in a pool that seeks safety of principal, liquidity, and yield of capital investment consistent with the Texas Public Funds Investment Act (TPFIA). Invests conservatively in U.S. government securities, repurchase agreements, and AAA-rated money market mutual funds to provide a safe, efficient, and liquid investment option. As one of the approved investment strategies under the District's Investment Policy, it would be her recommendation to approve the resolution to authorize staff to establish an account on behalf of the District. Director Maurice Osborn made a motion to approve the resolution authorizing participation in the TexPool investment pools and designating authorized representatives. Director Kent Smith seconded the motion, and the motion passed unanimously by those present.

PRESENTATION AND UPDATE ON 'GROUNDWATER MANAGEMENT SYSTEM DATABASE' DEVELOPMENT – Erin Atkinson, Halff and Associates, Inc.

Mr. Atkinson presented a draft version of the District's groundwater management system database for review by the Board, and talked through different features and functionality of aspects of the database, including well registration, online production reports, payment processing, and web maps. He also stated that every item that was scoped out in Task Order #3 had been completed.

- a) Change Order Authorization – Discuss and consider authorizing the General Manager to execute Task Order #4 with Halff Associates, Inc. for database modifications. Ms. Jones confirmed Task Order #3 was complete and that Task order #4 would address changes reflected in the recent District Rule amendments, as well as adding pop-up prompts, online applications for amending well registration and Operating Permits, as well as changing the online payment option. Director Smith made a motion to authorize the General Manager to execute Task Order #4 with Halff Associates, Inc. for database modifications. Director Tischler seconded the motion and the motion carried unanimously.

DISCUSSION AND POSSIBLE ACTION TO AUTHORIZE THE GENERAL MANAGER TO OFFER A SETTLEMENT TO THE FOLLOWING FOR ALLEGED MAJOR VIOLATIONS OF THE DISTRICT'S RULES:

- a) Double D Drilling (Denton, TX) – Violation: Drilling a well at a different location than authorizes or in violation of spacing or minimum tract requirements. Ms. Jones stated this enforcement item requires Board approval to offer settlement, and it would be her recommendation the Board allow the General Manager to offer settlement to the driller. Director Tischler made a motion to authorize the General Manager to offer a settlement to Double D Drilling for alleged major violations of the District's Rules. Director Smith seconded the motion and the motion carried unanimously.

DISCUSS, CONSIDER, AND TAKE ACTION TO CONSIDER APPLICATION FOR EXCEPTIONS TO MINIMUM TRACT SIZE REQUIRMENTS FROM BENJAMIN AND JACINDA EASON FOR A PROPOSED WELL TO BE LOCATED AT 9933 COUNTY ROAD 603C, BURLESON, TX 76028 - Kathy Turner Jones

Ms. Jones reported there was no action necessary on this agenda item since although the applicants had been in the contact with the District, they had not filed paperwork with the yet due to wanting to consider other options available.

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

Ms. Newby provided an update on recent educational presentations to students at Rio Vista Elementary, as well as to the members of the Cleburne Lions Club. She also discussed a press release she distributed about Smart Irrigation Month during the month of July, and the release of the summer 2021 issue of the Prairielands eLine newsletter.

GRUNDEATER MANAGEMENT AREA 8 – UPDATE ON ACTIVITIES RELATED TO JOINT PLANNING IN THE DEVELOPMENT OF DESIRED FUTURE CONDITIONS – Kathy Turner Jones

Ms. Jones stated the GMA 8 meeting which had been scheduled for July 20, 2021 had been cancelled due to the pending Explanatory Report still needing to be finalized by the GMA's hydrogeologist. She explained that although there would not be many changes anticipated, there still needs to be time for review of the report. She added that the GMA is still ahead of the timeline on completion, but the District will continue to keep track of the progress.

ENGINEERING REPORT – Wade Oliver, INTERA

Mr. Oliver reported he met with the District's Planning and Development Committee to give an update and discuss the monitoring plan for the District. He stated he has been working with the Committee to efficiently expand the groundwater monitoring program by identifying existing wells and maximizing them. He added he will work closely with District staff and Board committees to go through and associating wells with units and analyzing water level trends over time. He stated he is also reviewing the District's well spacing tool and how it interrelates with well spacing guidelines in the District Rules. Ms. Jones added she is working on scheduling a follow-up meeting with the Planning and Development Committee.

GENERAL MANAGER'S REPORT AND UPDATE – Kathy Turner Jones

- a) Update on current administrative activities of the District. Ms. Jones discussed the upcoming Rules Committee meeting scheduled for August 5, as well as some updates related to Governor Abbott's rollback on provisions related to the Open Meetings Act.
- b) Update on Board of Directors Appointments. Ms. Jones confirmed letters had been sent to the county judges, and that Director Tischler and Director McPherson had both been confirmed to be reappointed. She added that she would be following up with the other county judges on letters sent regarding remaining appointments.

- c) Historic Use Permit Applications. Ms. Jones stated the next steps of the Historic Use Permit Application process would be to work with the District's general counsel on clarifying the hearing process on the applications.
- d) Enforcement. Ms. Jones reported there were only a few enforcement items still ongoing.

GENERAL COUNSEL'S REPORT – Brian L. Sledge

Mr. Sledge reported he has been working with District staff on permitting and compliance issues. He also stated he had emailed a final legislative report and list of items tracked for the District. He discussed the special session and how there were not any groundwater related issues expected, bills could still be filed and he would be staying abreast of any updates as they arise.


OPEN FORUM / DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING AGENDAS

None.

ADJOURN

There being no further business, Director Smith made a motion to adjourn the meeting which was seconded by Director Osborn. The motion passed unanimously. The meeting was adjourned at 10:22 a.m.

PASSED, APPROVED, AND ADOPTED THIS 19th DAY OF JULY 2021.



Maurice Osborn, Secretary/Treasurer