

# PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

January 18, 2022

## 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, on January 18, 2022

### 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 9:14 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	Brad Daniels
Randy Kirk	Marty McPherson
Paul Tischler	Barney McClure

All members of the Board were in attendance, thus constituting a quorum of the Board of Directors. Also present at said meeting were Kathy Turner Jones, General Manager; Brian Sledge, General Counsel (videoconference); District staff; and members of the public. *Copies of the public sign-in sheet(s) are attached hereto as Exhibit “A”.*

### PUBLIC COMMENTS

None.

### CONSENT AGENDA

Motion by Director McClure to approve the consent agenda, with the amendment of the written comments received from Collier Consulting to be included with the minutes of the December 21, 2021 Public Hearing on Proposed Amendments to District Rules. Director Curtis seconded the motion and it carried unanimously by all those who were present.

### FINANCE REPORT – Brian Watts, Comptroller

- a) Presentation of unaudited financials for the month of December 2021. Mr. Watts reported the District’s year end cash balances totaled \$2,072,597.57 and attributed this amount as

the result of numerous permittees paying their 2022 invoices before the end of 2021. He clarified that this would show as prepaid revenue and would be shown as such on audited financial statements. He added that this cash balance represented an increase of \$965,751.25 from December 31, 2020, and stated it was an indicator of strong financial health. He then discussed the profit and loss report, which showed the District had revenue for the month of December in the amount of \$16,809.11 with expenses of \$205,222.62, with the majority of expenses being legal expenses of \$67,309.90 and hydrogeology services of \$29,551.77. Director Tischler made a motion to accept the unaudited financials as presented. Director Curtis seconded the motion and the motion carried unanimously.

- b) Review of monthly cash flow and cash projection for 2021. Mr. Watts reported the cash flow and projection report for 2021 no longer had any estimates numbers and reflected final amounts totaling \$2,072,581.41 as of December 31, 2021. He stated the net cash inflow for the month of December was \$129,901.82 which was directly related to the collection of 2022 invoices being paid early. Regarding the Rule 7.4 water use refunds, Mr. Watts stated the final meter readings were due on January 15, 2022, and District staff were calculating amounts, and that once the calculations were final the totals would be presented to the Board. However, he added that he still felt confident in his projection of \$271,000, and the expectation is to fund the refunds to qualifying permittees before the end of the 1<sup>st</sup> quarter of 2022.
- c) Review 4<sup>th</sup> Quarter Investment Report for 2021 Mr. Watts presented the 4<sup>th</sup> Quarter Investment Report and highlighted the indicated ending balances of \$2,058,666.17 in the District's money market account, \$576.68 in the operating account, and \$13,338.56 in the interest-bearing account. He stated the District has the standard \$250,000 in FDIC coverage for all accounts, in addition to the pledged securities in the amount of \$2,000,000 on top of FDIC coverage for the money market account. He concluded by confirming the report certifies that the funds of the District are in compliance with the District's investment policy. Director Tischler made a motion to accept the 4<sup>th</sup> Quarter Investment Report as presented. Director McClure seconded the motion and it carried unanimously.
- d) Discuss, consider, and take action to approve 2021 YE Budget Transfer/Amendment(s). Mr. Watts presented a worksheet indicating proposed budget transfers and amended budget for 2021 for review and approval. He stated the budget transfers were reflective of under-spent line items being transferred to cover deficits for budget items such as legal expenses, hydrogeology services, and database management. He clarified that the total expense budget of \$1,637,750 remained the same, the funds had just been reallocated to cover over-extended line items. Director Curtis made a motion to approve the 2021 YE budget transfer and amendments. Director McClure seconded the motion and it carried unanimously.

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

Ms. Jones reported there had been no updates on an upcoming meeting, and briefly

discussed the timeline of DFC approval and adoption and that at this point in the process, the GMA is waiting to hear back from the Texas Water Development Board before any further action is planned.

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

Ms. Newby briefly discussed a press release she had distributed on January 11 about the adoption of the amendments to the District Rules. She also spoke about a preliminary planning meeting she had with representatives of Tinker, LLC to develop the lessons for the District-sponsored water education curriculum. She discussed a presentation she made to members of the Cleburne Lions Club on January 12, and briefly provided an update on the status of the draft 2021 Annual Report. She concluded her report with a summary of upcoming presentations and events she had scheduled for the coming weeks.

### **ENGINEERING REPORT – Wade Oliver, INTERA**

Mr. Oliver reported the ASR and AR suitability report he presented to the Board at the previous meeting had been finalized and was available on the District's website. He stated he had been working on spacing table reviews and working on a draft of the District's monitoring plan. He added that he and his team were assisting Ms. Newby in compiling summary reports for items addressed in the District's annual report.

### **GENERAL MANAGER'S REPORT AND UPDATE – Kathy Turner Jones**

- a) Update on current administrative activities of the District. Ms. Jones reported Texas Water Development Board Director, Kathleen Jackson, would be visiting the District office later in the week. She also discussed a meeting she had with Somervell County officials and Somervell County Water District representatives on January 12. She and District staff member, Michael Heath, also met with the new public works director for the City of Venus on January 10. She also spoke on reinitiating some conversations with county officials regarding a potential Memorandum of Understanding related to the review of groundwater availability certifications. She also reported that water use refunds under Rule 7.4 were being calculated and permittees were being verified for eligibility, and that the goal was to have refunds made available by March 15. Additionally, Ms. Jones reported she was working with Mr. Heath on creating an office procedure for meter verification. She briefly discussed being contacted by Ellis County Judge Todd Little and Johnson County Judge Roger Harmon about presenting to the Commissioners Courts, and she assured them that the District would present to each county's court following the release of the 2021 annual report and she would be following up to schedule those presentations. She concluded this portion of her report by highlighting the year-to-date water use chart for 2021, and providing information on the upcoming Texas Water Conservation Association meeting being held in Fort Worth in March for any directors who may like to attend.
- b) Historic Use Permit Applications. Ms. Jones reported that District staff were reviewing permittees who qualify for a Verification Period and communicating with these permittees on how to verify their production allotments.

**GENERAL COUNSEL’S REPORT – Brian L. Sledge**

Mr. Sledge reported he had been working on finalizing the amended District Rules document and submitted the final version to District staff. He also reported that the District received an injection well application that was filed southwest of Godley that was for a name change due to change in ownership. He reported the UIC application reviewer said there was no need to contest the application. He also reported he would be working with House committee staff on interim charges, and that the Speaker is currently taking advisement and would issue interim charges in February. He concluded his report by stating he was continuing discussions with District staff on permitting matters and scheduling Historic Use Permit hearings scheduled.

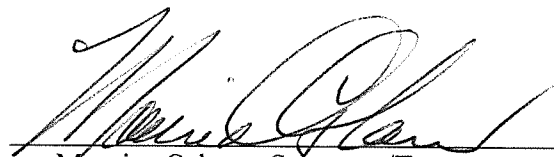
**OPEN FORUM / DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING  
AGENDAS**

None.

**ADJOURN**

There being no further business, Director Curtis made a motion to adjourn the meeting which was seconded by Director Daniels. The motion passed unanimously. The meeting was adjourned at 10:11 a.m.

**PASSED, APPROVED, AND ADOPTED THIS 22<sup>nd</sup> DAY OF FEBRUARY 2022**

  
Maurice Osborn, Secretary/Treasurer

