

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

February 22, 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 February 22, 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 Osborn made a motion to approve the consent agenda. Director McClure 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 January 2022. Mr. Watts reported January is a very significant month for the District since the District invoices permittees who pay monthly, quarterly, or annually, making January the single largest period of revenue billings for the District. He reported the ending balances for the for the District

as of January 31, 2022 totaled \$2,241,964.49 which he stated indicated a strong position for the District. He pointed out a new item listed on the balance sheet labeled “Rule 7.4 Liability Accrual” which represents the 15% estimated accrual of groundwater production fees for January in amount of \$135,339.63. He added that this amount would be adjusted every month as the District invoices for production fees. Another new item he discussed on the balance sheet was the item labeled “Board Reserved Fund Balance” which is the amount established under the Operating Reserve Resolution adopted by the Board at the December 2021 board meeting. He explained how this total represents six months of operating expenses as anticipated by the approved 2022 operating budget. He concluded his presentation with discussion of the profit and loss report showing a revenue for the month of January as \$782,430.86 after the reduction of the “Rule 7.4 Liability Accrual” estimate as mentioned earlier. Total expenses for the month of January totaled \$110,684.57, leaving the net income item calculated at \$671,746.29.

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 announced on an upcoming meeting.

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

Ms. Newby provided an update on enrollment numbers for the District-sponsored water education curriculum and discussed two recent school presentations with the Water Education Trailer at Keene Elementary and Grandview Elementary. She also spoke about an educational seminar hosted at the District office that was put on by Farm and Ranch Education Services on February 5 for local farmers, ranchers, and industry members regarding land and brush management. She also highlighted some of the topics included in the eLine newsletter released on February 1. She concluded her report by discussing upcoming educational events and presentations in the coming weeks.

- a) Review and possible action to approve draft 2021 Annual Report for the Prairielands Groundwater Conservation District for publication and distribution. Ms. Newby provided a background summary of the District’s Annual Report and highlighted key information from the 2021 Annual Report. Director McPherson made a motion to approve the 2021 Annual Report for publication and distribution. Director Kirk seconded the motion and the motion carried unanimously.

ENGINEERING REPORT – Wade Oliver, INTERA

Mr. Oliver discussed recent projects he had been working on, including providing information and charts for the annual report, hydrogeological project reports, and working on drought process evaluations. He stated that the drought evaluations would utilize a phased approach beginning by looking at the drought period in 2011 and then analyzing conditions with the goal of balancing aquifer protection with utilizing groundwater as a water supply during drought.

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, had visited the office on January 19 and was very interested in discussing DFCs, growth within the counties, and legislative updates. She was also complimentary of the District's education program and encouraged District staff to apply for the TWDB Texas Rain Catcher Award. Ms. Jones also discussed recent meeting with the City of Godley to discuss new developments and groundwater availability certifications, and also talked about discussions she had been having with Johnson County public works about those same topics. Director Tischler expressed interest in having all four counties participate in an MOU of interlocal agreement regarding groundwater availability certifications, and tasked Ms. Jones with initiating that process. She also highlighted discussions from a meeting she had with Trinity River Authority and a business owner seeking to develop a hydrogen plant in Hill County and the water requirements for the planned business development. Ms. Jones also spoke about the meter verification policy adopted with the December 21, 2021 District Rule amendments that requires a meter accuracy verification to be done within the five years prior to permit renewals. She explained that as a courtesy to permittees, the District would be sending out notice at the beginning of each year to remind permittees of this requirement.

- b) Historic Use Permit Applications. Ms. Jones reported the two-year verification period has been completed, however some permittees had their verification period extended one more year to allow for a true two-year verification period due to unforeseen circumstances such as parks or campgrounds not being open to full operation due to COVID-19 restrictions.

GENERAL COUNSEL'S REPORT – Brian L. Sledge

Mr. Sledge echoed several of the discussion points made by Ms. Jones and Director Tischler and discussed how following the adoption of amendments to the District Rules in December 2021, there were several items that were addressed in those amendments that need to be followed up with Johnson County officials about. Additionally, Mr. Sledge stated the initiative of working with the four counties and/or their platting authorities would be an excellent approach, as an interlocal agreement between the counties and the District would allow the District to provide expertise on evaluating groundwater supply for proposed projects. On the legislative front, Mr. Sledge reported there was much activity going on due to redistricting, and that one of his primary goals was to use this opportunity to visit with legislators about the TWDB and TCEQ sunset review and to help bring awareness to water-related issues and proposed changes to policy regarding groundwater. He also stated that legislative groundwater stakeholder group meetings through the Texas Water Conservation Association were beginning. He concluded his report with an update on interim charges being anticipated to be given following the primary election in March.

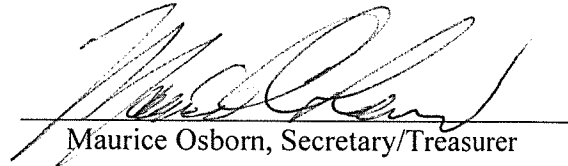
OPEN FORUM / DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING AGENDAS

None.

ADJOURN

There being no further business, Director McPherson made a motion to adjourn the meeting which was seconded by Director Kirk. The motion passed unanimously. The meeting was adjourned at 10:20 a.m.

PASSED, APPROVED, AND ADOPTED THIS 21st DAY OF MARCH 2022



Maurice Osborn, Secretary/Treasurer



Public Hearing and Regular Board Meeting
Sign-In Sheet
February 22, 2022

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

Exhibit "A"

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