

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

March 21, 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 March 21, 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 9:09 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; 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 Kirk 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 February 2022. Mr. Watts reported the balance sheet as of February 28, 2022 shows the District’s ending reconciled cash balances totaled \$2,146,264.31 which he emphasized remained a good indication of the overall financial health of the District given how February is historically a low-revenue

month. He also highlighted the liability amount related to District Rule 7.4 which he had been able to finalize and enter the adjusted entry to the balance sheet. He added how the balance sheet now showed a total of \$364,836.54 which represents the liability for 2021 of \$227,610.51 and the estimated amount for 2022 being projected as \$137,226.03. He stated the account will continue to be updated as water production fees are invoiced throughout the year. He then moved on to the discussed the Profit and Loss Report for the month of February, which indicated total gross revenues for the month being \$32,880.85 after the estimated 15% accrual of \$1,886.40 showing an adjusted revenue amount of \$30,994.45 for February. He added that total operating expenses were \$119,522.34 and \$23,320.00 for the new District truck that had been delivered, making total expenses for the month of February \$142,842.34. However, he did state the District revenues remain \$559,898.40 greater than expenses for the year.

- b) Update on 2021 Water Use Refunds. Mr. Watts discussed a chart provided in the directors' board packets which listed the permittees who qualified for the refunds in accordance with the District Rules, with a total amount of \$227,610.51 which he explained is 11.36% of the 2021 water production fees collected by the District.
- c) 2021 Annual Audit Schedule. Mr. Watts reported the outside auditors have scheduled the week of April 11 to be on-site to conduct their field work in order to prepare the 2021 financial audit with the presentation to the board being planned for the May board meeting. He added he is in the process of forwarding reports and other audit evidence to them and did not foresee any issue with meeting the deadlines necessary for the auditors to have their report completed for the May board meeting.

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 Rio Vista Elementary and Dinosaur Valley State Park. She briefly discussed the landscaping work and additional rainwater harvesting cistern being installed in the back of the office facility as "Phase II" of the on-site educational demonstration garden and rainwater harvesting system. She reported on the rainwater harvesting workshop that had been held at the District office on March 19 for members of the public. She concluded her presentation by mentioning several upcoming events she would be attending or hosting in the coming weeks.

ENGINEERING REPORT – Wade Oliver, INTERA

Mr. Oliver reported he had met with the District's Planning and Development Committee on March 7 to work on looking at how drought can affect local aquifers and how increase in demand for water could impact groundwater resources. He discussed that based on

the discussions with the committee, the evaluation will be looking at ways to assess well proximity and vertical completion of wells compared to one another, the stage of drought the District is in, and how under-production of permits in the previous five-year timeframe may allow for temporary authorization of additional production during times of severe or exceptional drought. He reported that following the previous board meeting, he and his staff had been working on updating the methodology for determining production from exempt wells in the District and would be providing these updates to District staff in the coming weeks.

GENERAL MANAGER'S REPORT AND UPDATE – Kathy Turner Jones

- a) Update on current administrative activities of the District. Ms. Jones reported she provided a summary presentation of the District's 2021 annual report to Somervell Commissioners Court on March 14th and was scheduled to present to Ellis, Johnson, and Hill county courts later this month and in April.

Ms. Jones also informed the Board the Texas Water Development Board is conducting a study in partnership with U.S. Geological Survey and Bureau of Economic Geology to update the 2011 Mining Water Use Study previously conducted by BEG and have requested comments from the District on the study draft report. Ms. Jones added that she had authorized INTERA to review the TWDB's study and to assist in providing formal comments as may be needed.

Other items discussed included meeting(s) with attorney Mark Hines regarding updating deed record notice for well registration(s) documents and various platting authorities to discuss groundwater availability certification studies requirements and subdivision rules requiring wells to retain minimum tract and minimum spacing requirements.

- b) Committee Meeting(s). None
- c) Historic Use Permit Applications. Ms. Jones reported permitting staff was concluding final edits to technical reviews and waiting on scheduling confirmation to begin setting applications for approval.
- d) Enforcement. Ms. Jones reported that formal notice had been received from the PUC approving transfer of Beachview Acres Water Association's CCN to Hilco United Services, thus bringing Beachview Acres Water Association into compliance with the District rules.

There being no further discussion, President Beseda announced, "At this time, 9:33 a.m., the Board will recess into a Closed Executive Session to consult with legal counsel on items on today's agenda under Government Code Section(s) 551.071 for consultation concerning attorney-client matters. No action will be taken in closed session. At the conclusion of the closed session, the Board will reconvene in open session with the public."

At 10:58 a.m. President Beseda announced the meeting was reconvening into an open session and was open to the public.

Following executive session, Director Tischler asked the General Manager where the

District was in the DFC and the GMA 8 process and if there would be new Managed Available Groundwater (MAG) numbers and when they might be available. Ms. Jones responded that in January of this year the GMA 8 submitted its approved Explanatory Report to the TWDB for state approval. Once approved, the TWDB will provide new MAG numbers for each of the GCDs. Director Tischler added that he would like the District to have its hydrogeologist look at the 50,000 gallons per acre production allocation for Operating Permits and make sure that 50,000 is still the appropriate number considering the new water budget the District will be receiving from the TWDB. Ms. Jones stated that an agenda item would be added to the April 18th agenda to further discuss.

GENERAL COUNSEL’S REPORT – Brian L. Sledge

Mr. Sledge reported briefly on the March primary elections and discussed the redistricting process and how district lines would be shifting within the four counties of the District. He also stated that Speaker Phelan had released interim committee charges to the Texas House of Representatives on March 10, and that the House Committee on Natural Resources was being charged with several groundwater-related items, including promoting the achievement of planning goals under Chapter 36, Water Code, including those involving desired future conditions, provide adequate transparency to the permit application process, further the state's groundwater quality protection efforts, including an assessment of risks posed to groundwater by abandoned and deteriorated water wells and orphan oil and gas wells, and to promote conservation and waste prevention. He stated that Lieutenant Governor Patrick had not yet released Senate interim charges. Mr. Sledge also discussed that the TWDB and TCEQ Sunset Advisory Commission review hearings would begin in the coming months. He discussed his recent work with the District’s Planning and Development Committee to work on a template for an interlocal agreement the District can use with county and city platting authorities for subdivisions proposing to use groundwater for water supply and so the District can provide hydrogeologic services with the review of groundwater availability certifications. He also mentioned he had followed up with the St. Edwards professor working on updating groundwater district information on the Texas Real Estate Commission forms used in real estate transactions and he would keep the Board updated on that process.

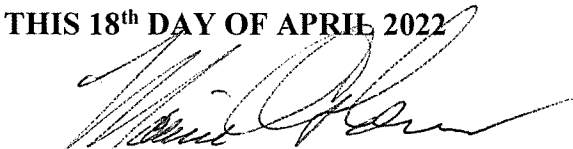
OPEN FORUM / DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING AGENDAS

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 11:06 a.m.

PASSED, APPROVED, AND ADOPTED THIS 18th DAY OF APRIL 2022



Maurice Osborn, Secretary/Treasurer



Exhibit "A"

Public Hearing and Regular Board Meeting

Sign-In Sheet

March 21, 2022

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

Name	Business	Phone #	Email Address	Speaking? (YES / NO)
Joseph M'Daniel	Aqua	817-573-2190	jjmcdaniel@aquacenter.com	No