

# PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

April 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 April 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 9:11 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 Curtis made a motion to approve the consent agenda. Director McPherson 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 March 2022. Mr. Watts reported the balance sheet dated March 31, 2022 showed the ending cash balances for the District totaled \$1,910,726.92 and stated this amount reflected balances after the water use fee refund payments to qualifying permittees. He stated that compared to the ending cash

balances on March 31, 2021, this amount showed an increase in cash of \$270,640.09 which was a great indication of the overall financial health of the District. He discussed the profit and loss report for the month of March which showed gross revenue of \$307,475.92 with a refund allowance of \$42,944.82 making the net revenue \$264,531.10. He added that during March is when the District invoices permittees for quarterly payments in addition to the monthly invoices which results in a very robust monthly revenue amount. Mr. Watts then highlighted the total expenses for the month of March totaling \$133,790.34, leaving a net result of \$133,740.76 of excess revenue over expenses. For this fiscal year, Mr. Watts reported the gross revenues totaled \$1,258,127.26 with a refund allowance of \$180,170.85 making the net revenue for the year-to-date \$1,438,298.11. He added that the operational expenses for the year total \$360,389.53 with capital expenses of \$23,320.00 bringing total expenses to \$383,709.53, which translates into a net excess revenue over expenses for the fiscal year of \$694,246.88 which will continue to provide the District the means to fund its budget for the remainder of the fiscal year.

- b) Review 1<sup>st</sup> Quarter Investment Report for 2022. Mr. Watts presented the first quarter investment report which showed the ending cash balance in the Citizens National Bank of Texas money market account as \$1,904,867.12, the operating account balance totaled \$528.01, and the Wells Fargo money market account balance at \$5,131.79. He stated all of the District's funds were sufficiently covered by FDIC coverage along with pledged securities at all times. Director Osborn made a motion to accept the 1<sup>st</sup> Quarter Investment Report as presented. Director Curtis seconded the motion and it carried unanimously.
- c) Update on 2021 Annual Audit. Mr. Watts reported the auditors had been working on the District's independent audit for the year ending December 31, 2021. He added that he had been submitting numerous reports and other audit evidence to them and had been responding to specific inquiries they have had. He stated he did not see any issues with the auditors being able to present their report during our next board meeting.

There being no further discussion, President Beseda announced, "At this time, 9:18 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 9:55 a.m. President Beseda announced the meeting was reconvening into an open session and was open to the public.

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

Ms. Jones reported she had contacted Drew Satterwhite of North Texas GCD who serves as the administrator for GMA 8 and inquired about an update regarding the DFC status and an upcoming GMA 8 meeting. She stated that Mr. Satterwhite confirmed the report is still in its review stage as of the end of March, but that TWDB had reached out to the GMA 8 consultants,

WSP, to ask some questions and to gather more information on the Explanatory Report. She said as of now there are tentative plans for a GMA 8 meeting to be held in late June or July following the release of the updated MAG numbers and would provide updates on a meeting date and location as information was provided.

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

Ms. Newby provided an update on recent education and outreach events, including a visit to Hubbard Elementary School on March 25 for 140 students from first grade through fifth grade. She also discussed having an educational booth at the Ellis County Master Gardener Expo on March 26 and a rainwater harvesting workshop held at the District office on April 2. She highlighted the recent release of the eLine newsletter on April 12, listed upcoming educational and outreach events she would be participating in, and completed her report with a brief discussion on the completed educational demonstration gardens and rainwater harvesting system expansion on the backside of the office facility.

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

Mr. Oliver reported he had submitted a draft monitoring plan to District staff for review and will continue to work with staff on finalizing it for presentation to the Board in an upcoming board meeting. He also discussed review of the TWDB and Bureau of Economic Geology mining study and stated that he found it to be a very well-done report with quantified current and future use data on oil and gas, coal and aggregate production. He briefly discussed the findings of the study and recommended that based on the data and results, He did not recommend presenting formal comments on the study to TWDB. He also reported he had been working on Groundwater Availability Certifications, beginning the documentation stage of the drought condition assessment project, and initial stages of developing the new methodology for estimating exempt well production.

#### **CONSIDER AUTHORIZING THE GENERAL MANAGER TO EXECUTE A TASK ORDER WITH INTERA TO REVIEW THE DISTRICT'S CURRENT GALLONS PER ACRE PRODUCTION ALLOCATION FOR OPERATING PERMITS IN LIGHT OF REVISED TWDB MANAGED AVAILABLE GROUNDWATER (MAG) NUMBERS RESULTING FROM RECENTLY REVISED DESIRED FUTURE CONDITIONS.**

Ms. Jones explained how this agenda item arose from a request made by Director Tischler at the previous month's board meeting regarding updated MAG numbers that would be released following the approval of the most recent DFCs and how the new amounts might affect the District's groundwater production allocation of 50,000 gallons per acre per year for Operating Permits. Following brief discussion, it was determined that although Mr. Oliver and his team did not have the final numbers, there was enough data available from the DFCs that were submitted to TWDB for them to begin a preliminary assessment to be finalized when the new MAG numbers are released. Director Tischler made a motion to authorize the General Manager to execute a task order with INTERA to review the District's current gallons per acre production allocation for Operating Permits in relation to the revised MAG numbers from the recently revised DFCs. Director McPherson seconded the motion and it carried unanimously.

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

- a) Update on current administrative activities of the District. Ms. Jones reported on the recent interim charges released to the Senate by Lt. Governor Dan Patrick on April 4 and stated the Senate Committee on Water, Agriculture and Rural Affairs would be holding a hearing on May 10 to discuss several of the charges. She added that Texas Water Conservation Association committees are beginning to meet to look at developing consensus language in advance of the next legislative session. She also discussed a new joint task force authorized by TWCA to address the implications of groundwater waste and its implications on the storage and transport of groundwater in state water courses, and clarified that this committee of 12-18 individuals from the TWCA groundwater and surface water committees will not be trying to develop consensus language but instead developing an informational paper that identifies the varying perspectives and approaches used to address “waste” and conflicts between Chapter 11 and Chapter 36 of the Texas Water Code and possible solutions to be considered by a larger joint committee of the TWCA board.

Ms. Jones also reported that District staff had met with a potential vendor to resolve several of the audio and visual issues in the board room, and that staff were still waiting to receive a quote for the services. Ms. Jones reported permitting staff had continued to stay busy with well registrations, requests for wells to serve subdivisions, and communicating with counties and platting authorities on platting and well spacing requirements. She also stated she had conducted presentations with all county commissioner's courts within the District and reported there had been several questions regarding well spacing and minimum tract size requirements.

- b) Update on Brazos G Regional Planning. Ms. Jones stated there was a Region G meeting on March 23 which focused on working through some of the intimal steps and timelines of the next State Water Plan. She added there would be a Region C meeting held on May 23 in Arlington at the North Central Texas Council of Governments office.
- c) Enforcement. Ms. Jones stated the permitting staff is continuing to work with well owners and permittees to avoid non-compliance issues, encourage the reporting of groundwater usage on time, and utilize the database effectively to monitor their year-to-date production totals compared to their production authorization totals.

## **GENERAL COUNSEL'S REPORT – Brian L. Sledge**

Mr. Sledge reported he had been working with District staff on Historic Use Permit applications and on tentatively scheduling to bring approximately 50 HUPs to the Board to be heard at the July board meeting. He added that although there are around 180 total, the initial hearings will be for ones that are more straightforward and are not in a Verification Period or needing extrapolation. He did state that the goal was to send out the board packet to directors well in advance for adequate time to review each applicant's information prior to the hearing. On the legislative front, Mr. Sledge reported that Lt. Governor Patrick had issued interim charges, and the Senate Committee on Agriculture, Water and Rural Affairs would have a hearing on May 10. He also reported that the TWCA Groundwater Committee would be meeting on Wednesday of that week with the goal of discussion what topics the committee will focus on for the rest of

the year. He concluded his report by mentioning that the Sunset Advisory Commission had released an agenda for TWDB's review and public testimony for April 27, and that TCEQ's hearing would be next but there had not been a date announced yet.

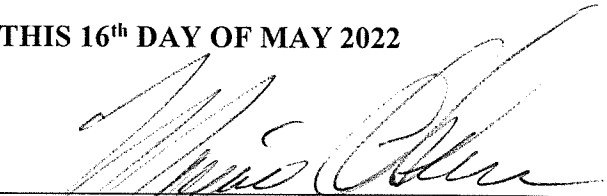
**OPEN FORUM / DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING  
AGENDAS**

None.

**ADJOURN**

There being no further business, Director McPherson made a motion to adjourn the meeting which was seconded by Director Curtis. The motion passed unanimously. The meeting was adjourned at 10:31 a.m.

**PASSED, APPROVED, AND ADOPTED THIS 16<sup>th</sup> DAY OF MAY 2022**



\_\_\_\_\_  
Maurice Osborn, Secretary/Treasurer



# Exhibit "A"

## Public Hearing and Regular Board Meeting

### Sign-In Sheet

April 18, 2022

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

Name	Business	Phone #	Email Address	Speaking? (YES / NO)
SR Holub		817581467	sr.holub@yahoo.com	NO
Nafis Choudhury		5045596482	nchoudhury@jscvd.com	NO
Buck Bensen		(210) 640-9146	bbensen@barte.bensenjones.com	NO