

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

August 15, 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 August 15, 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 9:04 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
John Curtis
Randy Kirk
Paul Tischler

Maurice Osborn
Brad Daniels
Marty McPherson
Barney McClure

All members of the Board were in attendance, with the exception of Director Osborn, thus constituting a quorum of the Board of Directors. Director Kirk attended via video conference. Also present at said meeting were Kathy Turner Jones, General Manager; Brian Sledge, General Council; 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

Ms. Jones asked to remove item 4(d) from the consent agenda and stated it would be reposted for the September Board of Directors meeting. Motion by Director Curtis to approve the consent agenda with the exception of 4.d). 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 July 2022. Mr. Watts discussed the balance sheet dated July 31, 2022, which showed the ending cash balances for the District totaling \$1,910,677.55. He stated that compared to the ending cash balances on June 31, 2021, this total shows an increase in cash of \$123,841.01 which continues to show a positive indication of the overall financial health of the District. He then reported on the profit and loss report for the month of July which showed gross revenue of \$29,035.86 with a refund allowance of \$1,871.76 making the District's "net" revenue \$27,164.10. Mr. Watts stated, this is the month in which the District invoice monthly payers and that August will be a similar month. He also presented total operating expenses for the month of July totaling \$137,359.76, leaving a net result of \$110,195.66 of expenses in excess of revenues. For this fiscal year, Mr. Watts reported gross revenues totaling \$1,654,092.22 with a refund allowance of \$229,150.05 making the "net" revenue for this year to date \$1,424,942.17. He added that operational expenses for the year total \$930,173.87 with capital expenses of \$52,915.00 bringing total expenses to \$982,088.87, which translates into a net excess revenue over expenses for the fiscal year of \$441,853.30 which continues to provide the District the means to fund its budget for the remainder of the fiscal year.

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

In Director Osborn's absence, Ms. Jones updated the Board on the Budget and Finance Development Committee held August 8, 2022.

- a) Consider and act on Resolution #22-003 adopting water use fee rate schedule for 2022. – Water Use Fees were reviewed by the Committee and no changes were made or recommended at this time, therefore it was the Committee's recommendation that 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 Curtis made a motion to approve Resolution #22-003 adopting water use fee rate schedule for 2023. Director Tischler seconded the motion and it carried unanimously by all those who were present. *Copy of said Resolution #22-003 attached hereto as Exhibit "B".*
- b) Discuss, consider, and take action as necessary to approve Resolution #22-004 reviewing and approving Investment Policy and Investment Strategies as required annually by the Public Funds Investment Act of Texas. – 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 McPherson made a motion to approve Resolution #22-004 re-adopting the investment policy without changes. Director Curtis seconded the motion, and the motion carried unanimously by those present. *Copy of said Resolution #22-004 attached hereto as Exhibit "C".*
- c) Consider and act on Resolution #22-005 establishing administrative fee schedule and authorize the General Manager to take any and all action necessary for the

implementation of this Resolution. – Ms. Jones reported the Budget and Finance Committee reviewed the current administrative fee schedule and found no changes were needed. Director McPherson made the motion to approve Resolution #22-005. Director McClure seconded the motion and it carried unanimously by all those who were present. *Copy of said Resolution #22-005 attached hereto as Exhibit “D”.*

PRESENTATION: TINKER EDUCATIONAL PROGRAM SUMMARY REPORT – Joe Thrasher, Tinker, LLC

Mr. Thrasher, Tinker LLC, provided the Board with a summary update of finding from the Water Education Program that was designed and implemented Spring of 2022. Mr. Thrasher stated, Tinker LLC supported water conservation education efforts through a partnership with seven schools in the District. The education program reached 617 fifth-grade students with each student receiving a take-home Water Conservation Kit containing water-saving devices. Each student participated in a pre-course and post-course evaluation; pre-course evaluations showed an average of 6.79 out of 10 understanding of groundwater conservation and post-course evaluations showed an average of 8.42 out of 10 which is a 24% increase. These courses are teacher led with a guidebook and the students are provided with workbooks. It was noted that at this time, we are committed to the previous seven schools who participated last school year for the 2022-2023 school year and are working through budgeting in order to expand into more schools throughout the District and plan to bring a proposal back to the Board at the September 19th board meeting to request approval to extend the education program to additional student in an effort to extend the program’s density in two of the District’s four counties.

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

Ms. Jones reported that the last GMA 8 meeting was held at the PGCD offices on July 26, 2022. A discussion on re-adopting a resolution to the explanatory report about the discrepancies between the tables and the resolution contained in the Explanatory Report. TWDB is in the process of working on the MAG numbers. Ms. Jones noted she was still unsure at this time when the MAG numbers will be released but hopefully should be coming soon. Ms. Jones added, the GMA appointed a committee of five general managers to work on preparing a RFQs to update the groundwater availability model. At this time, the next meeting has not been scheduled.

UPDATE ON WELL MONITORING AND FIELD OPERATIONS – Michael Heath, Field Operations Coordinator

Mr. Heath reported that there have been 16 confirmed meter verifications performed on entities in which they are reporting correctly, and the meters are installed and working properly. They have conducted 68 verifications non-permitted wells to ensure that they have not been in operation since last inspected. He noted that the field staff has located 20 existing wells within 16 quadrants that have been included in the Monitor Well Program. Field staff has been troubleshooting a GPS transmitting issue with a SatLink V2 monitoring unit in Somervell County. Field staff will be replacing the GPS transmitter to resolve the issue. Water level data are still being measured and stored. Heath noted that field staff will continue locating and

verifying potential monitor wells in the state grids/quads which do not have a monitoring well(s) with water level measurements past 2010.

ENGINEERING REPORT – Wade Oliver, INTERA

Mr. Oliver reported that the Rules Committee met on August 8, 2022 to evaluate production allocation per year. It was noted that the estimate of current use is close to the MAG, the current use includes additional pumping for drought. Looking at the MAG and current use is part of the drought pumping evaluation. At the last board meeting it was asked that a review of the current use and the MAG of the last 5 years and to see if there are any adjustments under the new rules. That is currently under review, however not to the point where comparison numbers can be shown. Mr. Oliver noted that throughout the District a mix of permanent and exempt use wells are in production, and an estimate of 20% of production in the District is exempt use.

GENERAL MANAGER’S REPORT AND UPDATE – Kathy Turner Jones

- a) Update on current administrative activities of the District. Ms. Jones reported that the District has been awarded the 2022 Rain Catcher Award from TWDB which will be presented at the TWDB’s October board meeting.

On August 8, the District attended the Johnson County Commissioners Court as requested by Commissioner Woolley and discussed the current drought impact on the aquifer, minimal acreage tracts, and how the Commissioners Court can become more engaged with the groundwater availability certification process.

Grandview City Council would like the District to make a similar presentation; however, the District will likely not be available for such until next month. Ms. Jones noted that due to the expenses of bringing in the consultants for these presentations, a virtual meeting would be the best option.

It was noted that the House Natural Resources Committee will hold an interim hearing on the groundwater charge on August 24. Ms. Jones also mentioned that on August 5 Governor Greg Abbott appointed Kathleen Jackson to the Public Utility Commission, a term set to expire September 1, 2027.

- b) Historic Use Permit Applications. Ms. Jones reported that another batch of permits are being prepared and intended to be heard at the September 2022 board meeting.

Ms. Jones reported total permitted production for Historic Use Permits being 9,017,857,963 gallons and 184,621, 700 gallons for Operating Permits, for a total permitted amount authorization of 9,202,479,663 gallons.

- c) Enforcement. Ms. Jones reported that with recent activities, staff has been successful in resolving several violations this past month.

GENERAL COUNSEL’S REPORT – Brian L. Sledge

Mr. Sledge echoed several updates Ms. Jones and Mr. Oliver discussed. Mr. Sledge

continues to monitor the TWDB and TCEQ under Sunset Advisory Commission's review. Sledge noted, TWDB is in the final action and TCEQ has not moved forward at this time.

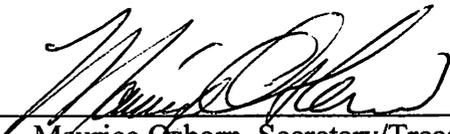
OPEN FORUM/DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING AGENDAS

Ms. Jones commented the Rules and Bylaw Committee would need to meet before the September board meeting to discuss the resolution for additional production under drought conditions. Need to call a Budget and Finance meeting regarding a budget amendment for additional.

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 by all those who were present. The meeting was adjourned at 10:04 a.m.

PASSED, APPROVED, AND ADOPTED THIS 19th DAY OF SEPTEMBER 2022



Maurice Osborn, Secretary/Treasurer

Exhibit "B"

RESOLUTION NO #22-003

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

**RESOLUTION
ADOPTING 2023 WATER USE FEE RATES
FOR THE
PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT**

THE STATE OF TEXAS

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PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

WHEREAS, the Prairielands Groundwater Conservation District (the "District") was created as a groundwater conservation district by the 81st Texas Legislature under the authority of Section 59, Article XVI, of the Texas Constitution, and in accordance with Chapter 36 of the Texas Water Code by the Act of May 31, 2009, 81st Leg., R.S., ch. 1208, 2009 Tex. Gen. Laws 3859, codified at TEX. SPEC. DIST. LOC. LAWS CODE ANN. ch. 8855 ("the District Act");

WHEREAS, The District is a governmental agency and a body politic and corporate that is statutorily charged under Chapter 36 of the Texas Water Code and the District Act with protecting the quantity and the quality of groundwater within Ellis, Hill, Johnson, and Somervell Counties;

WHEREAS, the District by rule, resolution, or order may establish, amend, pledge, encumber, spend the proceeds from, and assess to any person production fees, based on the amount of groundwater authorized by permit to be withdrawn from a well or on the amount of water actually withdrawn, to enable the District to fulfill its purposes and regulatory functions as provided by the District Act;

WHEREAS, the District may assess a production fee for groundwater produced from a well or class of wells exempt from permitting under Section 36.117 of the Texas Water Code, except for a well exempt from permitting under Section 36.117(b)(1), which must be based on the amount of groundwater actually withdrawn from the well and may not exceed the amount established by the District for uses recognized as non-exempt pursuant to Chapter 36 of the Texas Water Code, the District Act, and rules promulgated by the District pursuant to the authority delegated therefrom;

WHEREAS, the District's Budget and Finance Committee have worked diligently to forecast all reasonably anticipated revenues, expenses, and activities; and after giving much consideration to these important factors, recommends maintaining a regulatory water use fee of \$0.20 per 1,000 gallons for all groundwater permitted, other than agricultural use.

WHEREAS, despite having the authority to assess a production fee not to exceed 30 cents per each one thousand gallons of groundwater used annually for nonagricultural purposes, the Board determines that the production fee of 20 cents per each one thousand gallons of groundwater used annually for nonagricultural purposes represents an appropriate, fiscally conservative fee that adequately addresses anticipated budgeting and revenue considerations for the District;

WHEREAS, in accordance with the District Act, the Board determines it necessary and appropriate to keep the production fee of \$0.00 per acre-foot used annually for agricultural purposes, which is based on the exemption provided for agricultural use in District Rule 2.1(a);

WHEREAS, Rule 7.2 of the rules of the District authorizes the Board of Directors of the District to establish by resolution a groundwater transport fee for the transportation of groundwater out of the District;

WHEREAS, the Board recognizes that the assessment of such fees serves a legitimate regulatory purpose;

WHEREAS, the Board finds that the notice and hearing requirements for the meeting of the Board, held this day, to take up and consider adoption of these water use fees have been, and are satisfied; and

WHEREAS, the Board finds that the proposed resolution is merited and necessary to support the District's efforts in managing the groundwater resources within the boundaries of the District in a manner consistent with the requirements of Chapter 36, Water Code, and the District Act, and that it is supportable under the laws of the State of Texas.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT AS FOLLOWS:

1. The above recitals are true and correct.
2. The Board of Directors of the Prairielands Groundwater Conservation District hereby sets a water use fee rate for groundwater production for calendar year 2022 of 20 cents per each one thousand gallons (\$0.20/1,000 gallons) of groundwater produced annually for nonagricultural purposes, which includes all non-exempt commercial, municipal, industrial, manufacturing, public water supply, oil and gas or other hydrocarbon exploration or production, and other nonagricultural users within the District that are not exempt from the water use fee payment requirements set forth in the temporary rules adopted by the District. Such rate will be effective and assessed to groundwater production that occurs during 2023 (January 1, 2023 through December 31, 2023).
3. The water use and groundwater transport fees so adopted shall be effective January 1, 2023 and continue in effect until modified by the Board of Directors.
4. The water use and groundwater transport fees so adopted shall supersede any and all such fees previously adopted by Resolution or other action of the Board of Directors.

5. The General Manager is further authorized to take any and all reasonable action necessary for the implementation of this resolution

AND IT IS SO ORDERED

PASSED AND ADOPTED this 15th day of August 2022.

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

By: 
Charles Beseda, President

ATTEST:


Maurice Osborn, Secretary



Exhibit "C"

RESOLUTION NO. #22-004

**PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT
RESOLUTION REVIEWING AND RE-ADOPTING INVESTMENT
POLICY AND INVESTMENT STRATEGIES**

THE STATE OF TEXAS §

PRAIRIELANDS GROUNDWATER §
CONSERVATION DISTRICT §

WHEREAS, Prairielands Groundwater Conservation District (the “District”) was created as a groundwater conservation district by the 81st Texas Legislature under the authority of article XVI, Section 59, of the Texas Constitution, and in accordance with Chapter 36 of the Texas Water Code by the Act of May 31, 2009, 81st Leg., R.S., ch. 1208, 2009 Tex. Gen. Laws 3859, codified as Chapter 8855 of the Texas Special District Local Laws Code (the “District Act”);

WHEREAS, the District is a governmental agency and a body politic and corporate;

WHEREAS, Section 36.061 of the Texas Water Code and Section 2256.005(a) of the Texas Government Code requires the District to adopt by resolution a written Investment Policy;

WHEREAS, the Public Funds Investment Act of Texas (“the Investment Act”) requires that the Board of Directors annually review the investment policy and investment strategies of the District and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies;

WHEREAS, Sec. 36.1561, Water Code, requires the investment officers of the District to attend six hours of initial training within twelve months after taking office or assuming duties and four hours of renewal investment training instruction relating to investment responsibilities not less than once every two years from an independent source approved by the Board of Directors of the District;

WHEREAS, the General Manager has reviewed the investment officer designations of the District and has determined such designations are current;

WHEREAS, the Budget and Finance Committee is charged with reviewing annually the investment policy and investment strategies of the District and drafting amendments for consideration by the Board; and

WHEREAS, the Budget and Finance Committee held a meeting of the committee on August 5, 2022, to review the investment policy and its investment strategies previously adopted and has determined that amendments to the Investment Policy and Investment Strategies are not needed.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT AS FOLLOWS:

1. The Board of Directors of the District, after reviewing the existing investment policy and investment strategies of the District, hereby reapproves the District's Investment Policy.
2. The General Manager and the Chair of the Budget and Finance Development Committee are hereby authorized to serve as Investment Officers for the District. This designation may be changed from time to time without reference to or repeal of this resolution.
3. The District's Budget and Finance Committee will be responsible for performing any compliance audits of management controls on investments and adherence to the District's established investment policies under Section 2256.005(m), Government Code, and reporting the results of the same to the full Board of Directors for any necessary action, in addition to the Budget and Finance Committee's work on preparing the District's annual budget, performing any functions necessary under Section 36.061(a)(5), Water Code, Section 4.1 of the District Bylaws, or any other activities assigned to the committee by the Board President
4. The General Manager is authorized to take any and all action necessary for the implementation of this resolution.
5. The Investment Policy so adopted shall be effective from the date of adoption and continue in effect until modified by the Board of Directors.

AND IT IS SO ORDERED.

PASSED AND ADOPTED on this 15th day of August 2022.

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

By: Charles Beseda
Charles Beseda, President

ATTEST:

Maurice Osborn
Maurice Osborn, Secretary



Exhibit "D"

RESOLUTION NO #22-005

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

**RESOLUTION RESTABLISHING ADMINISTRATIVE FEE SCHEDULE
FOR THE PRAIRIELANDS GROUNDWATER CONSERVATION
DISTRICT PURSUANT TO §36.205 OF THE TEXAS WATER CODE**

THE STATE OF TEXAS

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PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

WHEREAS, the Prairielands Groundwater Conservation District (the “District”) was created as a groundwater conservation district by the 81st Texas Legislature under the authority of Section 59, Article XVI, of the Texas Constitution, and in accordance with Chapter 36 of the Texas Water Code by the Act of May 31, 2009, 81st Leg., R.S., ch. 1208, 2009 Tex. Gen. Laws 3859, codified at TEX. SPEC. DIST. LOC. LAWS CODE ANN. ch. 8855 (“the District Act”);

WHEREAS, pursuant to said Act, the Board of Directors of the District has the permitting and general management powers granted under Chapter 36 of the Texas Water Code;

WHEREAS, § 36.205(a) of the Texas Water Code authorizes a groundwater conservation district to set fees for administrative acts of the District;

WHEREAS, the Budget and Finance Committee is charged with reviewing annually the administrative fees schedule of the District and drafting amendments for consideration by the Board; and

WHEREAS, the Budget and Finance Committee has reviewed the previously adopted administrative schedule and has determined that such administrative fee schedule is adequate and not in need of modification;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT AS FOLLOWS:

1. The administrative fee schedule attached hereto is hereby re-adopted as the administrative fee schedule of the District;
2. The administrative fee schedule so adopted shall unless otherwise noted, shall continue in effect until modified by the Board of Directors; and
3. The General Manager is further authorized to take any and all reasonable action necessary for the implementation of this resolution.

AND IT IS SO ORDERED

PASSED AND ADOPTED this 15th day of AUGUST.

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

By: *Charles Beseda*
Charles Beseda, President

ATTEST:

Maurice Osborn

Maurice Osborn, Secretary





**ADMINISTRATIVE FEE SCHEDULE
OF THE
PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT**

**Effective:
July 18, 2022**

Administrative Fees:

1. **Change of Ownership** = \$100
2. **Recording Fees** (County Clerk's Office) = Actual Cost + 10%
3. **Publication Fees** = \$75 per applicable well spacing application
4. **Well Spacing Tool** = \$250 for each additional run of tool (1 run included with application)
5. **Returned Check** fee = \$50
6. **Certified/Return Receipt Mailing** for non-compliance or violations of District Rules = Cost or minimum of \$10
7. **Meter Verification** re-inspection = \$250 each site visit
8. **Well Abandonment/Capping** Re-Inspection = \$500 a well
9. **Request for GPS Well Location and/or Verification** of GPS Location = \$100 per well
10. **Monthly Payment of Permitted Water Use Fees** = surcharge of five (5) percent on the amount owed for the ensuing month
11. **Credit Card Fee** = not to exceed five (5) percent of the transaction
12. **Late Fee** = \$25.00 or ten (10) percent of the total amount due and owing
13. **Transfer of Authorization to Produce** = \$250

Application Fees:

1. Exception to **Minimum Tract Size** Requirements:
 - a. Exception that does **NOT** require Notice and Hearing = \$250.
 - b. Exception that **DOES** require Notice and Hearing = \$750.
2. Exceptions to **Well Spacing** Requirements:
 - a. Exception that does **NOT** require Notice and Hearing = \$250.
 - b. Exception that **DOES** require Notice and Hearing = \$750.
3. **Well Registration** Fee = \$500 per "new" well
 - a. Application to Amend Well Registration = NC
 - b. Application to Extend Well Registration Completion requiring Board approval = \$250

4. **Replacement Well Application Fee:**
 - a. Authorization does **NOT** require Notice and Hearing = \$250.
 - b. Authorization **DOES** require Notice and Hearing = \$750.
5. Application for **Operating Permit** = \$1,000
6. Application to **Amend Operating Permit:**
 - a. Additional Production Authorization= \$750
 - b. Add well **ONLY** with **NO** additional Production Authorization = \$1000
7. Application for **Test Well** = \$150
8. Application for **Compliance Order** = \$1,500
9. **Permit Renewal** = \$150 per well
10. Application for to **Increase Groundwater Production under Emergency Conditions**= \$750