

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

October 17, 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 October 17, 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 9:29 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. 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

Mr. Sledge asked to remove item 4(a) from the consent agenda and stated it would be extended for the November Board of Directors meeting. Motion by Director Curtis made a motion to approve the consent agenda with the exception of 4(a). 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 September 2022. Mr. Watts reported the balance sheet dated September 30, 2022, showed ending cash balances for the District totaled \$1,759,950.87 and stated that compared to the ending cash balances on September 30, 2021, 2022 total shows an increase in cash of \$81,797.54 which continues to show a positive indication of the overall financial health of the District. Profit and loss report for the month of September showed gross revenue of \$317,752.22. Refund allowance accrued for September of \$46,659.80 bringing the District's "net" revenue to \$271,092.42 for the month. Total operating expenses for the month of September totaled \$135,743.01 leaving a net result of \$135,349.41 of revenues in excess of expenses. For this fiscal year, Mr. Watts reported gross revenues totaling \$1,998,280.86 with a refund allowance of \$275,809.85 making the "net" revenue for this year to date \$1,722,471.01. He added that operational expenses for the year total \$1,212,515.73 with capital expenses of \$52,915.00 bringing total expenses to \$1,265,430.73, which translates into a net excess revenue over expenses for the fiscal year of \$457,040.28 which continues to provide the District the means to fund its budget for the remaining three months of the fiscal year.

- b) Review 3rd Quarter Investment Report 2022. Mr. Watts presented the Quarterly Investment Report for the 3rd Quarter of 2022 which details the banking and checking activities of the District with account balances as well as a summary of depositories. He reported that for the 3rd quarter, the funds of the District were being held in combination of three accounts and two separate depositories. Mr. Watts noted that in the summary section of the report, all the District's funds are adequately collateralized by a combination of FDIC insurance and pledged securities and all funds are in compliance with the PGCD Investment Policy. Mr. Watts stated the District has begun to transfer excess cash balances to TexPool to maximize interest earnings and will reflect on next month's October financial report. He noted that he is working with Director Osborn and General Manager Kathy Turner Jones to balance invested cash while maintaining cash on hand for operational needs. Director Curtis made a motion to accept the 3rd Quarter Investment Report and Director McPherson seconded the motion. The motion passed unanimously by all those who were present.

POLICY AND PERSONNEL COMMITTEE – Paul Tischler, Chair

- a) Review and action as necessary regarding Texas County District Retirement System's Plan Assessment for Plan Year 2022-23 – Paul Tischler / Kathy Turner Jones. – Director Tischler explained that each year TCDRS provides a plan assessment containing the District's current rate information as a resource document for the District to use in reviewing rates and considering any benefit adjustments. He stated based on the 2023 Plan Assessment, the District is eligible to decrease its elected funding rate from 10.64 % to 10.51% for 2023 which is based off change in employee demographics and early 2022 market trends. Based on recommendations from the Personnel and Policy Committee, Director Tischler motioned to continue the employer 2022 funding rate of 10.64% for Prairielands GCD effective January 1, 2023

and retain the current employee deposit rate of 5%. Director Kirk seconded the motion and it carried unanimously by all those who were present.

There being no further discussion, President Beseda announced, “At this time, 9:40 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 10:49 a.m. President Beseda announced the meeting was reconvening into an open session and was open to the public.

- b) Report and recommendations from Board’s Policy and Personnel Committee to consider adoption of Resolution #22-007 authorizing revisions to the District’s Personnel Policy and Procedures Manual and to further authorize the General Manager to take any all action necessary for the implementation of this Resolution – Kathy Turner Jones. – Director Tischler reported that the Policy and Personnel Committee reviewed proposed changes to Appendix B of the Personnel Policy Procedures Manual and motions to adopt Resolution #22-007 authorizing revisions to the District’s Personnel Policy and Procedures Manual and further authorize the General Manager to take any and all action necessary for the implementation of the resolution. Director McPherson seconded the motion and it carried unanimously by all those who were present. *Copy of said Resolution # 22-007 attached hereto as Exhibit “B”.*
- c) Consideration and possible action to authorize 2023 cost of living adjustment (COLA) to compensation ranges identified in appendix B of the District’s personnel policy – Paul Tischler. Director Tischler made a motion to authorize an increase of 8.5% to organizational chart upper salary range limits identified in Appendix B of the District Personnel Policy and as recommended by the Personnel Committee. Director Curtis seconded the motion and it carried unanimously by all those who were present.
- d) Discuss, consider, and take action as necessary to approve changes to General Manager’s compensation package and performance review – Paul Tischler. Based on recommendations from the Personnel and Policy Committee, Director Tischler moved to approve changes to the General Managers employment package as discussed in closed session. Director Kirk seconded the motion and it carried unanimously by all those who were present.

UPDATE ON PUBLIC OUTREACH ACTIVITIES, EDUCATIONAL, AND CONSERVATION EFFORTS – Whitney Curry, Public Relations/Education Director

Ms. Curry reported that the Water Education Trailers’ exterior wrap had been finalized. She briefly discussed a press release she had distributed on October 11 about the District receiving the TWDB’s Texas Rain Catcher Award. Ms. Curry reviewed the status of the schools that have enrolled with Tinker, LLC for the Fall program in Ellis and Hill counties and reported

that currently two schools have enrolled with a total of 185 fifth grade students.

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

Mr. Heath reported on field activities since the last board meeting. He noted that the field staff met with the TWDB's Recorder Well Team to measure, calibrate and change the batteries on two monitoring wells in Ellis County. GPS verifications were performed in Hill and Johnson counties and a spacing analysis had been performed on an exempt well in Somervell County. He noted that the District coordinated with INTERA to analyze monitor wells which increased the completed quadrants. The field staff has confirmed with two new well owners, one in the Paluxy and one in the Woodbine, about including their wells into the District's well monitoring program. Mr. Heath concluded his report by adding that the District and INTERA have settled upon quadrant 40-07 in Hill County to drill a Hosston monitor well and that discussions with the landowner on the easement agreement are in progress.

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 in September GMA 8 received notice from the TWDB notified all the GCDs' within the GMA 8 that the Explanatory Report had been deemed administratively complete, which starts the process of GCDs' requirement to adopt the final DFC's. She stated that a hearing notice will be posted for the November board meeting to adopt the final DFC's and that this would be a special meeting during the regular board meeting. It was noted that once the Explanatory Report is deemed administratively complete, the TWDB has 180 days from the administrative completeness notification to provide MAG reports back to the GCDs.

Ms. Jones reported that she met with a subcommittee of GMA 8 to formalize a Request for Qualifications (RFQ) to update the GAM. The subcommittee anticipates interview applicants the end of November. At this time, the next meeting of GMA 8 has not been scheduled.

HYDROGEOLOGIST REPORT – Wade Oliver, INTERA

Mr. Oliver reiterated comments from the monitoring wells report about the location in Hill County and added that this location is next to a Mesonet site which will allow data to be gathered quickly. He noted that right now the focus has been in the Hosston with hopes of drilling a monitoring well in the Paluxy as well. Mr. Oliver followed up on the District's recommendations to Johnson County Public Works stating the recommendations put forward would be in place for when a groundwater availability certification would be required by the County once the minimum number of lots had been met as well as other hydrological conditions came into play.

GENERAL MANAGER'S REPORT AND UPDATE – Kathy Turner Jones

- a) Update on current administrative activities of the District. Ms. Jones stated she and President Beseda attended the TWDB board meeting on October 5. for the presentation of the 2022 Texas Rain Catchers Award.

Ms. Jones reported the legislative session was approaching and pre-filing of bills begins November 4th before the 88th legislative session convenes on January 10, 2023. House Natural Resources Committee hearing on the interim charges regarding desalination is scheduled to be held October 18.

Ms. Jones provided a brief update on Texas Drought Monitor.

Ms. Jones reported that the permitting reports for the month of September and well registrations making note that there were 27 well registrations for September. She noted that in comparing the year-to-date, wells registrations through September 2022 are just shy of 20 registrations compared to 2021's year-end total of 242. Ms. Jones reported the District has issued 202 permits with a total permitted authorization of 9,263,459,143 gallons with a reported pumpage of 5,625,128,022 gallons through September

- b) Historic Use Permit Applications. No report
- c) Enforcement. Ms. Jones reported that enforcement is in good shape and that staff has been working with a chronic late paying permittee on their delinquent water use fee payments to resolve this issue to bring their account current and set up future payments on ACH.

GENERAL COUNSEL'S REPORT – Brian L. Sledge

Mr. Sledge reported that the TCEQ Sunset Advisory Commission had pushed the date for the committee's recommendations to November and he is continuing to monitor for any impacts affecting groundwater districts. He mentioned that stakeholder groups are working on legislation for the upcoming legislative session. Mr. Sledge reiterated Ms. Jones' previous comments that the House Natural Resources Committee would be holding a hearing on October 18.

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 by all those who were present. The meeting was adjourned at 11:17 a.m.

PASSED, APPROVED, AND ADOPTED THIS 21ST DAY OF NOVEMBER 2022



Maurice Osborn, Secretary/Treasurer



Exhibit "A"

Public Hearing(s) on Historic Use Permits, Operating Permits, and Regular Board Meeting

Sign-In Sheet

October 17, 2022

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

| Name | Business | Phone # | Email Address | Speaking? (YES / NO) |
|-----------------|----------------------------|--------------|-----------------------|-------------------------|
| Karen NeSmith | Brandon Irene Water Supply | 254-632-4120 | | No |
| Randy Denton | Acera Trails Golf | 972-723-7305 | rdenton@mitlcores.com | NO |
| Wayne Pratt | Buena Vista Pothel SUD | 972-937-1212 | | NO |
| Nafis Choudhury | JCSUD | 504-559-6482 | Nchoudhury@JCSUP.com | NO |
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Exhibit "B"

RESOLUTION NO #22-007

**RESOLUTION OF THE
PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT
ADOPTING AMENDMENTS TO THE DISTRICT'S PERSONNEL
POLICIES AND PROCEDURES**

THE STATE OF TEXAS §

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 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 body politic and corporate; and

WHEREAS, the Board of Directors of the District has adopted, in writing, a Personnel Policies and Procedure Manual (the "Personnel Policy") for the District, which provides important information concerning conditions, policies, guidelines, rules, benefits, and procedures of employment for all employees of the District;

WHEREAS, the Personnel and Policy Committee (the "Committee") held a meeting of the committee on September 19, 2022, to review the Personnel Policy adopted and has determined that amendments to "Appendix B" of the Personnel Policy are necessary and appropriate.

WHEREAS, the Board of Directors of the District have determined the Committees revisions and updates to the Personnel Policy are required, such revisions and updates now incorporated into the Personnel Policies and Procedures Manual attached hereto.

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

1. The above recitals are true and correct;

2. The Board of Directors for the Prairielands Groundwater Conservation District hereby adopts recommended changes to the Personnel Policies and Procedure Manual "Appendix B" for the District.
3. That the Personnel Policies and Procedure Manual shall be applicable to all employees and shall govern the relationship between the District and the employees of the District until amended, repealed or replaced.
4. That such Personnel Policies and Procedure Manual supersedes any and all personnel policies previously adopted by the Board of Directors.
5. That the General Manager of the District is further authorized to take any and all action necessary to implement this Resolution and its Policies as practicable and in coordination with benefit renewal(s) and plan changes(s).

AND IT IS SO ORDERED

PASSED AND ADOPTED this 17th day of October, 2022

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

By: Charles Berube
President

ATTEST:

Maria G. [Signature]
Secretary

