

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

January 17, 2023

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 January 17, 2023.

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 9:23 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, 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

Motion was made by Director Osborn 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 December 2022. Mr. Watts reported ending cash balances for December 31, 2022, totaled \$2,038,141.04 and stated that compared to the ending cash balances on December 31, 2021, 2022, total

reflects an decrease in cash of \$35,076.35. This reduction is directly tied to the one-time principal reduction payment approved in November 2022 leaving a loan balance of \$1,344,841.68 as of December 31, 2022. Profit and loss report for the month of December showed gross revenue of \$23,037.74 and a refund allowance accrued for December of \$1,346.58, bringing the District's "net" revenue to \$21,691.16 for the month end. Total operating expenses for the month of December totaled \$203,623.64 with capital expenses of \$47,970.00, leaving a net result of \$229,902.48 of expenses in excess of revenues. For fiscal year 2022, Mr. Watts reported gross revenues totaling \$2,095,537.94 with a refund allowance of \$284,045.64 making the "net" revenue for 2022 \$1,811,492.30. He added that operational expenses for the year total \$1,707,900.87 with capital expenses of \$163,863.06 bringing total expenses to \$1,871,763.93, which translates into a net excess revenue over expenses for the fiscal year of \$60,271.63.

- b) Review 4th Quarter Investment Report for 2022. Mr. Watts presented the 4th Quarter Investment Report and highlighted ending balances for the District's money market, operating, investment pool, and interest-bearing accounts. He stated, with the exception of TexPool Prime, the District has the standard \$250,000 in FDIC coverage for all accounts in addition to securities pledged from Citizens National Bank of Texas in the amount of \$2,000,000. He noted TexPool is managed by the Texas Comptroller and investments consist exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. Government securities. Mr. Watts concluded by confirming the report certifies that the funds of the District are in compliance with the District's investment policy. Director McPherson made a motion to accept the 4th Quarter Investment Report as presented. Director McClure seconded the motion and it carried unanimously by all those who were present.
- c) Review and action to approve 2022 Audit Engagement Letter with Yeldell, Wilson, Wood, P.C. – Mr. Watts presented the audit engagement letter prepared by Yeldell, Wilson, Wood, P.C. for the 2022 audit noting a new audit requirement requiring the governance signature. Director Osborn made a motion to approve the audit engagement letter with Yeldell, Wilson, Wood, P.C. for the 2022 audit. Director Kirk seconded the motion and it carried unanimously by all those who were present.

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

Ms. Jones reported the GMA 8 subcommittee met January 12, 2023, and reviewed a draft scope of work associated with updating the Northern Trinity Woodbine Groundwater Availability Model (NTWGAM) and an estimate of cost. A follow up meeting is expected with the TWDB prior to final recommendation to the GMA 8 on the committees' findings. The next meeting of GMA 8 has not been scheduled at this time.

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

Ms. Curry briefly reviewed recent eblast and social media postings regarding “Preparing Your Wells for the Unpredictable Winter Weather”, and the District auctioning surplus pickup trucks. Ms. Curry discussed the recent presentation on water conservation and rainwater harvesting given to the Oak Cliff Forum. Ms. Curry gave a status update on the schools enrolled with Tinker, LLC for Fall 2022 in Ellis and Hill counties and reported that six new schools enrolled in the program with 351 students reaching the funding goal for 2022. She noted 126 students had already completed the program for Fall 2022. Ms. Curry concluded her report by listing several upcoming educational presentations she has scheduled in the coming months.

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

- a) Update on field activities – Mr. Heath reported on field activities and water level measurements since the last board meeting. Mr. Heath stated staff continues to contact well owners regarding the inclusion of their wells in the expansion of the Districts Monitoring Program. Mr. Heath reported that field staff located three additional Woodbine wells and one Hosston well.
- b) Water level changes – Mr. Heath presented comparison data of monitoring wells during drought years versus non-drought years throughout the District. Mr. Heath briefly explained water level trends in monitoring wells in the Hensell and Twin Mountains in Somervell County noting the levels are indicating an increase in 2023. Mr. Heath showed water levels for three of the District’s monitoring wells located in Johnson County, noting the Hosston and Woodbine levels for 2021 versus 2022. Mr. Heath noted the water level declines between 2021 and 2022 in both Ellis and Hill counties overall, however the monitoring well in the Woodbine in Ellis County appears to be holding strong. He stated the monitoring well in the Hosston in Hill County has some interference with a nearby well, which is being monitored closely through daily water levels reports from the TWDB. He mentioned water levels overall declined during the drought throughout the District, however water levels appear to be increasing in 2023. Ms. Heath concluded his water levels report noting staff is continuing to monitor water levels changes throughout the District to see if the levels return to the levels they were prior to the drought.
- c) Well Monitoring Program – Mr. Heath briefly updated the Board on the status of the Districts Well Monitoring Program stating the District received the signed Monitor Well Easement and Right-of-Way agreement from Aquilla WSD. Mr. Heath concluded his report by adding INTERA’s Geologist has been in contact with a drilling company regarding the monitoring well in Grid 40-07, and noted once an agreement with the drilling company has been finalized, INTERA will ask for a Request for Proposal (RFP).

HYDROGEOLOGIST REPORT – Wade Oliver, INTERA, Inc.

Mr. Oliver briefly updated the board on INTERA’s progress with the monitoring well in Grid 40-07 indicating they are in contact with a driller and noted the possibility of multiple wells on the site. Mr. Oliver updated the board on the findings from a water line being drilled off Highway 67 in Erath County, within Middle Trinity GCD’s boundaries, and the potential

pumping implications on Somervell County and noted pumping should not negatively impact Somervell County. Mr. Oliver stated the Modeled Available Groundwater (MAG) numbers have been released from the TWDB and indicated some numbers have shifted from previous MAG reports. He mentioned approximately 3,200 acre-feet from the Hensell had been redistributed to the Pearsall and Hosston. He reported there was not a Desired Future Condition (DFC) for the Pearsall, therefore there is not a MAG for the Pearsall directly. He noted Travis Peak was presented separately and was the combination of the Hensell, Pearsall, and Hosston. Mr. Oliver concluded his report by stating the overall MAG for the District is 26,775-acre feet and existing pumpage is under the MAG, however, not by much.

GENERAL MANAGER'S REPORT AND UPDATE – Kathy Turner Jones

- a) Update on current administrative activities of the District. – Ms. Jones reported Commissioner Larry Wooley of Johnson County invited her to participate in water panel along with Johnson County Public Works as well as Johnson County Special Utility District (JCSUD) discussing water availability. She noted the panel spoke about the groundwater demands, current and future water availability in Johnson County, and projections going forward. Ms. Jones mentioned the presentation was well received by the Johnson County Association of Realtors, however some resistance regarding the Groundwater Availability Certification (GAC) slowing down the realtors' process, however many understood the GAC was needed to ensure groundwater was available in the future.

Permitting Report for the month of December, Ms. Jones noted year-to-date wells registrations through December 2022 were up by 2.8% from 2021 calendar year. Ms. Jones reported for year-to-date water usage and production is up by 14.1% compared to 2021 water usage and production totals.

Ms. Jones concluded her report by noting the next Historic Use Permits (HUP) hearing will be held in conjunction with the March 2023 board meeting for the permittees who came off their Verification Period in 2022. After the March 2023 HUP hearing, two HUP permits will remain for hearing and possible approval in 2024.

- b) Enforcement. No report.

There being no further discussion, President Beseda announced, "At this time, 10:17 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 10:41 a.m. President Beseda announced the meeting was reconvening into an open session and was open to the public.

GENERAL COUNSEL'S REPORT – Brian L. Sledge

No report.

OPEN FORUM/DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING AGENDAS

Director Kirk announced his retirement from the Board of Directors of the District. Following the announcement from Director Kirk, President Beseda appointed Director Tischler as the Chair for the Rules and Bylaws Committee.

ADJOURN

There being no further business, Director McPherson made a motion to adjourn the meeting which was seconded by Director Daniels. The motion passed unanimously by all those who were present. The meeting was adjourned at 10:46 a.m.

PASSED, APPROVED, AND ADOPTED THIS 21ST DAY OF FEBRUARY 2023


Maurice Osborn Secretary/Treasurer



Exhibit "A"

Public Hearing on Rule Amendments,
and Regular Board Meeting

Sign-In Sheet

January 17, 2023

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

| Name | Business | Phone # | Email Address | Speaking? (YES / NO) |
|-----------------|---------------------------|--------------|-------------------------------|-------------------------|
| Bill Bicker | | 8176826292 | abbucker@sbccglobal.net | No |
| Allison Hollier | Enervest / UPP Operations | 940-366-6101 | ahollier@enervest.net (.net!) | No |
| Nafis Choudhury | JCSUP | | Nchoudhury@JCSUP.com | No |
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