

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

February 21, 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 February 21, 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 9:25 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
Brad Daniels
Barney McClure
Paul Tischler

John Curtis
Maurice Osborn
Marty McPherson
Kathy Tucker

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

President Beseda announced the Board would now receive public comment on issues relating to today’s agenda. The following persons provided public comments:

Mr. Patrick Fahey, Somervell County resident representing himself; and
Mr. Bill Bicker, Grandview, TX resident representing himself and residents of his neighborhood.

CONSENT AGENDA

Motion was made by Director Osborn to approve the consent agenda. Director Curtis 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 January 2023. Mr. Watts reported ending cash balances for January 31, 2023, totaled \$2,320,562.31 and stated that compared to the ending cash balances on January 31, 2022, January 2023's balances reflects an increase in cash of \$77,977.82. Profit and loss report for the month of January showed gross revenue of \$1,040,951.88 and a refund allowance accrued for January of \$143,087.62, bringing the District's "net" revenue to \$897,864.26 for the month end. Total operating expenses for the month of January totaled \$139,517.70, leaving a net result of \$758,346.56 of expenses in excess of revenues.

BUDGET AND FINANCE DEVELOPMENT COMMITTEE – Kathy Turner Jones

- a) Reconsider and act on Resolution #23-002 Amending and Re-Establishing 2023 Water Use Fees. Ms. Jones stated the 2023 Water Use Fees schedule had been adopted in September 2022, however since the amendments of the District Rules in January 2023, the 2023 Water Use Fees schedule needed to be amended and readopted to include a water use fee of \$1 per acre-foot of groundwater permitted for "agricultural use," as that term is defined by § 36.001(20), Tex. Water Code. Director Osborn made a motion to approve Resolution #23-002 amending and re-adopting water use fees rate schedule for 2023. Director McClure seconded the motion and it carried unanimously by all who were present. *Copies of said Resolution #23-002 are attached hereto as Exhibit "B".*

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

Ms. Jones reported Groundwater Management Area 8 is scheduled to meet Tuesday, March 7, 2023 at the District's office in Cleburne. Agenda items to be considered include consideration and approval contract and scope of services with INTERA Inc. for groundwater model update and review and possible consideration of draft interlocal agreement for funding of modeling update.

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

Ms. Curry briefly reviewed a recent eblast and social media posting regarding a "Water Loss, Use, and Conservation" webinar hosted by the Texas Water Development Board. Ms. Curry discussed the recent presentation about the District, groundwater availability in Johnson County, and the importance of registering wells to the Johnson County Builders Association. She discussed the Leadership Cleburne County Government Day event the District sponsored and the presentation she gave regarding the District, outdoor conservation, rainwater harvesting and a tour of the Water Education Trailer. Ms. Curry reported on the realtor course hosted by Upper Trinity Groundwater Conservation District she attended. 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

Mr. Heath reported on field activities 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. He noted staff located one additional well in the Woodbine, two Paluxy wells, and one Glen Rose well in the past month. Mr. Heath reported the field staff completed the final water measurements for 2022 and is reviewing the collected data for final submission to the TWDB. Mr. Heath updated the Board on the Hosston monitoring well stating all parties met January 26 at the Aquilla Water Treatment Plant to survey the terrain and obstacles for the driller. He noted we are currently waiting on the cost analyzes from the driller and the proposed start date is June 2023.

HYDROGEOLOGIST REPORT – Wade Oliver, INTERA, Inc.

Mr. Oliver briefly updated the board on INTERA’s progress with the monitoring well at Aquilla Water Treatment Plant stating delays with the drillers schedule due to weather, the drilling is projected to begin June 2023, originally planned for completion during the first quarter of 2023. Following a meeting with the Districts’ Rules and Bylaws Committee, Mr. Oliver proposed a board working session, with staff and public input, following the March Board of Directors meeting to discuss the allocation evaluation.

GENERAL MANAGER’S REPORT AND UPDATE – Kathy Turner Jones

- a) Update on current administrative activities of the District. – Ms. Jones reported audio visual updates to the board room are scheduled for the end of the week. Ms. Jones concluded her report by updating the Board on past and upcoming meetings involving the District.

Ms. Jones stated staff is working to finalize Historic Use Permits (HUP) who came of Verification Period in 2022, noting the next HUP hearing will be held in conjunction with the March 27, 2023, board meeting.

Ms. Jones announced a public work session will be held in conjunction with the March 27, 2023, board meeting to discussion evaluation of the District’s groundwater production allocation for operating permits and the new MAG volumes received from the TWDB.

- b) Enforcement. – Zavala Drilling has been found in violation of District rules for drilling without an approved well registrations. Staff has initiated enforcement, including fines for non-compliance. The District is aware of 10-11 wells drilled without an approved registration and will be notifying Texas Department of Licensing and Registration.

There being no further discussion, President Beseda announced, “At this time, 9:53 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 10:42 a.m. President Beseda announced the meeting was reconvening into an open session and was open to the public.

Director McClure left the meeting during the Executive Session.

GENERAL COUNSEL’S REPORT – Brian L. Sledge

No report.


OPEN FORUM/DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING AGENDAS

Director Curtis recommended the Board Workshop to begin at the conclusion of the March 27, 2023, Board of Directors meeting.

ADJOURN

There being no further business, Director McPherson made a motion to adjourn the meeting which was seconded by Director Osborn. The motion passed unanimously by all those who were present. The meeting was adjourned at 10:44 a.m.

PASSED, APPROVED, AND ADOPTED THIS 27TH DAY OF MARCH 2023.



Maurice Osborn, Secretary/Treasurer

Exhibit "A"

**Public Hearing on Rule Amendments,
and Regular Board Meeting**

Sign-In Sheet

February 21, 2023

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



Name	Business	Phone #	Email Address	Speaking? (YES / NO)
Bill Bicker		817-482-0292	abbicker@sbeGLOBAL.net	Yes
PATRICK FAHEY		254-396-5959	PATRICK.FAHEY@GMAIL.COM	
Nafis Choudhury		504-559-6482	NChoudhury@JESUP.COM	No



208 Kimberly Dr, Cleburne, TX 76031
Ph: 817-556-2299 Fax: 817-556-2305
www.prairielandsgcd.org

Speaker Request Form

Those wanting to comment or register support for or against a specific agenda item are asked to fill out the Speaker Request Form.

Date of Meeting: 2/21/2023
Name: PATRICK FAHEY
Address: PO BOX 2893
City: CLEBURN State: TX Zip: 76043
Email: PATRICK.FAHEY@gmail.com

IF SPEAKING FOR AN ORGANIZATION:

Name of Organization: _____

Speaker's Official Capacity: _____

Agenda Item No.: _____

- FOR (If applicable)
- Against (If applicable)

Registering Position, **NOT** Testifying _____

To speak on an item not listed on the agenda, please indicate area of interest:

BRIAN WATTS

Please remember to stand and come forward as soon as you are recognized by the chair and state your name before beginning your presentation. If you have written notes you wish to present to the Board, PLEASE FURNISH AN EXTRA COPY FOR DISTRICT FILES.

The board will appreciate each speaker limiting an address on any one item to three (3) minutes. Only three speakers will be recognized **speaking for** and three speakers **speaking against** any one issue. Thank you for your cooperation.

OK



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Speaker Request Form

Those wanting to comment or register support for or against a specific agenda item are asked to fill out the Speaker Request Form.

Date of Meeting: 2/2/23
Name: Bill Bicker
Address: 8105 JOEUA LANE
City: GRANDVIEW State: TX Zip: 76056
Email: abbicker@stcglobal.net

IF SPEAKING FOR AN ORGANIZATION:

Name of Organization: _____

Speaker's Official Capacity: _____

Agenda Item No.: _____

- FOR (If applicable)
- Against (If applicable)

Registering Position, **NOT** Testifying _____

To speak on an item not listed on the agenda, please indicate area of interest:

PREVENTION OF WELL CONTAMINATION

Please remember to stand and come forward as soon as you are recognized by the chair and state your name before beginning your presentation. If you have written notes you wish to present to the Board, PLEASE FURNISH AN EXTRA COPY FOR DISTRICT FILES.

The board will appreciate each speaker limiting an address on any one item to three (3) minutes. Only three speakers will be recognized **speaking for** and three speakers **speaking against** any one issue. Thank you for your cooperation.

OK

Exhibit "B"

RESOLUTION NO #23-002

**AMENDING AND READOPTING 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, on September 19, 2022, the Board of Directors of the District adopted Resolution No. 22-003 establishing a 2023 water use fee rate for groundwater production 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 rules adopted by the District. Said resolution further established a groundwater transport fee for the transportation of groundwater out of the District set forth in Rule 7.2 adopted by the District;

WHEREAS, on January 17, 2023, the Board of Directors adopted amendments to the District rules requiring groundwater produced annually from wells drilled on or after January 1, 2023, for “agricultural use,” as that term is defined by § 36.001(20), Tex. Water Code, to permit groundwater production and pay an annual water use fee rate;

WHEREAS, the District’s General Manager has reviewed Resolution #22-003 as previously adopted and has determined an amendment to the 2023 Water Use Fee Rates is necessary and appropriate to establish a water use fee for “agricultural use”;

WHEREAS, the Board recognizes that the assessment of such fees for “agricultural use” 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 amendment and re-establishment 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 Board of Directors of the Prairielands Groundwater Conservation District hereby sets a water use fee of \$1 per acre-foot of groundwater permitted for “agricultural use,” as that term is defined by § 36.001(20), Tex. Water Code, and a water use fee rate for groundwater production 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 rules adopted by the District. The District shall impose a groundwater transport fee for the transportation of groundwater out of the District set forth in Rule 7.2 adopted by the District.
2. 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.
3. 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.
4. 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 21st day of February 2023.

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

By: Charles Beseda
Charles Beseda, President

ATTEST:

Maurice Osborn
Maurice Osborn, Secretary

