

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

May 20, 2024

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 May 20, 2024.

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 9:19 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
Brad Daniels	Maurice Osborn
Barney McClure	Marty McPherson
Paul Tischler	Kathy Tucker

All members of the Board were in attendance with the exception of Director McClure, thus constituting a quorum of the Board of Directors. Also present at said meeting were Kathy Turner Jones, General Manager; District staff; and members of the public. Brian Sledge, General Counsel and Wade Oliver, Consulting Hydrogeologist, participated via video conference. *Copies of the public sign-in sheet(s) are attached hereto as Exhibit “A”.*

PUBLIC COMMENTS

None.

CONSENT AGENDA

Motion was made by Director Daniels to approve the consent agenda. Director Tucker 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 months of March and April 2024. – Mr. Watts reported ending cash balances for March 31, 2024, of \$1,999,246.34. This represents a

1.19% decrease compared to the ending cash balances for March 31, 2023. The Profit & Loss Report for March reflects gross revenue of \$351,672.22, with a refund allowance of \$24,532.49, resulting in a net revenue of \$327,138.73. Additionally, Mr. Watts noted that March is a larger billing month since we bill our Quarterly and Monthly permittees.

Additionally, Mr. Watts reported ending cash balances for April 30, 2024, of \$2,131,470.43. This represents a 3.57% increase compared to the ending cash balances for April 30, 2023. The Profit & Loss Report for April reflects gross revenue of \$36,013.73, with a refund allowance of \$963.69, resulting in a net revenue of \$35,050.04 for the month. Mr. Watts stated April is a month we bill only the Monthly permittees.

- b) Review 1st Quarter Investment Report for 2024 – Mr. Watts presented the Quarterly Investment Report for the 1st Quarter of 2024 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 1st quarter, the funds of the District were being held in combination of four 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. Director Osborn made a motion to accept the 1st Quarter Investment Report and Director McPherson seconded the motion. The motion passed unanimously by all those who were present.

RECEIVE VIRTUAL PRESENTATION OF 2023 ANNUAL FINANCIAL AUDIT FOR BOARD ACCEPTANCE – Kim Knox-Lewis, Boucher, Morgan & Young (“BMY”)

Ms. Knox-Lewis provided an overview of various sections within the 2023 financial audit report, including the firm’s assessments and analysis of the District’s governmental activities and financial statements for the year ended December 31, 2023. Ms. Jones noted that the District’s Budget and Finance Committee had met in April to review the audit and was recommending it for approval today. Director Osborn made a motion to accept the 2023 financial audit, and Director Curtis seconded the motion. The motion passed unanimously by all those who were present.

To accommodate the presenter's schedule, President Beseda took agenda item 9 before agenda item 7.

HYDROGEOLOGIST REPORT – Wade Oliver, INTERA, Inc.

Mr. Oliver provided an update on District involved activities including updates to the District’s well monitoring program and the potential of a new Paluxy monitoring well near Maypearl, Texas. Requests for bids to select a driller were posted and Mr. Oliver anticipates having at least three quotes back within the week with plans to select a drilling contractor soon.

Mr. Oliver also shared an overview of the Groundwater Management Area 8 (“GMA8”) joint planning meeting that was held at the District’s offices on May 15th where he presented updates on the Northern Trinity GAM draft model results and the continued efforts on the calibrations. Mr. Oliver concluded the GMA8 districts will be releasing a Request for Proposals (“RFPs”) to select a joint planning consultant to assist in the next round of setting desired future conditions. Submissions will be due no later than July 25th.

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

Ms. Garcia reported on recent public relations and educational activities the District participated in, including several events the Water Education Trailer had attended. Also highlighted were the rainwater harvesting workshops, the Ellis County Master Gardeners Expo, and the publication of the rainwater harvesting grant program. She concluded her update by highlighting social media analytics and upcoming events the District plans to participate in.

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

- a) Update on District involved activities - Mr. Heath provided an overview of the field activities conducted since the previous board meeting. The field staff has been actively engaged in conducting meter verifications and confirming exempt well locations. Other field activities reported included: integrating a Hensell well into the monitoring program and will continue to contact well owners regarding the inclusion of their wells into the Districts Monitoring Program.
- b) Update on quarterly water levels - Mr. Heath presented the second-quarter water level update, detailing monitor wells in each county equipped with pressure transducers. These updates highlighted the lowest static water levels recorded during the quarter.

Approval of Amendments to Monitor Well Easement and Right-of-Way Agreement between the District and Mt. Peak Mountain Peak Special Utility District and Authorization for the General Manager to Execute – Ms. Jones informed the Board that staff has been in discussions with Mountain Peak Special Utility District (“MPSUD”) regarding placement of a Paluxy groundwater monitoring well within one of MPSUD’s plant sites. The amendments presented to the Well Monitoring Easement and Right-of-Way Agreement with MPSUD have been reviewed by both the District’s and MPSUD legal counsel. A motion was made by Director Tischler to approve the amendments to the Monitor Well Easement and Right-of-Agreement between the District and MPSUD. Director Osborn seconded the motion. In a separate motion, Director Tischler moved to authorize the General Manager to execute the amended Well Monitoring Easement and Right-of-Way Agreement with MPSUD with directives provided by the Board. Director McPherson seconded the motion. Each motion passed unanimously by all those who were present.

GENERAL MANAGER’S REPORT AND UPDATE – Kathy Turner Jones

Ms. Jones informed the board of various district activities and highlighted correspondence received from the Texas Water Development (“TWDB”) regarding approval and certification of the District’s Management Plan in accordance with the Texas Water Code §36.107(a) and (e). The District’s next five-year plan is due on April 12, 2029. Ms. Jones expressed gratitude to Mr. Oliver and Mr. Sledge for their contributions in collaborating with the Texas Water Development Board.

Additionally, Ms. Jones mentioned that in March, letter notices were sent to regional water suppliers within the District informing them of the adoption of the District's Management Plan. The notices addressed the decline of groundwater availability within the District and encouraged exploration of alternative water sources.

Ms. Jones provided updates on Region C and Region G Planning Group meetings, with both regions working parallel on population and demand numbers. Region C approved the technical memo that will be sent to the TWDB regarding the population and demand; however, Region G is still working on amendments to their 2021 plan to include recommendations to remove certain water management strategies already approved that are no longer feasible.

Ms. Jones concluded with the groundwater production for April 2024 was reported at 469.6M gallons, a decrease of less than 1% compared to 2023. The District has a total of 224 permits to date, with an observed increase in exempt wells being approved in Hill County, notably on larger tracts of land.

At this time, 10:22 a.m. President Beseda announced the Board will recess into a closed executive session under Section 551.071, Government Code, to consult with the District's legal counsel on items on today's agenda. No final action will be taken during the closed session, the Board will reconvene in an open public session and announce that the Board meeting is again open to the public.

At 10:51 a.m. President Beseda announced the meeting is reconvened into an open session and was open to the public.

GENERAL COUNSEL'S REPORT — Brian L. Sledge

Mr. Sledge had nothing to report that was not already discussed in closed session.

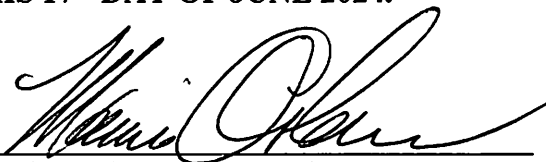
OPEN FORUM / DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING AGENDAS

None.

ADJOURN REGULAR MEETING

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 10:53 a.m.

PASSED, APPROVED, AND ADOPTED THIS 17th DAY OF JUNE 2024.


Maurice Osborn, Secretary/Treasurer