

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

July 15, 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 July 15, 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 9:06 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 with the exception of Director McPherson and Director Osborn, 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; Brad Neighbors, Legal Counsel; and Wade Oliver, 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 McClure 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 June 2024. – Mr. Watts reported

ending cash balances for June 30, 2024, of \$1,990,622.67. This represents a 2.53% increase compared to the ending cash balances for June 30, 2023. The Profit & Loss Report for June reflects gross revenue of \$354,365.59, with a refund allowance of \$24,519.70, resulting in a net revenue of \$329,845.89.

- b) Review 2nd Quarter Investment Report for 2024 – Mr. Watts presented the Quarterly Investment Report for the 2nd Quarter of 2024, detailing the banking and checking activities of the District, including account balances and a summary of depositories. He reported that for the 2nd quarter, the funds of the District were held in combination of four accounts and two separate depositories. Mr. Watts noted in the summary section of the report that all the District’s funds are adequately collateralized by a combination of FDIC insurance and pledged securities, and that all funds are in compliance with the District’s Investment Policy. Director Curtis made a motion to accept the 2nd Quarter Investment Report, and Director Tucker seconded the motion. The motion passed unanimously by all those who were present.

BUDGET AND FINANCE DEVELOPMENT COMMITTEE – Maurice Osborn, Treasure

In Director Osborn’s absence, Ms. Jones updated the Board on the Budget and Finance Development Committee meeting held July 8, 2024.

- a) Consider and possible action to adopt Resolution #24-001 approving amendments to the District’s Funds and Asset Management Policy. Director Curtis made a motion to approve Resolution #24-001, adopting amendments to the District’s Funds and Asset Management Policy to include procedural guidance and policy for long-term lease agreements and subscription-based information technology arrangements (“SBITA”) in accordance with GASB 96 SBITA guidelines, and to authorize the General Manager to take any and all action necessary to implement this resolution. Director McClure seconded the motion. The motion passed unanimously by all those who were present. *Copy of Resolution #24-001 attached hereto as Exhibit “B.”*
- b) Consider and act on Resolution #24-002 adopting half-cent increase in water use fee rate schedule for 2025. Due to the continuing rise of inflation and its impact on previous expenses from 2023, the budget committee proposed a half-cent increase per each one thousand gallons for all non-agricultural groundwater permitted. The committee further recommends no changes for both “agricultural use” water use fee of \$1 per acre-foot of groundwater permitted," as defined by § 36.001(20), Tex. Water Code and the groundwater transport fee for the transportation of groundwater out of the District set forth in Rule 7.2 adopted by the District. Director Tischler made a motion to approve Resolution #24-002, approving and adopting the Water Use Fee Rate for 2025, and to authorize the General Manager to take any and all reasonable action necessary to implement this resolution. Director Curtis seconded the motion. The motion passed unanimously by all those who were present. *Copy of Resolution #24-002 attached hereto as Exhibit “C.”*

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

Ms. Garcia provided an update on the District's recent public relations and educational activities, highlighting several events the Water Education Trailer was featured. She also reported that the District hosted 23 4-H students from Hill County and Johnson County, educating them about the District's community involvement and potential job opportunities in the water industry. Ms. Garcia informed the Board that the District had received Tinker, LLC's water education program annual report for the 2023-2024 school year. The report noted a significant increase in student participation, with 1,027 students involved, marking a 97.14% increase from the previous year and a 66.46% increase compared to the 2021-2022 school year. She concluded her update by reviewing social media analytics and outlining upcoming events in which the District plans to participate.

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

Mr. Heath presented an overview of recent field activities since the last board meeting. These activities included ongoing meter verifications and the verification of exempt well locations. He also reported that District has completed the Master Technical Services Agreement (Work Order 05) with INTERA for the Paluxy monitoring well located in Ellis County at 453 Barton Rd in Maypearl..

Mr. Heath concluded his report by discussing the second-quarter water levels, providing specific details about monitor wells equipped with pressure transducers in each county. He highlighted the lowest static water levels recorded during the quarter, offering insights into the current conditions and trends observed across the District.

HYDROGEOLOGIST REPORT – Wade Oliver, INTERA, Inc.

Mr. Oliver provided a status update on the Paluxy monitoring well project in Ellis County, confirming that of three quotes INTERA received, Associated Water Well Services was selected. They were chosen not only for being the lowest bidder but also due to their satisfactory performance on a previous project for the District. INTERA aims for the completion of the new monitoring well by the end of this year.

Mr. Oliver concluded his report stating there has been no update regarding Groundwater Management Area 8 ("GMA 8") in the last month. Proposals to select a consultant to assist the planning group for this next round of planning are due to the GMA in late July, with the planning group expected to make a final selection during their next scheduled meeting.

At 9:58 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 10:37 a.m. President Beseda announced the meeting is reconvened into an open session and was open the public.

GENERAL MANAGER'S REPORT AND UPDATE – Kathy Turner Jones

Ms. Jones updated the Board on district activities, highlighting that groundwater production for June 2024, as well as year-to-date production, has decreased by 8.6% compared to 2023. She also provided updates on current permitted numbers and total annual permitted allocation. Additionally, Ms. Jones noted that the number of well registrations approved by the District to date is significantly lower compared to July 2023.

Ms. Jones concluded her report by outlining upcoming meetings. The Budget and Finance Committee is scheduled to meet again on July 22nd, followed by the Rules and Bylaws Committee, which will convene immediately after the August 19th board meeting. Additionally, several staff and board members will be attending the Texas Groundwater Summit later that same week.

BRICE V. PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT BOARD OF DIRECTORS ET AL., CAUSE NO. 114412, 40TH DIST. CT., ELLIS COUNTY

No action is to be taken at this time.

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 Daniels made a motion to adjourn the meeting which was seconded by Director Tucker. The motion passed unanimously. The meeting was adjourned at 10:50 a.m.

PASSED, APPROVED, AND ADOPTED THIS 19TH DAY OF AUGUST 2024.


Maurice Osborn, Secretary/Treasurer