

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

March 17, 2025

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 March 17, 2025.

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
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 Vice President Tischler and Director McPherson, 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 participated via video conference. *Copies of the public sign-in sheets are attached hereto as Exhibit “A.”*

PUBLIC COMMENTS

None.

CONSENT AGENDA

A 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 February 2025. Mr. Watts reported ending cash balances for February 28, 2025, of \$2,488,538.27. This represents an 8.07% increase compared to the ending cash balances for February 29, 2024. The Profit & Loss Report for February reflects a gross revenue of \$33,292.70. Mr. Watts concluded his report informing the Board that the 2024 water use refunds, totaling \$157,972.05, have been finalized and distributed.

At 9:26 a.m., President Beseda announced the Board will recess into a closed executive session under Section 551.071, Government Code, to consult with legal counsel regarding items on today's agenda. No final action will be taken during the closed session. At the conclusion of the closed session, the Board will reconvene in an open public session.

At 10:21 a.m. President Beseda announced the meeting was reconvening in an open public session and would proceed with agenda item number 6.

RULES AND BYLAWS COMMITTEE REPORT – Paul Tischler, Chair

- a) Brief the Board on the Committee activities. In Vice President Tischler's absence, General Counsel Brian Sledge briefed the Board on the Committee's activities and provided an overview of proposed amendments to the District Rules, including the process for public notice and comment as required.
- b) Discussion and possible action to authorize publication of proposed amendments to the District Rules and setting a date for public hearing and comments. Following presentation and discussion, a motion was made by Director Osborn to authorize the general manager to publish proposed amendments to the District Rules and schedule a rulemaking hearing to consider those amendments in conjunction with our regular April Board meeting. Director Tucker seconded the motion and it carried unanimously by all those who were present.

CONSIDER ENFORCEMENT ACTION FOR THE FOLLOWING, INCLUDING WITHOUT LIMITATION TO SETTLE THE VIOLATION, ORDER A SHOW CAUSE HEARING TO BE SET, OR INSTRUCT THE GENERAL MANAGER TO INSTITUTE A CIVIL SUIT FOR VIOLATIONS OF DISTRICT RULES – Kathy Turner Jones, General Manager

- a) Failure to submit water use fees within thirty (30) days of the date the fees were due:

- Red Rocket Investment, LLC; OP-20-005

Ms. Jones provided an update on Red Rocket Investment, LLC, a commercial sand and gravel mining operation located in Somervell County at 1258 CR 300, Rainbow, TX; with a permitted authorization of 9.5M gal/annually. Red Rocket Investments, LLC has failed to submit their 2025 annual water use fees of \$2,137.50 on or before January 10, 2025. On January 14, 2025, late fees of \$320.63 were assessed and were due January 31, 2025. A notice of major violation

and penalty of \$250.00 was emailed February 13, 2025, with a total due, including penalties and interest in the amount of \$2,708.13. The deadline to respond was February 28, 2025.

Ms. Jones is requesting to schedule a show cause hearing before the Board in conjunction with the April Board of Directors meeting and to serve 20-day written notice of the violation to Red Rocket Investments, LLC, requesting their appearance to show cause why an enforcement action, including the initiation of a suit in a court of competent jurisdiction, should not be pursued by the District for violation of District Rule 7.3.

A motion was made by Director Osborn to authorize the general manager to take enforcement action, including limitations to settle the violation, order a show cause hearing, or institute a civil suit for violations of the District Rules. Director McClure seconded the motion and it carried unanimously by all those who were present.

**UPDATE ON ACTIVITIES RELATED TO GROUNDWATER MANAGEMENT AREA 8
JOINT PLANNING AND THE DEVELOPMENT OF DESIRED FUTURE CONDITIONS
– Kathy Turner Jones, General Manager**

- a) Discussion and action to authorize the general manager to execute interlocal agreement regarding groundwater management area 8 funding for development of desired future conditions joint planning

Ms. Jones reported to the Board the Groundwater Management Area 8 (“GMA 8”) joint planning group met at the District’s offices on February 25, 2025, to review the planning timeline and discuss the development of the Desired Future Conditions (“DFC”) for the relevant aquifers within GMA 8 planning area. During the meeting, the consultants presented a detailed analysis of aquifer uses in depth, highlighting the differences within the areas. Ms. Jones noted significant distinctions identified within the District and informed the Board that she had invited INTERA to present those findings at the next regular board meeting.

Additionally, Ms. Jones explained that back in October 2024, the groundwater conservation districts (GCDs) within GMA 8 selected INTERA and Advanced Groundwater Solutions to prepare the explanatory report required for the current DFCs planning period. The project agreement spans from October 31, 2024, to March 31, 2026, with a total cost of \$200,003. An interlocal agreement among the 11 GCDs was approved at the same meeting to fund the project. Based on past funding participation, 9 of the GCDs are expected to share the cost equally. Of those, 9 GCDs are expected to contribute an equal share based on prior participation, while 2 GCDs with budgets under \$200,000 may participate at a reduced percentage. If evenly split among 9 GCDs, each would contribute approximately \$22,200.00 over the planning period.

Ms. Jones requested the Board’s authorization to execute the interlocal agreement for funding participation in an amount not to exceed \$22,200.00.

A motion was made by Director Curtis authorizing the General Manager or other District representative to execute the interlocal agreement regarding GMA 8 funding for the development of desired future conditions and explanatory report. Director Osborn seconded the motion and it carried unanimously by all those who were present.

UPDATE ON WELL REGISTRATION AND PERMITTING ACTIVITIES – Kaylin Garcia, Permitting Director

Ms. Garcia reported to the Board that email reminders have been sent to permit holders required to complete an Annual System Water Loss Audit, which is due May 1.

She also noted that all but one permit holder has resolved enforcement matters and submitted payments related to 2024 overpumping violations and expressed hope that the remaining case would be resolved before the next board meeting.

Ms. Garcia also highlighted several updates to the District's online groundwater management system, including: Enhanced meter verifications submission access; new layers added to the public map; compliance order tracking; and additional fillable fields on applications.

Additionally, Ms. Garcia reported that well registration and permitting activities are on trend compared to last year, but still lower than 2023. In February 2025, the District approved 15 well registrations. Following today's permit hearing, the District now has 242 permits, with an authorized allocation of 9.7 billion gallons.

Ms. Garcia concluded her report by noting that 790 million gallons were reported for February, reflecting a 15.28% decrease compared to February 2024; however, the decrease is probably due to the fact that not all permittees have reported for February.

UPDATE ON PUBLIC OUTREACH ACTIVITIES, EDUCATIONAL, AND CONSERVATION EFFORTS – Kaylin Garcia

Ms. Garcia reported on recent public relations and educational activities since the last board meeting including finalized participation totals of five teachers and 385 students for the 2025 Spring session with Tinker, and an e-blast about the rainwater harvesting rebate and workshops scheduled for 2025, with the first workshop scheduled for Saturday, February 12, 2025. She added that the District will be attending the Ellis County Master Gardeners Expo on Saturday, March 29, 2025, which historically promotes additional interest in our rainwater harvesting workshops.

Ms. Garcia reported that she and Karol Bowers participated in a STEM-Day event at Hill College, where they showcased the District's new tabletop aquifer model designed after the Water Education Trailer (WET). Additionally, WET was onsite at Dinosaur Valley State Park in Somervell County as part of their spring break activities.

Ms. Garcia concluded her update with social media analytics and upcoming events scheduled in the District.

UPDATE ON WELL MONITORING AND FIELD OPERATIONS – Michael Heath

Mr. Heath provided a brief update on recent field activities since the last Board meeting. He reported that field staff has completed the collection of annual water level measurements and has begun conducting annual meter verifications.

He also updated the Board on the status of the deteriorated wells discussed at the previous board meeting, noting that the issues have now been resolved. Mr. Heath concluded his report by stating that field staff is continuing efforts to identify and add additional wells to the District's monitoring well network program.

GENERAL MANAGER'S REPORT AND UPDATE – THE GENERAL MANAGER WILL BRIEF THE BOARD ON THE FOLLOWING ADMINISTRATIVE, OPERATIONAL, AND REGULATORY MATTERS OF THE DISTRICT AND ANY OTHER ITEMS INCLUDED IN THE GENERAL MANAGER'S WRITTEN REPORT, WHICH MAY BE DISCUSSED, CONSIDERED, AND ACTED UPON BY THE BOARD, INCLUDING AUTHORIZING THE INITIATION OF, MANAGING, OR RESOLVING ENFORCEMENT ACTION OR LITIGATION WHERE APPLICABLE – Kathy Turner Jones

Ms. Jones provided a follow-up to the previous board meeting regarding the Groundwater Availability Certification (GAC) interlocal agreements. She stated that three of the four county agreements specify a \$1,000 application fee. However, she noted that recent cost reviews show that consultant service fees have increased to approximately \$3,500-\$4,000.

Ms. Jones explained that, according to the terms outlined in the existing interlocal agreements, modification or amendment would be required in order to charge a higher fee when necessary. She advised the Board that the District's legal counsel has recommended pursuing such amendments if the District intends to recover the full cost of consultant services under the current GAC review process.

Additionally, Ms. Jones updated the Board stating both Region C and Brazos G regional planning groups have completed their draft 2026 Regional Water Plans, which have been sent to the Texas Water Development Board ("TWDB") for review. The TWDB has 120 days to review and provide feedback. Final 2026 Regional Water Plans are due to the TWDB on October 25, 2025.

Ms. Jones also reported on the current drought conditions within the District stating that as of March 11, 2025, the US Drought Monitor indicates that Johnson, Ellis, Somervell, and Hill counties are experiencing varying drought conditions.

The District received notice of a UIC injection application from UPP Operating, LLC for a new injection well project to be located +/- 2 miles NW of Venus in Johnson County. Consultants working with the District's legal counsel have recommended not protesting this application, as the usable quality water is fully protected by cemented surface casing and there is adequate coverage between the top of the injection interval and the base of the usable quality of water.

Ms. Jones concluded her report with upcoming meetings including the Texas Water Association's summer conference and TAGD's business meeting, with both scheduled for early June. Lastly, the District offices will be closed April 18, 2025, in observance of Good Friday.

GENERAL COUNSEL'S REPORT — Brian L. Sledge

None.

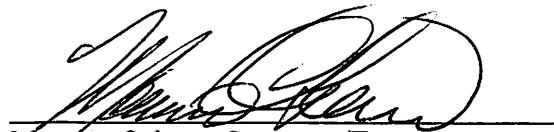
OPEN FORUM / DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING AGENDAS

None.

ADJOURN REGULAR MEETING

There being no further business, Director McClure made a motion to adjourn the meeting which was seconded by Director Daniels. The motion passed unanimously. The meeting was adjourned at 11.15 a.m.

PASSED, APPROVED, AND ADOPTED THIS 21st DAY OF APRIL 2025.


Maurice Osborn, Secretary/Treasurer