

# **PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT**

**April 21, 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 April 21, 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 9:42 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, thus constituting a quorum of the Board of Directors. Also present at said meeting were Kathy Turner Jones, General Manager; Brian Sledge, General Counsel; District staff; and members of the public. *Copies of the public sign-in sheets are attached hereto as Exhibit “A.”*

### **PUBLIC COMMENTS**

None.

### **CONSENT AGENDA**

A motion was made by Director Osborn to approve the consent agenda. Director Tucker seconded the motion and it carried unanimously by all those who were present.

## **RECEIVE PRESENTATION OF 2024 ANNUAL FINANCIAL AUDIT FOR BOARD'S ACCEPTANCE – Kim Knox-Lewis, Boucher, Morgan & Young (“BMY”)**

Ms. Knox-Lewis provided an overview of the 2024 annual financial audit, highlighting key sections of the report, including the firm's assessments and analysis of the District's governmental activities and financial statements for the fiscal year ending December 31, 2024.

Following the presentation, Ms. Jones informed the Board that the Budget and Finance Committee had met to review the draft audit and recommended it for acceptance. Director Osborn made a motion to accept the 2024 financial audit as presented, and Director Curtis seconded the motion. The motion passed unanimously by all those who were present.

## **FINANCE REPORT – Brian Watts, Comptroller**

- a) Presentation of unaudited financials for the month of March 2025. – Mr. Watts reported ending cash balances for March 31, 2025, of \$2,336,558.19. This represents a 16.87% increase compared to the ending cash balances for March 31, 2024. The Profit & Loss Report for March reflects a gross revenue of \$373,639.70, with a refund allowance of \$23,330.76, resulting in a net revenue of \$350,308.94.
- b) Review 1<sup>st</sup> Quarter Investment Report for 2025 – Mr. Watts presented the Quarterly Investment Report for the 1<sup>st</sup> Quarter of 2025 detailing the banking and investments transactions for all funds of the District. He reported that for the 1<sup>st</sup> quarter, the funds of the District were being held across three 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 1<sup>st</sup> Quarter Investment Report and Director McPherson seconded the motion. The motion passed unanimously by all those who were present.
- c) Discuss, consider, and take action to approve transfer amendment(s) to the 2025 YE Budget – Mr. Watts reported that the 2025 budget allocated \$39,000 for the purchase of a new truck, based on a recent estimate from another local entity. However, after finalizing specifications, the actual cost came in higher than expected. Mr. Watts requested a \$9,000 budget amendment and authorization to transfer from the contingency expense account to the capital expense account. Director Curtis made a motion to approve the 2025 Budget Transfer/Amendments and Director Tucker seconded the motion. Director Curtis modified his motion to clarify that the vehicle is “new”, and Director Tucker seconded the amendment to the motion. The motion passed 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 Plug Existing Well Once New Well was Operational:

- Undine Texas LLC (Crowley II Acre Subdivision); OP-21-015

Ms. Jones provided an update on Undine Texas, LLC (“Undine”), a retail public utility that owns and operates a subdivision known as Crowley II Acre located in Johnson County. In 2021, Undine submitted a well registration and an operating permit application, and was notified at that time that plugging the existing well would be a condition of the approval of the new well and operating permit. As of this report, Undine has not complied with the requirement to plug the existing well. A notice of major violation and \$250.00 penalty was issued March 13, 2025, with a response deadline of April 2, 2025. No response has been received to date.

Ms. Jones requested that a Show Cause Hearing be scheduled before the Board in conjunction with the May 19, 2025, Board of Directors meeting and to issue a 20-day written notice to Undine Texas, LLC, requesting their appearance to show cause why an enforcement action, including the potential initiation of a suit in a court of competent jurisdiction, should not be pursued for violation of District Rule 7.3.

A motion was made by Director McPherson 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 Osborn seconded the motion and it carried unanimously by all those who were present.

**CONSIDER FOR APPROVAL APPLICATION TO EXTEND WELL REGISTRATIONS**  
– Kathy Turner Jones

- a) Well ID 3267 (McQueen, Annmarie) - Motion was made by Director McPherson to approve the extension of the well registration for Well ID 3267. Director McClure seconded the motion and it carried unanimously by all those who were present.
- b) Well ID 3353 (Chatt WSC) - Motion was made by Director McPherson to approve the extension of the well registration for Well ID 3353. Director Osborn seconded the motion and it carried unanimously by all those who were present.

**PRESENTATION AND ACTION AS NEEDED RELATED TO GROUNDWATER MANAGEMENT AREA 8 JOINT PLANNING AND THE DEVELOPMENT OF DESIRED FUTURE CONDITIONS – John Ellis, INTERA**

Mr. Ellis provided an update on the GMA 8 joint planning process, focusing on the nine factors required by Texas Water Code Subsections 36.108(d)(1-9). He noted that a technical committee meeting of the planning group was scheduled for April 22 to discuss Desired Future Conditions (DFCs) and Modeled Available Groundwater (MAG).

A model update for the Northern Trinity Woodbine Aquifer is underway, incorporating water use data from 1980 to 2020 to improve forecasting. He also shared a summary of local

geology and aquifer structure within the District, along with a review of current and historical DFCs by aquifer and county.

Mr. Ellis concluded by noting the next two joint planning meetings are tentatively planned for June and August. The deadline to propose new DFCs is May 1, 2026, followed by a 90-day public comment period. Deadline to adopt final DFCs is January 5, 2027.

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

Ms. Garcia shared with the Board that 68 of 112 water loss audits (60%) have been submitted ahead of the May 1 deadline. She also highlighted that staff completed a major cleanup of the well registration database, updating records with accurate GPS coordinates and current state well report data. As part of this effort, 478 amendments were submitted on the Texas Water Development Board (TWDB)'s website, with an additional 200 requiring action by TWDB.

Additionally, Ms. Garcia reported that the well registration and permitting activities are nearly identical to last year, but still lower than 2023. In March, 20 new well registrations were submitted. Following today's permit hearing, the District has 242 permits, with an authorized allocation of 9.7 billion gallons.

Ms. Garcia concluded her report by noting 1<sup>st</sup> Quarter groundwater production reached 1.3 billion gallons, led by Ellis County, and is on trend compared to 2024 levels.

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

- a) Overview of District involved activities - Ms. Garcia reported that the public relations and education team had a busy month. On April 2, an E-line was sent out covering rain garden design, meter accuracy for non-exempt users, and the impact of brush control to help with water management. Two rainwater harvesting workshops were held on March 22 and April 12, resulting in the construction of 34 barrels, totaling 1,800 gallons of rain capture. Additional workshops are planned for May.

Ms. Garcia reported that she and Karol Bowers took the Water Education Trailer (WET) to Hill County Water Days for the 10th year, reaching over 2,700 students over the years. The WET also visited Nichols Middle School in Joshua ISD on March 31, reaching 275 students. Additionally, Ms. Garcia and Karol Bowers attended the Ellis County Master Gardeners Expo, engaging 148 attendees. She and Dillon Bybee presented to 50 Keller Williams realtors in Ellis County.

- b) Review and possible action to approve draft 2024 Annual Report for the Prairielands Groundwater Conservation District for publication and distribution – Ms. Garcia shared with the Board that the 2024 Annual Report is nearly complete, with only minor formatting adjustments remaining. A copy of the draft report was included in the board packet. Ms. Jones added that the updates reflect the 2024 management plan. Director

McPherson made a motion to accept the draft 2024 Annual Report for publication and distribution. Director Daniels seconded the motion and it carried unanimously by all those who were present

#### **UPDATE ON WELL MONITORING AND FIELD OPERATIONS – Michael Heath**

- a) Overview of field related activities - Mr. Heath provided a brief update of recent field activities since the last board meeting. He reported that two open-hole wells - one located in Johnson County and one in Hill County - had been addressed. Additionally, he stated well monitoring expansion efforts are still ongoing.

He also noted that he recently presented at a Texas Groundwater Association continuing education class for drillers and pump installers, where he reviewed District compliance rules.

- b) Update on quarterly water levels - Mr. Heath highlighted the 1<sup>st</sup> Quarter 2025 water level data, showing notable changes in monitor wells across all four counties: a 67.4 ft gain in the Woodbine in Ellis County (since 2014), a 41 ft decline in Hill County (since 2016), a 4.7 ft drop in Johnson County's Woodbine, and a 30.54 ft decline in Somerville's Twin Mountains well (since 2019). Data is collected hourly and verified regularly for accuracy.

#### **GENERAL MANAGER'S REPORT AND UPDATE – Kathy Turner Jones**

Ms. Jones introduced Dylan Bybee as the District's newest employee, highlighting his strong background in hydrology. She noted that Mr. Bybee is a licensed water well driller and pump installer, with experience in drilling operations, consulting, aquifer analysis, and environmental compliance.

Ms. Jones reported that there were no major updates in regional water planning updates at this time, although Region C is holding a public hearing on its Initially Prepared Plan ("IPP") that afternoon. Drought conditions continue across the District, with hopes for relief from upcoming rain.

Ms. Jones also noted that legislative monitoring continues, with a considerable amount of time spent tracking legislative bills and committee activities. She concluded by reminding directors to confirm their attendance if they intend to attend the TWA summer conference in early June, as hotel rooms are limited.

#### **GENERAL COUNSEL'S REPORT — Brian L. Sledge**

Mr. Sledge updated the board on legislative activity focusing on water-related issues this session, with no major threats currently advancing for groundwater conservation districts. Key water infrastructure funding of about \$2.5 billion is still undecided, with potential for a constitutional amendment vote in November. Sledge also highlighted the passage of legislation

creating a new Groundwater Availability Science Fund in the House, intended to support enhanced monitoring and modeling efforts.

Additionally, he discussed Senator Perry's brackish groundwater bill, which proposes to exempt high-salinity water (greater than 3,000 mg/L TDS) from permitting requirements. While intended to promote development of alternative water supplies, the bill raises concerns due to the hydrological connection between brackish and freshwater zones, which could complicate long-term aquifer management.

Mr. Sledge concluded his report noting that several bills related to real estate and water rights were paused this session to allow further discussion with the Texas Real Estate Commission. He also reported that a concerning provision in a separate bill, which would allow unlicensed individuals to conduct water transactions, was removed. Additionally, a few cleanup bills, including those related to groundwater availability certifications, are still progressing through the legislative process.


#### **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 McClure. The motion passed unanimously. The meeting was adjourned at 11.14 a.m.

**PASSED, APPROVED, AND ADOPTED THIS 19<sup>th</sup> DAY OF MAY 2025.**

  
Maurice Osborn, Secretary/Treasurer