

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

August 18, 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 August 18, 2025.

CALL TO ORDER AND DECLARE REGULAR MEETING OPEN TO THE PUBLIC

President Charles Beseda presided and called the public hearing to order at 9:20 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(s) McClure, Curtis, and Tucker, 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, attended via videoconference. *Copies of the public sign-in sheets are attached hereto as Exhibit “A.”*

PUBLIC COMMENT

- 1) Tony Woodridge, Operator, and Kayleen Lehman, Board VP, Avalon WSC – In response to a recent notification of fines for System Water Loss greater than 25%, Mr. Woodridge and Ms. Lehman approached the Board and requested leniency or reconsideration of fines, citing the financial burden on their small system is too much. They explained that since 2023, significant improvements have been made, including repair of a major leak in March 2025 that reduced their water loss from 50-60% to approximately 6-10%.

CONSENT AGENDA

A motion was made by Director McPherson to approve the consent agenda. Director Daniels 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 July 2025. – Mr. Watts reported ending cash balances for July 31, 2025, of \$2,404,054.22. This represents a 13.53% increase compared to the ending cash balances for July 31, 2024. The Profit & Loss Report for July reflects a gross revenue of \$34,426.00, with a refund allowance of \$1,189.00, resulting in a net revenue of \$33,237.00.

BUDGET AND FINANCE DEVELOPMENT COMMITTEE – Maurice Osborn, Treasurer

At Director Osborn's request, Ms. Jones updated the Board on the Budget and Finance Development Committee meeting held August 15, 2025.

- a) Discuss, consider, and take action as necessary to approve Resolution #25-002 reviewing and approving the District's Investment Policy and its investment strategies as required annually by the Public Funds Investment Act of Texas. Ms. Jones noted the Budget and Finance Committee met Friday, August 15, to review the annual investment policy. No substantial changes were required following the recent legislative session, though minor cleanup language was recommended. The committee also reviewed allowable investments, removing certain options unlikely to be used, while noting they could be reinstated if needed in the future. Authorized vendors for investment officer training were also updated. The committee recommends approval of the amendments as presented. Director Osborn made a motion to approve Resolution #25-002 per the Committee's recommendation. The motion was seconded by Director Tischler and it carried unanimously by all members present. *Copy of said Resolution #25-002 attached hereto as Exhibit "B".*
- b) Consider and act on Resolution #25-003 establishing administrative fee schedule and authorize the General Manager to take any and all action necessary for the implementation of this Resolution. Ms. Jones presented recommended changes to the Administrative Fee Schedule to the Board, stating the Budget Committee reviewed the recommendations that proposed adding an application fee for permit renewals in addition to the per-well fee similar to the original Historic Use Permit application process. Additionally, an application fee has been included for eligible permittees electing to report metered production semi-annually in lieu of monthly. Director Osborn made a motion to approve Resolution #25-003, amending the Administrative Fee Schedule with the proposed amendments effective September 1, 2025. Director Tischler seconded the motion and it carried unanimously by all those who were present. *Copy of said Resolution #25-003 attached hereto as Exhibit "C".*
- c) Consider and act on Resolution #25-004 adopting water use fee rate schedule for 2026. Ms. Jones reported that the Committee met and recommended no action at this time, with consideration to be at the September 15, 2025, board meeting. Director Osborn moved to postpone consideration of Item 6(c) until the September 15th board meeting. Director

McPherson seconded the motion, and it carried unanimously by all those who were present.

UPDATE ON ACTIVITIES AND MEETINGS RELATED TO GROUNDWATER MANAGEMENT AREA 8 JOINT PLANNING AND THE DEVELOPMENT OF DESIRED FUTURE CONDITIONS – John Ellis, District Hydrogeologist

Mr. Ellis updated the Board on the progress of the joint planning process for GMA 8 since the last board meeting, including current model run scenarios. Run 4.1 represents the District's maximum-use projections through 2080, while Run 4.2 is a conservative base holding 2024 pumping levels constant through 2080. District staff have compiled and reviewed data from public water supply systems and updated the District estimates. INTERA has finalized the 2080 estimates, which will be distributed this week, and the model results are scheduled to be presented at the upcoming GMA 8 meeting on August 29.

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

Ms. Garcia shared with the Board that permit holders are being asked to submit meter accuracy verifications to improve water loss audit accuracy and begin the required five-year compliance cycle. She also noted that a permit renewal form is being developed with Halff in preparation for the permit renewals scheduled this year.

Ms. Garcia concluded her report noting 19 new well registrations were received in July, mostly in Johnson County, with none in Somervell, bringing 2025 totals above 2024 levels. Year-to-date production has slightly dropped showing a 1.93% decrease from 2024. With today's approvals, the District now has 246 permits with a total allocation of 9.8 billion gallons.

UPDATE ON PUBLIC OUTREACH ACTIVITIES, EDUCATIONAL, AND CONSERVATION EFFORTS – Sarah Clark, Public Relations/Education Coordinator

Ms. Clark reported that since the last meeting, Dillon Bybee presented to the Cleburne Lions Club; she, Mr. Bybee, and Kaylin Garcia conducted a site visit to the Ellis County Rural Heritage Farm for a rainwater-harvesting grant project; and she participated in the Ogallala Commons Quarterly Roundtable. Teacher outreach is ongoing with multiple schools secured, and Facebook engagement increased, adding 10 new followers.

UPDATE ON WELL MONITORING AND FIELD OPERATIONS – Michael Heath

Mr. Heath reported meter verifications and compliance follow-ups on non-permitted wells; field staff located and registered three wells. An Ellis County data logger was calibrated. Two monitoring wells were added, a Paluxy (Grid 32-55) and a Glen Rose (Grid 32-62), both in Hill County; and staff are coordinating with the U.S. Army Corps of Engineers on additional sites. He noted the monitoring-well program is ahead of the 2025 schedule, with only one Hosston well outstanding.

GENERAL MANAGER'S REPORT AND UPDATE – Kathy Turner Jones

Ms. Jones presented Kaylin Garcia a commemorative paperweight in recognition of her five years of employment with the District.

Ms. Jones report staff have been working with Undine and counsel on spacing exception scenarios and modeling approaches with a formal recommendation expected in September.

Ms. Jones informed the Board that Mr. Bob Beakley (Ellis County appointee) has declined the appointment due to health concerns and that the District is waiting on formal notice to proceed with a replacement.

Ms. Jones concluded her report noting the latest drought monitor report indicates most of the District remains free of extreme drought, though Johnson and Ellis counties remain classified as abnormally dry due to high temperatures and low rainfall.

GENERAL COUNSEL'S REPORT — Brian L. Sledge

Mr. Sledge briefed the Board on the significant statewide attention focused on a proposed East Texas groundwater export project and related legislative activity. He noted several bills having been filed. Although groundwater was not included in the Governor's special session call at this time, momentum is building for significant policy changes in the next regular session. Mr. Sledge concluded his report noting recent amendments to Chapter 36 will require District rule changes, with the Rules Committee to reconvene soon.


OPEN FORUM / DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING AGENDAS

Ms. Jones noted that officer appointments will take place at next month's board meeting following reappointments, with committee assignments to follow the month after.

ADJOURN REGULAR MEETING

There being no further business, Director McPherson made a motion to adjourn the meeting which was seconded by Director Daniels. The motion passed unanimously. The meeting was adjourned at 10:34 a.m.

PASSED, APPROVED, AND ADOPTED THIS 15th DAY OF SEPTEMBER 2025.


Maurice Osborn, Secretary/Treasurer