

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

September 15, 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 September 15, 2025.

CALL TO ORDER AND DECLARE REGULAR MEETING OPEN TO THE PUBLIC

President Charles Beseda presided and called the public hearing to order at 9:36 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
Gary Farmer

All members of the Board were in attendance, thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Kathy Turner Jones, General Manager; Brian Sledge, General Counsel; District staff; and members of the public. John Ellis, INTERA, attended via videoconference. *Copies of the public sign-in sheets are attached hereto as Exhibit “A.”*

PUBLIC COMMENT

None.

CONSENT AGENDA

A motion was made by Director Curtis to approve the consent agenda. Director McClure 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 August 2025. – Mr. Watts reported ending cash balances for August 31, 2025, of \$2,282,737.51. This represents a 12.78% increase compared to the ending cash balances for August 31, 2024. The Profit & Loss

Report for August reflects a gross revenue of \$62,325.83, with a refund allowance of \$2,821.12, resulting in a net revenue of \$59,504.71.

- b) Review of cash flow and cash projection for year end 2025. – Mr. Watts provided an overview and a positive projection of the 2025 Cash Flow Schedule, indicating a favorable financial position for the District.

- c) Authorize General Manager to establish P-Card Purchasing Account under the Texas State contract with US Bank. – Mr. Watts presented a recommendation to authorize the General Manager to enroll the District in the Comptroller-negotiated U.S. Bank Purchasing Card (P-Card) program; issue P-Cards to designated staff with appropriate spending limits and merchant category controls; update related District policies; and, upon implementation, close and retire all existing Wells Fargo credit cards. He noted this program has no direct cost to the District and provides a cash rebate based on aggregate card usage. A motion was made by Director Curtis to approve the recommendation and authorize the General Manager to enroll the District in the Comptroller-negotiated U.S. Bank Purchasing Card program, and to close the Wells Fargo account upon implementation of the P-Card program and, upon implementation, close the Wells Fargo account. Director McClure seconded the motion, and it passed unanimously by those present.

- d) Consider and take action to declare the following item(s) surplus and authorize the General Manager to dispose or auction:
 - 1. Dell Latitude 7480 Laptop (HDD Removed)
 - 2. Intel NUC (HDD Removed)
 - 3. Qty (2) – 30x66 L Shaped Desk

Mr. Watts reported the electronic equipment and furniture items listed above are surplus to District needs and requested authorization to dispose of them via online auction and, if unsold, to dispose of remaining items in accordance with state requirements for political subdivisions. Director Curtis moved to declare the listed items as surplus and authorize the General Manager to direct staff to list them for online auction and dispose of any unsold items in accordance with state requirements. Director Daniels seconded. Motion passed unanimously by those present.

CONSIDER EXPENDING FUNDS FOR EDUCATIONAL PROGRAM REGARDING PROPOSITION 4 ON THE NOVEMBER BALLET

At Ms. Jones' request, Mr. Brian Sledge provided an update on Proposition 4, a constitutional amendment appearing on the November ballot that would dedicate \$1 billion annually from sales tax revenue to the Texas Water Fund and the New Water Supply for Texas Fund. These funds would support low-interest loans for water, wastewater, and flood-infrastructure projects administered by the Texas Water Development Board.

Mr. Sledge noted the proposal aligns with the District's continued support for regional water planning and development of new water-supply alternatives to lessen dependence on groundwater. He explained that the Texas Oil and Gas Association is seeking financial commitments from groundwater districts statewide to assist with public education efforts

organized by Texas for Opportunity.

The General Manager requested authorization to contribute \$5,000 from the District's educational funds, with the understanding that the contribution would be used solely for educational outreach purposes.

A motion was made by Director McClure to contribute \$5,000 in support of the educational outreach efforts related to Proposition 4. The motion was seconded by Director Osborn, and it carried unanimously by all present.

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 September 5, 2025.

- a) Consider and act on Resolution #25-004 adopting half-cent increase in water use fee rate schedule for 2026. Ms. Jones reported the Committee met on September 5th to review projected 2026 expenses and recommended a \$0.005 increase to the water use fee—from \$0.225 to \$0.23 per 1,000 gallons. The increase is intended to address rising operational costs, reduced interest income, and continued investment in the District's well monitoring program. The Committee noted the District remains below the \$0.30 statutory fee cap and continues to proactively meet regulatory obligations. President Beseda moved to postpone action on Resolution No. 25-004 until after executive session to allow for legal consultation. The motion was seconded by Directors Osborn and McPherson and passed unanimously by those 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

Due to Mr. Ellis's difficulty joining remotely, by unanimous consent the order of business was modified to take this report after Agenda Item 9. Accordingly, the update under Item 8 was postponed and taken up following Item 9.

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

Ms. Garcia shared with the Board an update on permitting activities, noting that meter accuracy verifications are required within the five-year permit term, and permit renewal forms and letters have been finalized and distributed. This year marks the first permit renewal cycle, with applications due by November 3rd. Permitting staff also sent friendly reminders to permittees regarding seeking authorization prior to substantially altering a well.

Ms. Garcia concluded her report by noting 18 new registrations were received, which remains lower than 2022 and 2023 calendar years. August production reporting is still underway, but year-to-date production stands at 4.1 billion gallons, with third quarter totals expected to exceed the second quarter. Overall production is down 5.86% compared to last year, though all

production reports have not been received for the month, and total authorized pumpage has increased to 9.8 billion gallons with the approval of today's permits.

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

Mr. Ellis reported on GMA-8 modeling activities, focusing on model runs 4.1 and 4.2. Results indicate Run 4.1 produced greater drawdown overall; in Johnson County, the Hosston showed an estimated 21% decline. Run 4.2 reflected more sustainable conditions, with all Prairielands GCD aquifers maintaining at least 67% of available drawdown..

Mr. Ellis noted that neighboring districts' higher drawdown projections may affect Prairielands, with McLennan County expected to increase pumping estimates in future runs, likely raising drawdown impacts.

Mr. Ellis concluded his report noting upcoming in-person technical committee meetings will be split between northern and southern GMA 8 regions. The southern region, which includes McLennan County, is scheduled for September 22, and the northern region, which includes Prairielands GCD, is scheduled for September 29.

UPDATE ON WELL MONITORING AND FIELD OPERATIONS – Michael Heath

Mr. Heath reported meter verifications and compliance follow-ups on non-permitted wells. A new solar-power kit to install a Well Watch 700 monitoring system will be installed on a Hosston well in Hill County. Field staff continue to look for additional wells for inclusion in the monitoring program having added a Glen Rose well in Hill County (Grid 40-06), bringing the total to 16 completed quadrants for 2025, exceeding the annual goal.

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

On behalf of Ms. Clark, Kaylin Garcia provided an update on public outreach activities, including the release of the Fall 2025 *e-line* newsletter which featured articles on the connection between surface and groundwater, promotion of the Water Education Trailer, and a Board Spotlight on Kathy Tucker. She added that collaboration continues with Rain Ranchers and the Ellis County Rural Heritage Farm, with an upcoming meeting scheduled to finalize installation plans. Ms. Garcia concluded by noting Tinker outreach efforts for the Fall 2025 semester have reached 348 students across six schools, keeping pace with last year's fall numbers.

GENERAL MANAGER'S REPORT AND UPDATE – Kathy Turner Jones

Ms. Jones welcomed new Board member Gary Farmer, recently appointed by the Ellis County Commissioners Court. She provided legislative updates noting the conclusion of the second special session, including discussion of House Bill 27, which proposed restrictions on groundwater transport, which ultimately did not advance.

Ms. Jones reported that the latest U.S. Drought Monitor reflects most counties in the District as drought-free, with abnormally dry conditions persisting in portions of Johnson and Ellis counties.

Ms. Jones concluded her report highlighting a recognition lunch was held for Kathy Tucker to honor her service. Updates were also shared regarding the upcoming TWA conference in October, and staff enforcement efforts continue, primarily identifying unpermitted or altered wells.

No enforcement items currently require Board action.

At 11:18 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. After the conclusion of 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 12:51 p.m., President Beseda announced the meeting was reconvened in an open public session and was open to the public.

- a) Consider and act on Resolution #25-004 adopting half-cent increase in water use fee rate schedule for 2026 (continued) – A motion was made by Director Osborn to amend Resolution #25-004 to correct the “proposed increase per each one thousand gallons” from \$0.005 to \$0.015 per thousand gallons. Director McClure seconded the motion and it carried unanimously by all those who were present.

Director Osborn made a motion that the Board of Directors of the Prairielands Groundwater Conservation District hereby sets a water use fee of \$1.00 per acre-foot of groundwater permitted for agricultural use, as that term is defined by § 36.001(20), Texas Water Code; and a water use fee rate of \$0.24 per 1,000 gallons of groundwater produced annually for nonagricultural purposes within the District that are not exempt from water use fee payment requirements as set forth in the District's rules. The District shall also impose a groundwater transport fee for groundwater transported out of the District as established in Rule 7.2 of the District's adopted rules. Director McClure seconded the motion and it carried unanimously by all those who were present. *Copy of said Resolution #25-004 attached hereto as Exhibit "B"*.

GENERAL COUNSEL'S REPORT — Brian L. Sledge

Mr. Sledge stated he had nothing to report following the closed executive 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 Daniels. The motion passed unanimously. The meeting was adjourned at 12:57 p.m.

PASSED, APPROVED, AND ADOPTED THIS 20TH DAY OF OCTOBER 2025.



Maurice Osborn, Secretary/Treasurer