

# PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

December 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 December 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 9:14 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 with the exception of Director Tischler, 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. Wade Oliver, EKI Environment & Water, attended via videoconference. *Copies of the public sign-in sheets are attached hereto as Exhibit “A.”*

### PUBLIC COMMENT

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

### CONSENT AGENDA

A motion was made by Director Daniels to approve the consent agenda. Director McPherson 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 November 2025. – Mr. Watts reported

ending cash balances for November 30, 2025, of \$2,453,910.56. This represents a 19.32% increase compared to the ending cash balances for November 30, 2024. The Profit & Loss Report for November reflects a gross revenue of \$36,005.34, with a refund allowance of \$2,528.78, resulting in a net revenue of \$33,476.56.

- 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.

#### **BUDGET AND FINANCE COMMITTEE – Maurice Osborn, Chair**

- a) Discuss and consider possible action regarding additional 2025 debt service payment using remaining Rule 7.4 refund accrual funds - Brian Watts – The Budget and Finance Committee recommended a one-time debt service payment of \$75,000 towards principal reduction on the District building, utilizing Rule 7.4 accrual reconciliation funds in the amount of \$3,364.39 for year ended December 31, 2024, with the remaining balance of \$71,635.61 to be offset using underutilized 2025 budgeted funds. A motion was made by Director Curtis to approve the Committee’s recommendation, and Director Osborn seconded the motion. The motion carried unanimously by all those who were present.
- b) Review of financial policy(s) and possible action – Brian Watts:
  - a. Regulatory and Compliance Contingency Fund Resolution – The Budget and Finance committee is tasked annually with reviewing the Regulatory and Compliance Contingency Fund Resolution (“Fund Resolution”). During the committee meeting held on November 24, 2025, the Budget and Finance Committee determined no changes were necessary and recommended readoption of the Fund Resolution. A motion was made by Director Osborn to approve the readoption of the Fund Resolution. Director McClure seconded the motion and it carried unanimously by all those who were present.
  - b. Operating Reserve Guidance Resolution – The District’s Budget and Finance committee is required, every odd-numbered year, to review the District’s Operating Reserve Guidance Resolution (“Guidance Resolution”) for recommended changes. The Committee presented proposed revisions clarifying reserve usage and formally defining the Operating Reserve Fund as a Board-designated reserve with a target minimum equal to six (6) months of operating costs, calculated annually following adoption of the District’s approved budget. A motion was made by Director Osborn to approve the changes to the Guidance Resolution as presented. Director Curtis seconded the motion and it carried unanimously by all those who were present.
- c) Discuss, consider, and take action to approve transfer amendment(s) to the 2025 YE Budget. – Brian Watts – Mr. Watts presented proposed 2025 year-end budget transfer amendments to reallocate existing funds, including a \$75,000 principal reduction payment, adjustments related to staffing changes, and minor line-item corrections. Director Osborn made a motion to approve the changes as recommended and Director Daniels seconded the motion. The motion passed unanimously by all those who were

present.

- d) Discussion, consideration, and possible action to approve engagement letter for audit services submitted by Boucher, Morgan & Young, P.C. (BMY) for the fiscal year ended December 31, 2025 – Brian Watts – Mr. Watts presented the audit engagement letter from Boucher, Morgan & Young, P.C. (BMY) for the District’s fiscal year audit ending December 31, 2025, noting a slight increase in fee compared to prior year, and recommended authorizing the Board President and General Manager to execute the engagement letter. A motion was made by Director McClure to approve the audit engagement letter with Boucher, Morgan & Young P.C. (BMY) for the 2025 audit. Director Farmer seconded the motion and it carried unanimously by all those who were present.

### **BUDGET CONSIDERATION AND ADOPTION**

- a) Discuss, consider, and take action to approve Resolution #25-006 reviewing and adopting FY 2026 Operating Budget and authorize the General Manager to take any and all action necessary for the implementation – Brian Watts, Comptroller – Copy of said Resolution #25-006 attached hereto as Exhibit “B”. Mr. Watts presented the proposed FY 2026 Operating Budget, noting a slight increase compared to FY 2025. The 2026 budget included new line items, including funding for a monitor well project (to be split over two years) and a contingency allocation for unplanned needs. Mr. Watts reported the budget was balanced with no anticipated deficit spending.

Ms. Jones added that, in accordance with Texas Government Code Chapter 551, as amended by House Bill 1522 (89th Leg.), the District provided proper notice of the Board meeting at which the 2026 Budget would be considered and adopted, including the required disclosure that the District is a non-taxing entity and that adoption of the budget has no property-tax impact on property owners.

Following recommendation from the Budget and Finance Committee, a motion was made by Director Osborn to approve Resolution #25-006 adopting the FY 2026 Operating Budget and authorizing the General Manager to take any and all action necessary for implementation.. The motion was seconded by Director McPherson, and it carried unanimously by all those who were present.

### **DISCUSS, CONSIDER, AND TAKE ACTION TO APPROVE 2026 BOARD MEETING SCHEDULE – Kathy Turner Jones**

Ms. Jones presented a proposed Board meeting schedule for 2026. The meetings are scheduled to remain at 9:00 a.m. on the third Monday of each month, with exceptions for January and February to avoid federal holidays. The January meeting will be held on Tuesday, January 20, 2026, and the February meeting will be moved to Tuesday, February 17, 2026. Ms. Jones also recommended moving the December meeting from December 21, 2026, to December 14, 2026, due the Christmas holidays. Director Curtis made a motion to approve the 2026 Board meeting schedule as presented. Director Daniels 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. – Wade Oliver, EKI Environment & Water, Inc.**

Mr. Oliver provided an update on the GMA 8 joint planning process. The Technical Committee met December 2, 2025, and December 8, 2025, with discussions focused on three key items: the metric for Desired Future Conditions (“DFC”), including consideration of average drawdown in wells versus available/median drawdown in wells; the geographic scope of DFCs, including whether measurements should be condensed across counties, GCDs, or GMA-wide; and the modeling approach, including evaluation of goal-seeking runs versus impact-of-pumping runs. Mr. Oliver closed his report noting the next Technical meeting is scheduled for December 19, 2025, and the next GMA 8 meeting is scheduled for January 29, 2026.

**UPDATE ON GROUNDWATER AVAILABILITY CERTIFICATIONS – Dillon Bybee, Staff Geologist**

Mr. Bybee informed the Board the District received a Groundwater Availability Certification (GAC) submission for review on November 5, 2025, for the Mable Meadows subdivision in Ellis County, located approximately five miles southwest of Waxahachie. The District provided a non-binding, advisory recommendation to the County based on its review of evaluated water demand, pumping test data, drawdown projections, well spacing, and compliance with District Rules. The County is the approving authority for subdivision platting and is responsible for final action related to the GAC submission.

Mr. Bybee noted that the District’s modeling utilized TWDB groundwater availability model parameters and produced results consistent with the Applicant’s analysis, indicating minimal drawdown relative to available aquifer thickness. He concluded his report stating the GAC was determined to be technically sufficient and in compliance with the requirements of Texas Local Government Code §232.0032.

**UPDATE ON PUBLIC OUTREACH ACTIVITIES, EDUCATIONAL, AND CONSERVATION EFFORTS – Dillon Bybee**

Mr. Bybee reported on outreach and educational activities noting the water education trailer was presented to Stafford Elementary in Italy and Stribling Elementary in Burleson, reaching approximately 120 students. The District also hosted Leadership Cleburne for County Day, providing a facility tour and overview of District programs. He concluded with an update on the rainwater harvesting grant and rebate program, including installation of a public demonstration system at Ellis County Rural Heritage Farm, and a summary of recent social media activity.

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

Ms. Garcia provided an update on meter verification efforts. She also mentioned the 2026 water use fee notices were distributed, which included any associated disincentive and/or compliance order fees. The City of Alvarado voluntarily waived its Historic Use Permit totaling approximately 164.8 million gallons.

Ms. Garcia noted that out of the 10 permits up for renewal, only nine were renewed, with one permittee allowing their Operating Permit to expire due to non-use. Eight of the renewals have been deemed administratively complete and are expected to be finalized before year end. Several renewals did require minor allocation reductions due to acreage changes.

Ms. Garcia concluded her report with a monthly update on well registrations and groundwater production. Since the previous meeting, 15 well registrations were received, primarily for domestic use in Johnson County. Year-to-date registrations total approximately 205, an increase from 168 in 2024. The deadline for November meter readings has not yet closed; to date, reported production totals approximately 3.58 million gallons., with 5.9 billion reported year-to-date. The District currently has 255 active permits with a total authorized allocation of approximately 9.6 billion gallons.

#### **UPDATE ON WELL MONITORING AND FIELD OPERATIONS – Michael Heath, Director of Field Operations**

Mr. Heath provided a field activities update, reporting 33 water level measurements collected since the last meeting. He also reported that staff had identified and added two previously unregistered wells to the District's records, conducted compliance verifications, and completed several GPS well locations.

Mr. Heath concluded his report noting that a Paluxy well was added to the well monitoring program in Hill County (Grid 32-61) to improve spatial coverage. He also reported progress on a proposed 2026 District monitoring well in the Hensell Formation east of Joshua, stating that Bethesda Water Supply is expected to present the monitoring well agreement to its board in January, with the intent to begin drilling prior to summer.

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

Ms. Jones provided an update on Lucky's Ready Mix, reporting that payment received following the previous Board meeting was returned for insufficient funds but was promptly corrected after contact from the District's general council and the District successfully received the funds, including applicable insufficient fees.

She also reported that the TWDB received all 16 regional water plans submitted t by the October 20, 2025, deadline, and the Texas Water Development Board is expected to consider adoption of the final state water plan at its January 22, 2026, meeting. Ms. Jones also reported that development of the 2027 State Water Plan is underway and will be released in two phases.

Ms. Jones provided a drought update, noting that although drought conditions persist statewide, the District is not experiencing extreme or exceptional drought and conditions range from abnormally dry to moderately dry. She concluded by reporting no additional meetings beyond the regular board meeting schedule and a GMA meeting set for January 29.

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

Mr. Sledge provided a legislative and regulatory update, reporting ongoing enforcement,

permitting, and overpumping matters, and noting that the Rules Committee plans to reconvene early in the year to review District rules. Legislative activity at the Capitol remains limited pending completion of the March primaries; however, groundwater issues continue to receive attention, largely driven by the pending groundwater-related legal matter in East Texas, with additional groundwater hearings anticipated.

Mr. Sledge concluded his report noting significant anticipated legislative turnover due to retirements and contested primaries, which may impact to District representation. He stated staff will continue monitoring and engaging with legislators and state agencies on groundwater-related matters, including concerns related to unregulated pumping in non-GCD areas.

**PRESIDENTIAL COMMITTEE APPOINTMENT(S) (DISTRICT BYLAWS 4.1) – Charles Beseda, President**

- a) Advisory Committee(s) – President Beseda announced committee appointments for the upcoming year, with committees remaining unchanged except for the addition of Director Farmer to the Rules Committee and the Planning and Development Committee.

**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 Farmer. The motion passed unanimously. The meeting was adjourned at 11:26 a.m.

**PASSED, APPROVED, AND ADOPTED THIS 20<sup>TH</sup> DAY OF JANUARY 2026.**

  
Maurice Osborn, Secretary/Treasurer