

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

May 19, 2025

MINUTES OF SHOW CAUSE HEARING ON ENFORCEMENT MATTERS

The Board of Directors of the Prairielands Groundwater Conservation District ("District") met in special session, open to the public, at 208 Kimberly Dr, Cleburne, TX 76031, within the boundaries of the District on May 19, 2025.

President Charles Beseda presided and called to order the Show Cause Hearing on Enforcement Matters at 9:10 AM.

The roll was called of the members of the Board of Directors, to wit:

Charles Beseda
John Curtis
Kathy Tucker
Paul Tischler

Maurice Osborn
Brad Daniels
Marty McPherson
Barney McClure

All members of the Board were in attendance, with the exception of Director Osborn, thus constituting a quorum. Vice President Tischler attended the meeting by videoconference in compliance with the requirements of Section 551.127, Government Code. Also, in attendance 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 and video conference attendee list are attached hereto as Exhibit "A" to the May 19, 2025, Regular Board Meeting minutes.*

President Beseda called on the General Manager, Kathy Turner Jones, to explain the Show Cause Hearing.

SHOW CAUSE HEARING FOR UNDINE TEXAS, LLC, PURSUANT TO DISTRICT RULE 9.6.

- A. Show Cause Hearing directing Undine Texas, LLC, ("Respondent"), pursuant to District Rule 9.6 to appear before the Prairielands Groundwater Conservation Board of Directors and show cause why the District should not:
- 1) issue a cease and desist order indefinitely suspending operation of the existing Well ID No. PGCD-001080;
 - 2) initiate legal action against Respondent in State District Court seeking

enforcement of District rules and the collection of any and all attorney's fees and court costs incurred by the District in the prosecution of claims against Respondent; and

- 3) take all other enforcement appropriate action that is necessary and appropriate under the laws of the State of Texas.

- B. Consider, discuss, and take action on matters raised in the Undine Texas, LLC show cause hearing, including, but not limited to, issuing a cease and desist order described in Agenda Item No. 3.A.1., authorizing filing of a civil suit against Respondent in State District Court as described in Agenda Item No. 3.A.2., and taking all other enforcement action described in Agenda Item No. 3.A.3.

Ms. Jones presented to the board the purpose of the Show Cause hearing regarding Undine Texas LLC's failure to plug an existing well (PGCD-001080), which was a condition of permit (OP-21-015) approval to drill a new well (PGCD-002620) due to spacing requirements.

Mr. Sledge added that during conversations held with Undine's legal counsel, Stephanie Bergeron Perdue with Baker Botts LLP, Undine believes it is in a "catch-22" because the new well's production capacity doesn't meet TCEQ's minimum system capacity requirements without continued use of the old well.

PUBLIC COMMENTS/TESTIMONY:

1. Stephanie Bergeron Perdue, Baker Botts LLP. Ms. Perdue stated that her client, Undine Texas LLC's, responsibility is to provide safe, reliable drinking water to their subdivision's residents, complying with both TCEQ regulations and the District's rules. They recognize the importance of these requirements and are committed to meeting them, especially regarding the well spacing issue discussed in the hearing. The new well was designed to pump 60 gallons per minute (GPM) but only produced 30 GPM. Ms. Perdue also stated Undine was not currently operating the well due to water quality issues.

After further discussion, Ms. Jones requested the board consider continuing the Show Cause Hearing until 9:00 AM on Monday, July 21, 2025, to allow Undine time to make adjustments as necessary to the new well to correct the water quality issues, to submit a spacing exception application for consideration by the Board after evaluating the actual capacity of the new well, the old well, and the space available, and to permit use of the existing well on an interim basis to meet the minimum system capacity requirements set by TCEQ until a decision is made by the Board.

Motion was made by Director Curtis, and seconded by Director McPherson, to continue the Show Cause Hearing on Enforcement Matters regarding Undine Texas, LLC, in its entirety until 9:00 AM on Monday, July 21, 2025, and to extend the use of the existing well as recommended by the General Manager. The motion passed unanimously by those present. The hearing was adjourned at 9:42 a.m.

PASSED, APPROVED, AND ADOPTED THIS 16th DAY OF JUNE 2025.



Maurice Osborn, Board Secretary