PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

February 17, 2026

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 February 17, 2026.

CALL TO ORDER AND DECLARE REGULAR MEETING OPEN TO THE PUBLIC

In the absence of President Beseda, Vice-President Tischler assumed the role of Presiding Officer, and called the public hearing to order at 9:17 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	John Curtis
Brad Daniels	Maurice Osborn
Barney McClure	Marty McPherson
Paul Tischler	Gary Farmer

All members of the Board were in attendance with the exception of President Beseda, thus constituting a quorum of the Board of Directors. Also, in attendance at said meeting were Kathy Turner Jones, General Manager; District staff; and members of the public. Brian Sledge, General Counsel and Wade Oliver, EKI Environment & Water, 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 January 2026. – Mr. Watts reported

ending cash balances for January 31, 2026, of $3,037,582.63. This represents a 19% increase compared to the ending cash balances for January 31, 2025. The Profit & Loss Report for January reflects a gross revenue of $1,281,559.32, with a refund allowance of $90,577.97, resulting in a net revenue of $1,190,981.35.

b) Discussion, consideration, and possible action to approve a resolution authorizing the District to participate in the Texas SmartBuy Membership Program. Director Osborn made a motion to approve authorization for the District to participate in the Texas SmartBuy membership Program and Director McPherson seconded the motion. The motion passed unanimously by all those who were present.

DISCUSS, CONSIDER, AND TAKE ACTION AS NECESSARY TO AUTHORIZE 2026 PROGRAM SPONSORSHIP LEVEL FUNDING TOWARDS TEXAS 4-H YOUTH WATER AMBASSADOR PROGRAM

Ms. Jones requested the Board continue its participation in the 2026 Texas 4-H Water Ambassadors Program at the $5,000 sponsorship level and authorize the General Manager to execute any necessary documentation associated with the sponsorship. Director McPherson made a motion to approve the General Manager's recommendation to continue the District's sponsorship at the $5,000 level and to authorize the General Manager to execute any associated documents. Director Curtis 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 a brief update on the GMA 8 meeting held on January 29 and reviewed groundwater model results, including Run 4.7, which mirrored Run 4.6 but held pumping in non-regulated areas at Run 11 levels. Preliminary results indicate reduced regional drawdown impacts, though some effects remain in nearby counties. He also reported that the Planning and Development Committee met on February 9 to discuss potential metrics for establishing Desired Future Conditions.

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

Ms. Garcia reported on permitting activities since the last Board meeting, noting that 99% of meter accuracy verifications have been completed, with only a few wells remaining due to scheduling or non-response. She also reported that staff finalized review of 2025 production reports, identifying two additional violations for over-production due to corrected meter readings, bringing the total to seven permittees in violation for pumping in excess of their permitted authorization. She concluded her report by noting that staff have begun reviewing eligibility for the 2025 refund program, with results expected prior to the March deadline.

Director Tischler and Director Curtis requested a short break. The meeting was reconvened at 10:01 a.m.

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

Mr. Heath reported on field activities since the last board meeting, noting that only a few water level measurements remain before results are submitted to the Texas Water Development Board. He also reported that a fourth mobile monitoring device has been installed to evaluate a potential permanent monitoring location. Mr. Heath added that he is working with the Bethesda WSC General Manager to finalize the easement agreement for the District's planned Hensell monitoring well, with signatures anticipated soon.

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 timely submit meter accuracy certification to the District:

- Beaumont Ranch (PGCD-002102 & PGCD-002103)
- City of Itasca (PGCD-000792, PGCD-000794, PGCD-000795, & PGCD-000796)
- City of Mount Calm (PGCD-000601)
- Pencco Inc (PGCD-001147)

Ms. Jones reported that following the posting of the agenda, Beaumont Ranch contacted the District and has taken appropriate steps toward regaining compliance.

With respect to the remaining three permittees, City of Itasca, City of Mount Calm, and Pencco, Inc., the General Manager's recommended that the Board order these entities to appear before the Board at a public hearing and show cause why an enforcement action, including the initiation of a suit in a court of competent jurisdiction, should not be pursued for failure to timely submit meter accuracy certifications to the District.

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

GENERAL MANAGER'S REPORT AND UPDATE – Kathy Turner Jones

Ms. Jones reported that much of the District's recent activity has focused on matters related to GMA 8. She also updated the Board on a grant opportunity through the Texas Water Development Board, for groundwater research, science, and data collection. Ms. Jones noted that she and staff are working with consultants to prepare a grant application for submittal prior to the March 13, 2026, deadline seeking funding to support the District's monitoring efforts, including installation of an additional monitoring well identified in the District's Monitoring Plan.

Ms. Jones also reported that several recent enforcement matters related to over-production and water use fee payments have largely been resolved. She concluded her report by noting that the U.S. Drought Monitor continues to show moderate dry conditions across the state and within the District.

GENERAL COUNSEL'S REPORT — Brian L. Sledge

Mr. Sledge reported on the groundwater hearing held on February 10, 2026, by the Texas House Natural Resources Committee, noting strong engagement from legislators and significant discussion regarding groundwater management, aquifer sustainability, and increasing water demands from emerging technologies such as data centers and cryptocurrency operations. Testimony was provided by several entities, including the Texas Water Development Board and the Texas Commission on Environmental Quality.

Mr. Sledge concluded his report noting ongoing legislative interest in groundwater issues and potential future hearings, as well as discussion of possible policy changes, including eliminating the Total Estimated Recoverable Storage (TERS) metric and enhancing data and modeling support for groundwater districts.

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 10:48 a.m.

PASSED, APPROVED, AND ADOPTED THIS 16TH DAY OF MARCH 2026.

Maurice Osborn, Secretary/Treasurer