PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

April 20, 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 April 20, 2026.

CALL TO ORDER AND DECLARE REGULAR MEETING OPEN TO THE PUBLIC

In the absence of President Beseda and Vice President Tischler, Secretary/Treasurer Osborn assumed the role of Presiding Officer, and called the public hearing to order at 9:05 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 and Director Tischler 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 Farmer 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 March 2026. – Mr. Watts reported ending cash balances for March 31, 2026, of $2,866,999.28. This represents a 22.71% increase compared to the ending cash balances for March 31, 2025. The Profit & Loss Report for March reflects a gross revenue of $1,755,271.47, with a refund allowance of $92,082.01, resulting in a net revenue of $1,663,189.46.

b) Review 1st Quarter Investment Report for 2026 – Mr. Watts presented the Quarterly Investment Report for the 1st Quarter of 2026 detailing the banking and investments transactions for all the District's funds. He reported that for the 1st quarter, District funds were held across three accounts and two separate depositories. Mr. Watts noted that in the summary section of the report, all the District's funds are adequately collateralized by a combination of FDIC insurance and pledged securities and remain in compliance with the District's Investment Policy. Director Curtis made a motion to accept the 1st Quarter Investment Report and Director Farmer seconded the motion. The motion passed unanimously by all those who were present

RECEIVE PRESENTATION OF 2025 ANNUAL FINANCIAL AUDIT FOR BOARD'S ACCEPTANCE – Kim Knox-Lewis, Boucher, Morgan & Young ("BMY")

Ms. Knox-Lewis provided an overview of the 2025 annual financial audit, highlighting key sections of the report, including the firm's assessment and analysis of the District's governmental activities and financial statements for the fiscal year ending December 31, 2025.

Following the presentation, Ms. Jones informed the Board that the Budget and Finance Committee has reviewed the draft audit and recommended it for acceptance. Director Curtis made a motion to accept the 2025 financial audit as presented, and Director Farmer seconded the motion. The motion passed unanimously by all those who were present.

DISCUSS, CONSIDER, AND TAKE ACTION TO APPROVE RESOLUTION #26-001 ADOPTING PROPOSED AMENDMENTS TO THE DISTRICT BYLAWS – Kathy Turner Jones.

Ms. Jones presented the proposed amendments to the District Bylaws, including a revision to Section 7.3 – Expenditures and Purchasing to add the Board Vice President as an authorized signatory for the disbursement of District funds, and recommended approval of Resolution #26-001 adopting the amendments as presented.

Director Farmer made a motion to approve Resolution #26-00 adopting the proposed amendments to the Bylaws. Director Curtis seconded the motion and it carried unanimously by all those who were present. *Copy of Resolution #26-001 attached hereto as Exhibit "B".*

CONSIDER AND POSSIBLE ACTION TO ADOPT RESOLUTION #26-002 APPROVING AMENDMENTS TO THE DISTRICT'S FUNDS AND ASSET MANAGEMENT POLICY – Kathy Turner Jones.

Ms. Jones presented the proposed amendments to the District's Funds and Asset Management Policy, including revisions to the disbursement provisions to add the Board Vice President as an authorized signatory for District fund disbursements, and recommended approval of Resolution #26-002 as presented.

Director McPherson made a motion to approve Resolution #26-002, adopting the proposed amendments to the District's Funds and Asset Management Policy. Director McClure seconded the motion and it carried unanimously by all those who were present. *Copy of Resolution #26-002 attached hereto as Exhibit "C".*

DISCUSS, CONSIDER, AND TAKE ACTION TO ADOPT RESOLUTION #26-003 TO APPROVE UPDATING AUTHORIZED BANKING SIGNATURE CARDS FOR FIRST FINANCIAL BANK – Kathy Turner Jones.

Ms. Jones presented Resolution #26-003 recommending updates to the authorized banking signature cards for First Financial Bank to add Paul Tischler, Board Vice President, as an authorized signatory with full signatory authority consistent with the other Board-approved signatories. Ms. Jones further noted that all previously authorized signatories would remain in place and unaffected by the proposed action.

Director McClure made a motion to approve Resolution #26-003 updating the authorized banking signature cards for First Financial Bank as presented. Director Curtis seconded the motion and it carried unanimously by all those who were present. *Copy of Resolution #26-003 attached hereto as Exhibit "D".*

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 to the Board regarding recent Groundwater Management Area 8 ("GMA 8") activities and joint planning efforts since the last meeting. Mr. Oliver reported that, at the March 31, 2026, GMA 8 meeting, the participating districts agreed to move forward with Model Run 4.8 as the basis for the proposed Desired Future Conditions ("DFCs") for the Trinity and Woodbine aquifers, meeting the May 1 statutory deadline, thus initiating the required 90-day public comment period.

Mr. Oliver further explained that each groundwater conservation district within GMA 8, including the District, must now hold a public hearing to present the proposed DFCs, the anticipated modeled available groundwater associated with those DFCs, and the nine statutory factors required under Chapter 36 of the Texas Water Code.

Mr. Oliver also stated that Williamson County pumping assumptions remained generally consistent with the prior DFC cycle as reflected in earlier model runs, while Southern Trinity GCD in McLennan County showed a minor increase in pumping between Model Runs 4.7 and 4.8.

Mr. Oliver concluded by stating the next GMA meeting will likely occur sometime in the

fall.

RECEIVE UPDATED EXEMPT USE REPORT AND POSSIBLE ACTION – Wade Oliver

Mr. Oliver provided a brief update on the Exempt Use Study, noting that the project is nearing completion and that the draft report is expected to be available for staff review and presented to the Board at the May meeting. Mr. Oliver stated that the preliminary results are generally consistent with previous exempt use estimates, with one notable distinction being that the current study includes exempt-by-rule wells producing less than 25 gallons per minute that are not public water supply wells, which were not included in the prior study.

UPDATE STATUS OF TWDB 2026 RESEARCH GRANT APPLICATION – Kathy Turner Jones

Ms. Jones provided an update on the Texas Water Development Board (TWDB)'s research grant program noting that the District submitted a grant application in March requesting $300,000 to enhance the monitoring network and data collection efforts. TWDB has delayed the original timeline, with award notifications now expected in June, contracts anticipated in July, and funding likely to be available in September.

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

Ms. Garcia reported that permitting efforts during the past month focused primarily on the annual water loss audit process. Of the 112 systems required to submit audits, reminder letters and follow-up emails were sent to permittees, resulting in significant progress toward the May 1 deadline. Staff anticipates completing reviews to be more efficient this year due to improvements made to the review process.

Ms. Garcia noted 38 well registrations have been received since the last Board meeting, with a large number associated with a single subdivision in Johnson County. Additionally, first quarter groundwater production reports have all been submitted, totaling approximately 938 million gallons District-wide, with Ellis County continuing to account for the largest share of production. Overall production is up approximately 6.91% compared to the same period in 2025, attributed largely to drier conditions and reduced rainfall.

Ms. Garcia concluded by noting that, following approval of the permits on the current agenda, the District will have 251 active permits with a combined allocation of approximately 9.8 billion gallons annually.

DISCUSSION, CONSIDERATION, AND POSSIBLE ACTION ON THE BELOW-LISTED APPLICATION FOR COMPLIANCE ORDER – Kaylin Garcia, Permitting Director

a) C&N Properties of Ft Worth, LLC, proposed Compliance Order CO-OP-25-096-1 for authorization to produce additional groundwater from existing well PGCD-003735 (32.40879350, -97.09396274) located in Johnson County at 2035 CR 214, Venus, TX; not to exceed 2,000,000 gallons annually above the amount authorized under permittee's existing permit OP-25-096. Compliance Order term: Effective immediately upon approval for calendar year 2026 through 12/31/2030.

Ms. Garcia presented the proposed Compliance Order and the General Manager's recommendation for approval. Motion was made by Director McPherson and seconded by Director Daniels to approve the Compliance Order in accordance with the General Manager's recommendation. Motion carried unanimously by all those who were present.

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

Mr. Heath provided an update on field activities since the last Board meeting, including meter verification and monitoring activities. He also reported on the monitoring well program, including system maintenance, data collection, and submission of 2025 water level data to the Texas Water Development Board and consultants. Mr. Heath also reported that two additional Woodbine wells located in Grids 32-38 and 32-46 in Johnson County were added to the monitoring program, increasing Woodbine monitoring coverage withing the District to approximately 77%, with efforts continuing in the remaining areas of the District.

Mr. Heath concluded his report highlighting water level data trends in all four counties, noting some localized declines in Hill County and minor fluctuations attributed to active pumping in select locations. Overall, trends remain generally steady across the District.

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

Mr. Bybee provided a public relations and outreach update, highlighting eight events and presentations, including Hill College 2026 Girl's STEM Day and Hill County Water Days, programs at Dinosaur Valley State Park, and several real estate presentations in Ellis County. Mr. Bybee noted that these outreach efforts reached over 700 members of the public, with three additional events scheduled to close out the month.

Mr. Bybee also reported that, through continued promotion of sponsorship and scholarship opportunities, the District has been notified that the 4-H Water Ambassadors Program will include additional student participants representing each of the District's four counties for the upcoming program year. He concluded his report noting that an advertisement promoting the District's Rainwater Harvesting Rebate and Grant Programs was published in the spring edition of *Johnson County Community Life* magazine and that one rebate application has already been received and approved.

GENERAL MANAGER'S REPORT AND UPDATE – Kathy Turner Jones

Ms. Jones reviewed current U.S. Drought Monitor conditions, noting some modest improvement in drought conditions across portions of Texas following recent rainfall events; however, drought conditions persist throughout the District, and sustained precipitation will be needed to address ongoing moisture deficits.

Ms. Jones also reported that she has continued participating in various interim legislative stakeholder committee meetings related to potential policy initiatives, noting that many discussions remain preliminary and continue to evolve as the legislative process advances.

Additionally, Ms. Jones informed the Board that the Texas Water Association Summer Conference is scheduled for June at Horseshoe Bay and requested that any Directors interested in attending notify her for planning purposes.

Ms. Jones concluded her report noting that the majority of current compliance matters continue to be resolved through communication, coordination, and voluntary compliance efforts without requiring formal Board action.

GENERAL COUNSEL'S REPORT — Brian L. Sledge

Mr. Sledge provided an update on the ongoing efforts with the Texas Real Estate Commission ("Commission") to revise real estate contract forms to include additional groundwater and water well disclosure requirements noting that proposed revisions remain largely intact following the public comment process and broker-lawyer committee review, with final adoption by the Commission anticipated in May. The changes are intended to improve disclosure of groundwater rights, water wells, and water supply sources during property transactions.

Mr. Sledge concluded his report by briefing the Board on a recent Texas Supreme Court case involving groundwater permitting procedures, noting that the decision primarily addressed procedural deadlines related to contested case hearings and permit challenges.

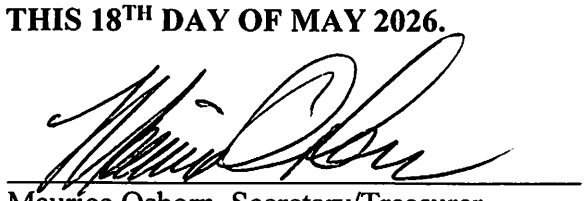
OPEN FORUM / DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING AGENDAS

The District will schedule a public hearing to present the proposed DFCs.

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 10:10 a.m.

PASSED, APPROVED, AND ADOPTED THIS 18TH DAY OF MAY 2026.



Maurice Osborn, Secretary/Treasurer