PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

May 18, 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 May 18, 2026.

CALL TO ORDER AND DECLARE REGULAR MEETING OPEN TO THE PUBLIC

At President Beseda's request, Vice President Tischler assumed the role of Presiding Officer, and called the public hearing to order at 9:43 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 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

General Manager Kathy Jones recognized Brian Watts for his five years of dedicated service as the District's Comptroller and presented him with a commemorative paperweight in appreciation of his commitment and many contributions to the District.

CONSENT AGENDA

A motion was made by Director Curtis 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 April 2026. – Mr. Watts reported ending cash balances for April 30, 2026, of $2,972,790.02. This represents a 24.56% increase compared to the ending cash balances for April 30, 2025. The Profit & Loss Report for April reflects a gross revenue of $60,013.75, with a refund allowance of $121,517.87, resulting in a net revenue of $1,693,767.35.

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 reported that he had no additional updates beyond those presented during the GMA 8 public hearing regarding proposed Desired Future Conditions. Ms. Jones added that GMA 8 is not expected to meet again until the fall.

RECEIVE UPDATED EXEMPT USE REPORT AND POSSIBLE ACTION – Wade Oliver

Mr. Oliver presented the results of the Exempt Use Study on groundwater production from exempt uses between 2018 through 2025, including domestic wells, agricultural irrigation, livestock and poultry operations, and certain small-capacity non-public water supply wells. The study was intended to provide a more complete estimate of total groundwater production within the District and to support future groundwater management and drought planning efforts.

Using Texas Water Development Board data and other methodologies, exempt groundwater use was estimated at approximately 4,000 to 5,000 acre-feet per year, representing roughly 17% to 22% of total groundwater production within the District. When combined with reported groundwater production, total estimated groundwater use ranged from approximately 23,000 to 27,000 acre-feet annually. Mr. Oliver noted the study will assist the District in evaluating production trends, comparing total groundwater production to Modeled Available Groundwater (MAG), and implementing drought management provisions.

Upon a motion by Director. Curtis, seconded by Director Farmer, the Board unanimously approved and accepted the Updated Exempt Use Report as presented, with all members present voting in favor.

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

Ms. Garcia reported that all required Water Loss Audits have been received and will be reviewed to identify any permittees subject to 2027 disincentive fees, with notifications to be issued by July 1. She also noted that staff resolved all outstanding compliance matters related to one late water audit submission and unpaid quarterly water use fees.

Ms. Garcia further reported that the District received 43 well registrations, including 16 wells associated with a new subdivision. Year-to-date totals bring the District to 68 new well registrations and 7 replacement wells. Ellis County accounted for 35 of the new well registrations.

Ms. Garcia concluded her report stating that April production totals were not yet complete due to the timing of the monthly reporting deadline. Based on projected reporting, groundwater production is expected to be approximately 4% higher than the same period in 2025. She also reported that the District currently has 252 active permits and noted that one permit was voluntarily waived following compliance discussions and confirmation that the associated well was no longer in service.

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

Mr. Heath provided a field operations update, reporting staff completed meter and GPS verifications and tag-outs on unpermitted wells, as well as several well inspections related to enforcement matters that were resolved. Staff also collected four water-level measurements from wells where the equipment was down or pulled out. One improperly plugged well was brought into compliance, and staff continue to monitor and investigate potential existing well registrations and compliance issues throughout the District.

Ms. Jones noted that Agenda Item (b), Report on Current and 2026 Year-to-Date Permitted Authorization and Production, under Well Monitoring and Field Operations was included in error and should have been removed from the agenda.

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

Mr. Bybee reported continued strong outreach efforts, participating in six events since the previous Board meeting and bringing the year's total to 16 outreach events. Activities included a presentation at Ellis County Rural Heritage Farm, and several career day events throughout the District, where students learned about groundwater, geology, and water-related careers. Upcoming activities include a Rainwater Harvesting Workshop on May 30, participation in the 4-H Water Ambassadors summer field trip, and an educational program at the East Cleburne Community Center summer camp.

Mr. Bybee also reported that the 4-H Water Ambassadors program received a record number of applications and accepted 60 new members, bringing total enrollment to 119 students. Five students from the District's four-county service area were accepted into the program. Additionally, staff continues promoting the District's rainwater harvesting grant and rebate programs and is exploring partnership opportunities with local communities to encourage water conservation and rainwater harvesting practices.

GENERAL MANAGER'S REPORT AND UPDATE – Kathy Turner Jones

Ms. Jones reported that drought conditions continue across the District, although recent rainfall has provided modest improvements in some areas. Current conditions remain generally

classified as abnormally dry to moderate drought, and forecasts indicate the potential for additional rainfall followed by hotter summer temperatures.

Ms. Jones also provided an update on the District's Texas Water Development Board (TWDB) research grant application submitted in March, noting that funding decisions are expected to be considered by TWDB Board in late June, with contracts potentially issued in July and funding available later in the year.

Ms. Jones concluded her report with an update on ongoing enforcement matters by commending staff for their continued efforts to achieve voluntary compliance, emphasizing that the District's goal is to resolve issues cooperatively whenever possible to avoid the need for formal enforcement actions.

GENERAL COUNSEL'S REPORT — Brian L. Sledge

Mr. Sledge reported that the Texas Real Estate Commission has approved revised seller disclosure requirements related to groundwater and surface water within groundwater conservation districts. The updated standard contract forms will require sellers to disclose whether property is located within a groundwater conservation district and whether groundwater or surface water sources are used, which is expected to improve transparency in real estate transactions involving water rights.

The updated disclosure forms are expected to become mandatory on July 1, with voluntary use prior to that date.

Mr. Sledge concluded his report with an update on Texas Water Development Board rulemaking and legislative activity related to Desired Future Conditions (DFCs), groundwater management planning, and interim legislative studies examining groundwater management in unregulated areas. He explained that ongoing discussions at the state level continue to focus on groundwater governance in areas without groundwater conservation districts and the potential impacts of unmanaged pumping on regional aquifers and DFC attainment.

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 Curtis. The motion passed unanimously. The meeting was adjourned at 10:41 a.m.

PASSED, APPROVED, AND ADOPTED THIS 15TH DAY OF JUNE 2026.

Maurice Osborn, Secretary/Treasurer