

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

July 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 July 20, 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 9:19 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 Beseda, Director McPherson and Director Osborn, 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. *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 Daniels 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 June 2026. – Mr. Watts presented the unaudited financial statements for the month ending June 30, 2026. He reported that the District's cash balances remain strong and ahead of the prior year and reviewed the District's revenues, expenditures, and overall financial condition.
- b) Review 2nd Quarter Investment Report for 2026 – Mr. Watts presented the Second Quarter 2026 Investment Report, summarizing the District's banking and investment activity. He reported that District funds were held in three accounts across two separate depositories and that all funds remained adequately collateralized through a combination of FDIC insurance and pledged securities in compliance with the District's Investment Policy. Director McClure made a motion to accept the 2nd Quarter Investment Report and Director Curtis seconded the motion. The motion passed unanimously by all those who were present

BUDGET AND FINANCE DEVELOPMENT COMMITTEE – Maurice Osborn, Treasurer

In the absence of Director Osborn, Ms. Jones updated the Board on the Budget and Finance Committee meeting held July 13, 2026.

- a) Discuss, consider, and take action as necessary to approve Resolution #26-004, reviewing and approving the District's Investment Policy and its investment strategies as required annually by the Public Funds Investment Act of Texas. Ms. Jones noted that the Budget and Finance Committee conducted the annual review of the District's Investment Policy and Investment Strategies as required by the Public Funds Investment Act and found them to remain appropriate and in compliance with statutory requirements. The Committee recommended approval of Resolution No. 26-004 readopting the District's Investment Policy and Investment Strategies for the upcoming year. Director Farmer made a motion to approve Resolution No. 26-004 and readopt the District's Investment Policy Investment Strategies as presented. Director McClure seconded the motion and the motion carried unanimously by those who were present.
- b) Discuss, consider, and take action as necessary regarding Resolution #26-005 adopting the revised Administrative Fee Schedule and authorizing the General Manager to take any and all action necessary for the implementation of this Resolution. Ms. Jones presented proposed amendments to the Administrative Fee Schedule, noting that the Budget and Finance Committee had reviewed the proposed amendments and recommend their adoption. Director Farmer made a motion to approve Resolution No. 26-005 adopting the revised Administrative Fee Schedule as presented. Director Daniels seconded the motion. The motion passed unanimously by those who were present.

- c) Discuss, consider, and take action as necessary regarding Resolution #26-006 adopting the District's 2027 Water Use Fee Rate Schedule, including revisions to the non-agricultural water use fee, and authorizing the General Manager to take any and all actions necessary to implement this Resolution. Ms. Jones reported that the Budget and Finance Committee reviewed the proposed 2027 Water Use Fee Rate Schedule and recommended increasing the non-agricultural, non-exempt water use fee by \$0.01 per 1,000 gallons, effective January 1, 2027, noting the proposed rate remains below the statutory maximum. She further reported that the agricultural and transport water use fee rates would remain unchanged. Director Daniels made a motion to approve Resolution No. 26-006 adopting the 2027 Water Use Fee Rate Schedule. Director Curtis seconded the motion and it passed unanimously by those who were present.

UPDATE ON ACTIVITIES AND MEETINGS RELATED TO GROUNDWATER MANAGEMENT AREA 8 JOINT PLANNING AND THE DEVELOPMENT OF DESIRED FUTURE CONDITIONS – Kathy Turner Jones, General Manager

Ms. Jones provided an update on GMA 8, noting that no meetings have been held since the previous Board meeting. She reported that the public comment period on the proposed Desired Future Conditions (DFCs) remains open through July 31, 2026, and the District has not received any comments to date.

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

Ms. Garcia reported that staff continue to review current and prior-year System Water Loss Audits and noted that permittee education has improved the accuracy of audit submissions. She also provided updates on permitting activities, including the voluntary relinquishment of several Historic Use Permits, new well registrations, and seasonal increases in groundwater production. Total authorized groundwater production remains unchanged.

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

Mr. Heath reported that field staff completed meter verifications, GPS verification inspections, and inspections of inactive non-exempt wells, resolving all identified compliance issues through cooperation with permittees. He also reported that staff participated with Upper Trinity GCD personnel in a well camera demonstration and toured the Hill County Water Treatment facility. No changes were reported to the District's monitoring well network.

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

Mr. Bybee reported on continued public outreach and education efforts, including community events, youth programs, school outreach, and upcoming presentations. He also

provided an update on the District's rainwater harvesting rebate program and ongoing efforts to increase community participation.

At 10:03 a.m. Vice President Tischler announced the Board of Directors will recess into a closed executive session under Section 551.071, Government Code, to consult with the District's legal counsel on items on today's agenda. No final action will be taken during the closed session. At the conclusion of the closed session, the Board will reconvene in an open public session and announce that the board meeting is again open to the public.

At 12:01 p.m. Vice President Tischler announced the meeting is reconvened into an open public session and was open to the public.

RULES AND BYLAWS COMMITTEE – Paul Tischler, Chair

- a) Brief the Board on the Committee activities – Paul Tischler, Chair and Brian Sledge, Legal Counsel, SledgeLaw Group, PLLC – At Director Tischler's request, General Counsel Brian Sledge briefed the Board on the Committee's activities and provided an overview of proposed amendments to the District Rules, including the process for public notice and comment as required.
- b) Discussion and possible action to authorize publication of proposed amendments to the District Rules and setting a date for public hearing and comments – Brian Sledge – Following presentation and discussion, Director Curtis motioned to authorize the General Manager to publish the proposed amendments to the District Rules and to schedule a public hearing to receive comments and consider adoption of the proposed amendments at 9:00 a.m. on Monday, August 17, 2026, in conjunction with the District's regular Board meeting. Director McClure 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 the Texas Water Development Board approved the District's application for funding under the Groundwater Science, Research, and Data Collection Grant Program on June 25, 2026. She also updated the Board on the District's outreach efforts, including presentations of the District's Annual Report to the Johnson County and Somervell County Commissioners Courts. Ms. Jones concluded her report by highlighting current drought conditions, noting that recent rainfall had resulted in the removal of drought classifications throughout the District.

GENERAL COUNSEL'S REPORT — Brian L. Sledge

Mr. Sledge stated he had nothing further to report following the Executive Session.

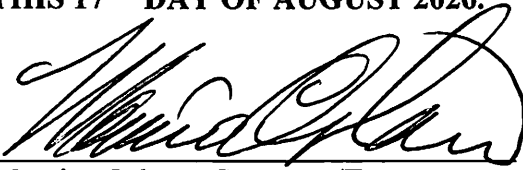
**OPEN FORUM / DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING
AGENDAS**

None.

ADJOURN REGULAR MEETING

There being no further business, Director Curtis made a motion to adjourn the meeting, which was seconded by Director Daniels. The motion passed unanimously. The meeting was adjourned at 12:09 p.m.

PASSED, APPROVED, AND ADOPTED THIS 17TH DAY OF AUGUST 2026.


Maurice Osborn, Secretary/Treasurer