

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

June 20, 2022

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 June 20, 2022.

CALL TO ORDER AND DECLARE REGULAR MEETING OPEN TO THE PUBLIC

President Charles Beseda presided and called to order the regular Board of Directors Meeting at 9:08 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	Maurice Osborn
John Curtis	Brad Daniels
Randy Kirk	Marty McPherson
Paul Tischler	Barney McClure

All members of the Board were in attendance, thus constituting a quorum of the Board of Directors. Also present 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 sheet(s) are attached hereto as Exhibit "A".*

PUBLIC COMMENTS

Madison McClure, a student at Cleburne High School, gave a presentation of her speech focused on water resources and conservation in Texas in preparation to compete at the Texas FFA convention in July.

CONSENT AGENDA

Motion by Director McPherson made a motion to approve the consent agenda. Director Curtis 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 2022. Mr. Watts discussed the balance sheet dated May 31, 2022, which showed the ending cash balances for the

District totaling \$1,883,097.29. He stated that compared to the ending cash balances on May 31, 2021, this total shows an increase in cash of \$278,937.07 which continues to show a positive indication of the overall financial health of the District. He then reported on the profit and loss report for the month of May which showed gross revenue of \$28,149.39 with a refund allowance of \$1,363.35 making the District's "net" revenue \$26,786.04. He discussed how May is the second month in the quarterly billing cycle and only monthly payers are invoiced, but the month of June will include both monthly and quarterly payers which will incur a more robust month of revenue. He also presented total operating expenses for the month of May totaling \$110,863.18. He reported capital expenditures for a new pickup truck of \$29,595.00 for total expenses of \$140,458.18, leaving a net result of \$113,672.14 of expenses over revenues. For this fiscal year, Mr. Watts reported gross revenues totaling \$1,320,692.35 with a refund allowance of \$183,848.03 making the "net" revenue for this year to date \$1,136,844.32. He added that operational expenses for the year total \$621,117.75 with capital expenses of \$52,915.00 bringing total expenses to \$674,032.75, which translates into a net excess revenue over expenses for the fiscal year of \$462,811.57 which continues to provide the District the means to fund its budget for the remainder of the fiscal year.

DISCUSS, CONSIDER, AND TAKE ACTION TO AUTHORIZE THE GENERAL MANAGER TO APPROVE PROPOSAL TO UPDATE AND INSTALLATION OF AUDIO/VISUAL EQUIPMENT FOR THE BOARD ROOM AND EXECUTIVE CONFERENCE – NOT TO EXCEED \$36,000 – Kathy Turner Jones

Ms. Jones informed the board that two vendors had come to assess the existing audio/visual system in the board room and executive conference room in need of upgrades, and one vendor supplied a proposal to the District for upgrades and enhancements to the A/V system. She explained how the proposal detailed upgrades to the video feed quality, audio quality, and enhance the platform for virtual meetings should legislation or the governor enact a requirement to provide livestream meetings again. She stated that the funds for the improvements can be allocated from the budget items for a weather station and contingency funds. Director Osborn made a motion to authorize the General Manager to approve the proposal to update and installation of audio/visual equipment for the board room and executive conference room. Director McClure seconded the motion and it carried unanimously.

GROUNDWATER MANAGEMENT AREA 8 – UPDATE ON ACTIVITIES RELATED TO JOINT PLANNING IN THE DEVELOPMENT OF DESIRED FUTURE CONDITIONS – Kathy Turner Jones

Ms. Jones reported she had spoken with Mr. Drew Satterwhite, who is the district administrative for GMA 8, and he informed her that TWDB had found some discrepancies between the Explanatory Report, appendices, and resolution for the DFCs submitted in November 2021. She explained that the GMA 8 consultants worked on resolving the discrepancies, but there would need to be a GMA 8 meeting scheduled in order to revise the resolution. She added it would probably be 45 days until a meeting was likely to be scheduled but would keep the board updated on any plans. She did clarify that Prairielands GCD's DFC numbers were not wrong, and that the discrepancies were related to other parts of the submittal.

UPDATE ON PUBLIC OUTREACH ACTIVITIES, EDUCATIONAL AND

CONSERVATION EFFORTS – Sinclair Newby

Ms. Newby reported on recent educational events the District had participated in, including events with the Water Education Trailer at various schools and events throughout the District. She discussed a rainwater harvesting presentation she delivered on May 16 with Somervell County AgriLife Extension, and a virtual meeting of the Water Efficiency Network of North Texas that the District hosted on June 10. She provided details on a press release regarding efficient landscape irrigation during drought that she released to media contacts on May 26. She concluded her report with an update on the upcoming event she had scheduled with the Water Education Trailer on June 23.

ENGINEERING REPORT – Wade Oliver, INTERA

- a) Update on District involved activities. Mr. Oliver reported he had been primarily working on the drought evaluation and also the assessment of groundwater production allocation amounts as it relates to achieving the DFCs.
- b) Presentation of technical memorandum on the evaluation of potential drought in the District for Board consideration and possible approval. Mr. Oliver stated that on a conceptual level, this assessment is listed in the District's management plan and tasks the District with assessing the implications of drought on wells and aquifers within the District. He explained that the assessment needs to be address the question of what the District's response should be during periods of drought, whether it be reducing groundwater production or allowing for an increase in pumping. Mr. Oliver then provided information on maps from the drought period of 2011 and depicted what pumping amounts were at that time compared to surface water availability. He also discussed a chart of water usage and water usage by type from 2011. He then discussed a map showing available drawdown by well in the Hosston formation as an example of the assessments completed. He added that the technical memo did include maps for each aquifer formation. He moved on to discuss an assessment of evaluated surface water levels and availability over time and stated that is drought persists then surface water availability will decline. Mr. Oliver informed the board about the benefits of the expansion to the monitoring well network to assess when and where the impacts to those wells are occurring and gather more data. Director Tischler made a motion to approve the technical memorandum and evaluation of potential drought in the District. Director Osborn seconded the motion and it carried unanimously.

RULES AND BYLAWS COMMITTEE – Randell Kirk, Chair

- a) Brief the Board on the Committee activities – Kathy Turner Jones. Ms. Jones stated the committee had met several times to look at developing rules amendments based on the drought evaluation conducted by INTERA.
- 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, Legal Counsel, SledgeLaw Group, PLLC. Mr. Sledge explained how this item originated from the District's first management plan in 2012 with hopes that by 2022, the District would have the information and data needed to complete the assessment of the implications of

drought. Mr. Sledge provided a summary of the proposed amendments that would be considered, which included the Board by resolution authorizing an increase in production for all permittees in any calendar year that allows each permittee to overproduce their permit by a certain percentage designated by the Board in any calendar year in which any part of the District has been designated as in “extreme drought” or worse per the U.S. Drought Monitor. He added that in setting the percentage, the Board shall consider the difference in the total amount of groundwater produced in the District in each of the previous five years and the managed available groundwater amount for each of those years and shall not set a percentage that would authorize total additional groundwater production in an amount higher than the difference, to support achievement of the DFCs. In the resolution, the Board may limit eligibility to produce additional groundwater to those permittees that have implemented their drought contingency plans, if they are required by law to have a drought contingency plan, and for public water systems to those systems that have implemented mandatory water use restrictions. Mr. Sledge explained that any permittee who produces groundwater above their individual maximum permitted amount but in compliance with the Board’s resolution shall pay the Water Use Fee for the extra water produced but shall not be in violation of the District Rules for overproduction. In addition to the foregoing provisions regarding increases in production during periods of extreme drought, the Board may similarly authorize by resolution increased production for a calendar year for a specific public water system permittee that is experiencing an emergency or other unforeseen event that has impacted its system in a manner that could cause imminent public health or safety risks if the public water system has implemented mandatory water use restrictions. He did clarify a limit to situations where no Operating Permit increase is available to the permittee, and a requirement for them to apply to the Board for emergency authorization.

President Beseda announced, “At this time, 9:59 a.m., the Board will recess into a Closed Executive Session to consult with legal counsel on items on today’s agenda under Government Code Section(s) 551.071 for consultation concerning attorney-client matters. No action will be taken in closed session. At the conclusion of the closed session, the Board will reconvene in open session with the public.”

At 11:00 a.m. President Beseda announced the meeting was reconvening into an open session and was open to the public.

Director Kirk made a motion to authorize the General Manager and the District’s legal counsel to publish notice of a rulemaking hearing to be held in conjunction with the July 18, 2022 board meeting to consider amendments to the District Rules to grant the Board permissive authority to increase groundwater production during periods of extreme drought or other emergency conditions, consistent with the recommendations of the Rules and Bylaws Committee, and to make other minor clean-up and non-substantive changes to the District Rules. Director McClure seconded the motion and the motion carried unanimously.

GENERAL MANAGER’S REPORT AND UPDATE – Kathy Turner Jones

- a) Update on current administrative activities of the District. Ms. Jones reported she had been busy conducting interviews to fill the position of Public Relations and Education

Director. She also highlighted the year-to-date water use chart in her manager's report and discussed how May 2022 production amounts were up 16 percent from the same period in 2021. She added that water well drilling was increasing within the District, and that field staff had completed 101 meter verifications in May and were continuing to identify potential monitoring wells to add to the network. Ms. Jones also recognized Michael Heath, Field Coordinator, for his 5 years of service with the Prairielands GCD.

- b) Historic Use Permit Applications. Ms. Jones reported that District staff had published notice of hearing on Historic Use Permit applications scheduled for July 18, 2022 and also sent out letter notices and copies of the proposed permits to the 56 applicants scheduled to be heard. She mentioned that another batch of permits are being prepared and intended to be heard at the September 2022 board meeting.
- c) Enforcement. Ms. Jones discussed a new item added to the enforcement summary, which was Sunset Mobile Home Park in Joshua operating a water well without registration or permit to supply approximately 30 residential connections. She explained that the owners of the mobile home park had applied to Johnson County Special Utility District to take over the system, and that if approved, the well would then be capped or used for irrigation. She added that District staff had sent an enforcement letter stating a complete well registration, penalty fee, and water use fees from January 2022 to date were required to be submitted to the District by June 30, 2022.

GENERAL COUNSEL'S REPORT – Brian L. Sledge

Mr. Sledge reported on the upcoming TCEQ Sunset Advisory Committee hearing that would be occurring on June 22, and how the committee would also be making recommendations on TWDB. He also reported that TWCA and TAGD committees had been very active in recent weeks looking at DFC achievements, water quality issues, GMA accountability, among other topics. He also discussed the TWCA sub-committee task force on waste, which was tasked to address the implications of groundwater waste on the storage and transport of groundwater in state water courses, and approaches used to address "waste" and conflicts between Chapter 11 and Chapter 36 of the Texas Water Code and possible solutions to be considered by a larger joint committee of the TWCA board. He added that the Senate Committee on Water, Agriculture and Rural Affairs met on May 10 to discuss water supply and infrastructure issues, but did not address their groundwater charges, and that the House Natural Resources Committee would be holding a hearing on August 24 to address their charges.

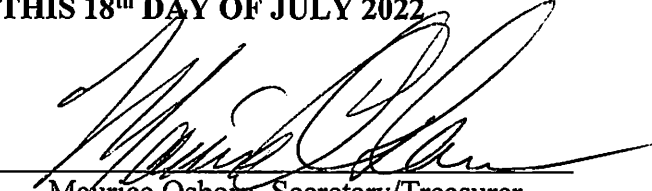
OPEN FORUM/DISCUSSION OF NEW BUSINESS FOR FUTURE MEETING AGENDAS

None.

ADJOURN

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 11:11 a.m.

PASSED, APPROVED, AND ADOPTED THIS 18th DAY OF JULY 2022



Maurice Osborn, Secretary/Treasurer

Exhibit "A"



Public Hearing and Regular Board Meeting

Sign-In Sheet

June 20, 2022

**** Note: If you are speaking, please limit to 3 minutes ****

Name	Business	Phone #	Email Address	Speaking? (YES / NO)
Nafis Choudhury	TCSUD	504-559-6482	Nchoudhury@TCSUD.COM	NO