

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

March 18, 2024

MINUTES AND OFFICIAL RECORDING OF CONSOLIDATED HEARING ON UNCONTESTED APPLICATIONS FOR HISTORIC USE PERMITS

The Board of Directors of the Prairielands Groundwater Conservation District (“District”) met in open session this 18th day of March 2024 within the boundaries of the District at 208 Kimberly Dr, Cleburne, TX 76031.

Pursuant to § 36.408 of the Texas Water Code and Rule 10.2(f)(2) of the Prairielands Groundwater Conservation District’s (the “District’s”) Rules, these minutes serve as the official recording of the consolidated hearing on the applications for Historic Use Permits identified in the Notice of Issuance of Proposed Permits and of Hearings on Permit Applications issued by the District’s General Manager and admitted into the record in this consolidated hearing.

These applications came to be heard before Co-Presiding Officer Beseda and a quorum of the Board. 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
Kathy Tucker

All members of the Board were in attendance, thus constituting a quorum of the Board of Directors. All directors present voted on all matters that came before the Board. 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 sheets are attached hereto as Exhibit “A” to the March 18, 2024, Regular Board Meeting minutes.*

Let the record reflect that this Hearing on Proposed Historic Use Permits began at 9:05 AM on this Monday, March 18, 2024. District Rules provide that the official record for uncontested applications may be minutes, audio recording, or hearing report. It was noted for the record an audio-recording of this hearing is being taken, but the District may substitute meeting minutes later to serve as the official record of this hearing.

President Beseda called to order the public hearing on permit applications and appointed Brian Sledge, District General Counsel, to serve as Co-Presiding Officer for the limited purpose of conducting the preliminary hearing and ruling on procedural issues and legal matters.

Co-Presiding Officer Sledge observed that the following notice requirements had been met: Apart from the regular Board meeting notice, a separate public notice for the Hearing on Proposed Historic Use Permits was provided by the General Manager no less than 30 days prior to today's hearing on February 16, 2024. That notice included the information that is required by the District Rules, and was:

- 1) Posted at a place convenient to the public at the District Office;
- 2) Provided to the County Clerk of each of the 4 counties in the District for public posting;
- 3) Provided to the Secretary of State; and
- 4) Provided to any person who has requested to receive such notices to the District.

Additionally, the notice was also posted on the District's internet website. Finally, notice of the hearing was also included in the notice for the Board meeting, which was posted in compliance with the Open Meetings Act.

The Co-Presiding Officer concluded that these notices satisfied all notice requirements imposed by statute and the District's rules. The Presiding Officer recognized that all jurisdictional prerequisites had been met and absent from any objections, took jurisdiction over all of the pending applications on behalf of the District. Hearing none, the notices shall be admitted into the evidentiary record.

The Co-Presiding Officer acknowledged that today's hearing encompasses the consideration of two Historic Use Permit (HUP) applications, as detailed in the notice. It has been noted that, owing to issues being addressed by the General Manager and staff regarding the applicant, it is the intention to postpone the review of Application HUP-073 submitted by Hilco United Services Inc. (Lakeshore Water System) until April 15, 2024. Consequently, HUP-095 application submitted by Covia Solutions Inc. remains the sole application for consideration at this time.

The Co-Presiding Officer reviewed the requirements for requesting a contested case hearing and observed that there had been no written requests for contested case hearings or requests for continuance received, nor was the General Manager interested in contesting the pending application, nor were two or more Directors in disagreement with the General Manager's recommendation and proposed permit and interested in conducting an evidentiary hearing pursuant to District Rule 10.6.

The Co-Presiding Officer again noted for the record that the District has not received any requests for a contested case hearing for the Historic Use Permit applications before the Board today. The Co-Presiding Officer then proceeded with the Board's review of evidence relevant to the pending application.

The Co-Presiding Officer swore in the following testifying witnesses: District General Manager Kathy Turner Jones

RECEIVE REPORT FROM GENERAL MANAGER, RECEIVE ANY PUBLIC COMMENT(S) OR REQUESTS TO CONTEST, AND CONSIDER GRANTING,

DENYING, OR AMENDING APPLICATIONS FOR THE FOLLOWING APPLICATIONS FOR A HISTORIC USE PERMIT:

HUP-095	Covia Solutions Inc. (Office)
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District General Manager Kathy Turner Jones provided the following overview of the Historic Use Permit application. Ms. Jones noted Directors have been provided a summary for the application of the General Manager's Technical Review, which sets forth the basis for her recommendation to the Board, a summary of the evidence and analysis that went into forming the recommendation, a page summarizing the relevant production history of the applicant during the Existing and Historic Use Period and some other basic information about the applicants' wells, and other pertinent information. In addition to that, the application itself with all supporting information and the proposed permit is available should Directors choose to review the application before us today.

Ms. Jones stated that in performing the General Manager's technical review and arriving at her recommendations, the types of evidence that she and staff relied on included the Maximum Historic Use amounts claimed by the applicant; the applicant's semi-annual and monthly Water Production Reports that were submitted to the District; groundwater production reported in Water Use Surveys to the Texas Water Development Board, monthly and daily metering logs submitted to the District by the applicant; records of the applicant's groundwater production in the District's online database; usage and loss reports, metered usage submitted by the applicant; estimating based on average use once meters had been installed; calculating by multiplying the production capacity of the well by the total run time of the well in a calendar year; and their general knowledge of groundwater production and the applicant.

Ms. Jones stated that given the notice and supporting documents for the application and the General Manager's recommendation will be part of the record, it was not necessary to read information for the application.

The Co-Presiding Officer called on the Board for any questions for the General Manager on the application or the review that was conducted by the General Manager and staff. Hearing none, Co-Presiding Officer directed the packet of information provided to the Board on the application prepared by the General Manager, including the application itself, the General Manager's technical review, recommendation, proposed permit, and all other supporting information, be included in the administrative record for this hearing.

The Co-Presiding Officer called for any member of the public requesting to provide comment on the application. Public comments received: None.

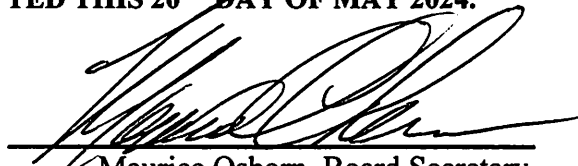
Upon conclusion of the General Managers report and public comment, the Co-Presiding Officer announced if the Board is ready to move forward with a decision on the permit application, the Board must consider the General Manager's presentation and evidence given at the hearing

and provided, and the criteria in Chapter 36 and the District's Rules for granting or denying a permit application.

Motion was made by Director Curtis to approve the application for HUP-095 listed on the notice for today's Hearing on Proposed Historic Use Permits in accordance with the General Manager's recommendation on the application. Director McPherson disclosed a business relationship with Covia Solutions Inc. and requested to abstain from voting. Director McClure seconded the motion. The motion passed for the application for HUP-095.

Without further discussion and there being no further business, Director McPherson moved that the hearing be recessed until April 15, 2024. Director Curtis seconded the motion, it carried unanimously by all who were present, and the presiding officer recessed the hearing at 9:17 AM.

PASSED, APPROVED, AND ADOPTED THIS 20TH DAY OF MAY 2024.



Maurice Osborn, Board Secretary