

PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT

August 19, 2024

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 August 19, 2024.

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 9:09 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
Kathy Tucker

All members of the Board were in attendance with the exception of Director Curtis, 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. Brad Neighbors, Legal Counsel; and Wade Oliver, Hydrogeologist, participated via video conference. *Copies of the public sign-in sheet(s) are attached hereto as Exhibit “A.”*

PUBLIC COMMENTS

None.

CONSENT AGENDA

A motion was made by Director McClure 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 July 2024. – Mr. Watts reported ending cash balances for July 31, 2024, of \$2,117,539.17. This represents a 2.17% increase

compared to the ending cash balances for July 31, 2023. The Profit & Loss Report for July reflects gross revenue of \$30,440.36, with a refund allowance of \$1,008.96, resulting in a net revenue of \$29,431.40.

BUDGET AND FINANCE DEVELOPMENT COMMITTEE – Maurice Osborn, Treasure

At Director Osborn's request, Ms. Jones updated the Board on the Budget and Finance Development Committee meeting held July 22, 2024.

- a) Discussion and action as needed regarding building facilities loan with Citizens National Bank of Texas. Ms. Jones presented a Comparison Analysis of Debt Service Options to the Board based on the July 31, 2024, rate reset with Citizens National Bank of Texas or the option of moving the loan to First Financial Bank. At this time, it would not benefit the District to move the loan; therefore, the Budget Committee recommends the loan remain with Citizen's National Bank of Texas, and staff revisit options again in 2025. A motion was made by Director Osborn that no action be taken in moving the loan. The motion was seconded by Director McClure, and it carried unanimously by all members present.
- b) Discuss and reconsider possible action regarding additional 2023 debt service payment using remaining Rule 7.4 refund accrual funds. Based on current financial factors, the Budget Committee is not recommending applying the 2023 accrual funds towards a principal reduction payment. A motion was made by Director Osborn to approve the Committee's recommendation, and Director Daniels seconded the motion. It carried unanimously by all those who were present.
- c) Discuss, consider, and take action to adopt Resolution #24-003 approving depository agreement(s) and authorized signors for First Financial Bank. Ms. Jones recently solicited depository proposals from multiple local banks. Based on the information received, the Budget Committee is recommending that First Financial Bank be selected as the District's new depository. Without further discussion, Director Osborn motioned to approve Resolution #24-003, adopting the depository agreement and authorized signors with First Financial Bank. The motion was seconded by Director McClure and unanimously approved by all members present. *Copy of Resolution #24-003 attached hereto as Exhibit "B."*
- d) Discuss, consider, and take action as necessary to approve Resolution #24-004 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 reminded the Board that the District's Budget and Finance Committee is tasked annually with reviewing the Investment Policy. Noting there were no legislative changes requiring updates to the policy, the Committee recommends approving the resolution. Director Osborn made a motion to approve Resolution #24-004, approving and readopting the Investment Policy and Investment Strategies and authorize the General Manager to take all actions necessary for implementation. Director Tucker seconded the motion and it carried unanimously by all who were present. *Copy of Resolution #24-004 attached hereto as Exhibit "C."*

Due to technical difficulties with the District's audio equipment, the Hydrogeologist Report under agenda item 7 was postponed and moved to follow agenda item 8.

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

Mr. Heath presented a summary of field activities since the last board meeting. The field staff has been actively engaged in meter verifications and confirming the locations of exempt wells. Additional activities included conducting compliance checks on selected wells and providing an update on the PGCD monitoring well project. The monitoring well program has also been expanded with the addition and replacement of wells across multiple grids.

With technical issues resolved, Mr. Oliver was able to deliver his report.

HYDROGEOLOGIST REPORT – Wade Oliver, INTERA, Inc.

Mr. Oliver reported INTERA continues to work on the development and update of the Northern Trinity Groundwater Availability Model. INTERA and District staff have been proactive in identifying the site for the next monitoring well and have narrowed it down to the grid and target aquifer. This project is anticipated to take place next year.

Mr. Oliver then briefly updated the Board on INTERA's progress with the dedicated monitoring well under development in Ellis County, stating INTERA has executed a work order with Associated Well Services. INTERA is hopeful the well will be completed by September or October of this year.

The next GMA 8 meeting is scheduled to take place on September 5, 2024. Members of the planning group will make a final selection of a consultant to assist in the next round of planning to determine desired future conditions.

UPDATE ON PUBLIC OUTREACH ACTIVITIES, EDUCATIONAL, AND CONSERVATION EFFORTS – Kaylin Garcia, Public Relations/Education Director

Ms. Garcia provided an update on the District's recent public relations and educational activities, highlighting that Tinker LLC has started recruitment for the 2024-2025 school year. She reported personally visiting 70 schools across the four counties served by the District and contacting the Ag Extension offices in each county to engage the homeschool population. Additionally, she planned an after-hours business social in collaboration with Johnson County SUD. Ms. Garcia concluded her report announcing the electrical wiring had been completed for the carport rainwater harvesting system.

GENERAL MANAGER'S REPORT AND UPDATE – Kathy Turner Jones

Ms. Jones updated the Board on district activities, mentioning several past meetings and highlighting the Policy and Personnel Committee meeting taking place on September 6, and an upcoming hearing concerning Brice v. Prairielands Groundwater Conservation District.

Ms. Jones noted that groundwater production for July 2024, as well as year-to-date production, had decreased compared to the previous year, despite ongoing drought conditions. She also provided updates on current total permits and total annual permitted authorization. Additionally, Ms. Jones mentioned that the number of well registrations approved by the District during last month had declined, likely due to the rain at the end of June, which created a wetter start for July.

Ms. Jones stated staff is continuing to manage enforcement items and working to resolve any issues without formal Board action.

At 9:49 a.m. President Beseda announced the Board will recess into a closed executive session under Section 551.071, Government Code, to consult with the District's general and legal counsels on items on today's agenda. No final action will be taken during 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 11:02 a.m. President Beseda announced the meeting is reconvened into an open session and was open the public.

BRICE V. PRAIRIELANDS GROUNDWATER CONSERVATION DISTRICT BOARD OF DIRECTORS ET AL., CAUSE NO. 114412, 40TH DIST. CT., ELLIS COUNTY

No action is to be taken at this time.

GENERAL COUNSEL'S REPORT — Brian L. Sledge

Mr. Sledge reported that he had nothing further to add beyond what was already discussed in the closed session.

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 Osborn. The motion passed unanimously. The meeting was adjourned at 11:03 a.m.

PASSED, APPROVED, AND ADOPTED THIS 16th DAY OF SEPTEMBER 2024.

Maurice Osborn, Secretary/Treasurer