

Minutes from the January 17th, 2012 PCCD regular scheduled meeting
to be presented on February 21st, 2012 for Board approval and
subject to corrections, additions, deletions and approval.

January 17th, 2012

Notices of this regular meeting were posted in the Hays and Caldwell County Courthouses at least 72 hours prior to the meeting. Receipts of the notices are on file in the office of Plum Creek Conservation District.

Checks were reviewed and signed, just prior to the call to order, by Vice President, James O Lipscomb.

- 1:00 PM The meeting was called to order by President of the Board, James Holt, with the following Board members present: James O. Lipscomb (Vice President), Peter Reinecke (Secretary/Treasurer), Lucy Knight (Director), Ben Twidwell (Director) and Fred Rotherth (Director). Also present were Johnnie Halliburton (Executive Manager), Bob Wilson (Attorney) Feathergail Wilson (PCCD Geologist) and PCCD staff Karen Bassett, Korey Schuelke and Dan Meyer. Minutes were taken by Karen Bassett and transcribed by Korey Schuelke.
- 1:00PM President Holt requested motions or comments regarding the minutes of the regular meeting held on December 14th, 2011. Mrs. Knight made a motion to approve the minutes of the regular meeting held on December 14th, 2011 as sent out. Mr. Lipscomb provided the second and the motion was approved unanimously.
- 1:02PM President Holt requested any unfinished business. Mr. Halliburton informed the Board of Directors that there was no unfinished business.
- 1:03PM President Holt requested discussion of Item IV on the agenda. Mr. Halliburton informed the Board of Directors of a request from Mr. A. W. McCrary, Jr. for a production permit. Mr. Daniel Meyer then informed the Board of Directors that Mr. A. W. McCrary, Jr. was requesting a production permit in the amount of 44 acre feet per year on his property, which is approximately 88 acres, for the purpose of irrigation and livestock. Mr. Meyer informed the Board of Directors that the production permit application was administratively complete and met all of the Plum Creek Conservation District's spacing requirements. Mr. Meyer then discussed five items that needed to be evaluated in the consideration of production permits due to recent legislation. Mr. Meyer then discussed those five items in depth for the Board of Director's examination. The Board of Directors then questioned Mr. Meyer, regarding Mr. A. W. McCrary, Jr.'s production permit request. Mr. Twidwell made a motion that Mr. A. W. McCrary, Jr.'s production permit request be granted for the amount of 44 acre feet per year for irrigation and livestock purposes. Mrs. Knight provided the second. Mr. Reinecke then questioned the type of metering that would be required. Mr. Meyer informed the Board of Directors that Mr. A. W. McCrary, Jr. would be required to either place a meter on his well or turn in his electricity usage to estimate his water usage. President Holt then requested a vote on the aforementioned motion and the motion was approved unanimously.
- 1:11PM President Holt requested discussion of Item V on the agenda. Mr. Bob Wilson then discussed SB 1225 and the need for the residents in the dually annexed portion of southeastern Caldwell County to choose the District of which they wished to be a member. Mr. Bob Wilson then discussed the five resolutions that he had drafted that would de-annex the residents that wished to be members of the Gonzales County Underground Water Conservation District, as opposed to the Plum Creek Conservation District. Mr. Bob Wilson then discussed the individual properties and the resolution which corresponded to these properties and their de-annexations. Mr. Bob Wilson listed the properties of Mr. A. E. and Beverly J. Nicholson, Nicholson Farms, Inc., Zane and

Ruth Briscoe Family Partners', Rick and Marla Jean Dudman, and Bryan and Karen Dudman as the landowners that wished to be de-annexed from the Plum Creek Conservation District. Each resolution was discussed individually, with Mrs. Knight making the motion to approve the resolution to de-annex each of the five properties from the Plum Creek Conservation District individually, and Mr. Twidwell providing the second on each of the five properties individually, and all motions by resolutions were approved unanimously. Mr. Bob Wilson then discussed the steps necessary to complete the de-annexation process.

- 1:23PM President Holt then requested discussion of Item VI on the agenda. Mr. Jim Jansen of Jansen and Gregorczyk then discussed the Plum Creek Conservation District's Board of Directors' Policies with the Board of Directors and discussed the necessary adjustments that may need to be made in order to complete the policies. It was the opinion of the Board of Directors that the Secretary/Treasurer be the person who endorses the quarterly financial report and be trained in scrutinizing this report. Mr. Jansen then discussed small adjustments necessary to the policy regarding the number of Board of Directors' members on the audit committee. Mrs. Knight made a motion that the number of Board of Directors' members on the audit committee be three. Mr. Rothert provided the second and the motion passed unanimously. President Holt selected the audit committee to also serve as the professional services' committee. Mr. Jansen then discussed affidavits that would need to be endorsed by every Board of Directors' member and employee stating that they had read the Plum Creek Conservation District's Policies. Mr. Jansen then began to discuss the draft of the Plum Creek Conservation District's personnel policy and procedures manual. After much discussion, President Holt instructed the rules committee (comprised of Mr. Reinecke and Mr. Twidwell) to work on the fine details of the Plum Creek Conservation District's personnel policy and return to the Board of Directors with a report.
- 1:58PM President Holt requested discussion of Item VII on the agenda. The Board of Directors then reviewed the Plum Creek Conservation District's quarterly investment report. Mrs. Knight made a motion to approve the Plum Creek Conservation District's quarterly investment report, subject to the document format being adjusted and the document being endorsed by the Plum Creek Conservation District's Executive Manager, Mr. Johnie Halliburton, and the Secretary/Treasurer, Mr. Peter Reinecke. Mr. Lipscomb provided the second and the motion was approved unanimously.
- 2:00PM President Holt requested discussion of Item VIII on the agenda. Mr. Jansen then requested approval of the engagement letter from Jansen and Gregorczyk to perform the Plum Creek Conservation District's annual audit, as well as, quarterly basis audit compliance. Mrs. Knight made a motion to approve the engagement letter from Jansen and Gregorczyk to perform the Plum Creek Conservation District's annual audit, as well as, quarterly basis audit compliance. Mr. Lipscomb provided the second and the motion was approved unanimously.
- 2:04PM President Holt requested a report from the Plum Creek Conservation District's Geologist, Mr. William Feathergail Wilson. Mr. Feather Wilson then discussed recent developments at the latest rules meeting. Mr. Feather Wilson discussed a recent meeting with the Texas Water Development Board discussing recent laws that had been enacted. Then Mr. Feather Wilson then discussed hydraulic conductivity and transmissivity with the Board of Directors. Mr. Feather Wilson then discussed multiple production permits that would expire in 2012. Mr. Feather Wilson also discussed the amount of wells within the Plum Creek Conservation District that are registered with the Texas Water Development Board. The Board of Directors, Mr. Feather Wilson, and Mr. Meyer discussed different ways to get more people within the Plum Creek Conservation District to register their water wells. Mr. Feather Wilson then discussed a well that was going to be drilled soon within the Plum Creek Conservation District that would have lots of important geologic information. Mr.

Feather Wilson discussed an article regarding the City of Kyle drilling a Lower Trinity aquifer well in the near future.

- 2:21PM President Holt requested a report from the Natural Resources Conservation Service's District Conservationist, Mr. Isidro Morales. Mr. Morales was not in attendance.
- 2:21PM President Holt requested a report from the Plum Creek Conservation District's Assistant Manager, Mr. Daniel Meyer. Mr. Meyer first discussed the receipt of water use data from local production permit holders. Mr. Meyer then discussed drought contingency plans and the different permutations they could take. Mr. Meyer informed the Board of Directors that he had contacted local water well drillers with information regarding the Plum Creek Conservation District's upcoming rule changes. Mr. Meyer also discussed contacting oil and gas producers to inform them of their requirement to register their water wells used for oil and gas production. Mr. Meyer also informed the Board of Directors that he is keeping contact with the Lockhart Independent School District regarding presentations that could be given to their students by the Plum Creek Conservation District regarding water.
- 2:25PM President Holt requested a report from the Plum Creek Conservation District's Executive Manager, Mr. Johnie Halliburton. Mr. Halliburton first discussed the upcoming position that the Plum Creek Watershed Partnership is currently reviewing applications for, in order to select the best candidate for that position. Mr. Halliburton then gave the Board of Directors an update on the status of the Site 5 Rehabilitation. Mr. Halliburton discussed possible future development around the Plum Creek Conservation District's Site 4. Mr. Halliburton then discussed the status of the City of Kyle Parks' Office being built near the Plum Creek Conservation District's Site 2. Mr. Halliburton then discussed recent developments regarding Mr. Danny Green's property near the Plum Creek Conservation District's Site 5, as it pertains to the Plum Creek Conservation District's inundation easements. Mr. Halliburton informed the Board of Directors that Halff and Associates was about to begin the earlier approved Guadalupe River Basin Study. Mr. Halliburton informed the Board of Directors of a recent vehicle accident at the Plum Creek Conservation District's Site 24 which damaged some of the Plum Creek Conservation District's fence. Mr. Halliburton also discussed the status of the inundation area maps necessary for the Plum Creek Conservation District to complete the Emergency Action Plans required by the Texas Commission on Environmental Quality. Mr. Halliburton and Mr. Bob Wilson then discussed the processes involved in selecting engineers to perform inundation area maps and any other data that the Plum Creek Conservation District deems necessary. Then Mr. Halliburton showed the Board of Directors pictures depicting the progress of the Site 5 Rehabilitation and the City of Kyle Parks' Offices and explained the photographs in depth.
- 2:48PM President Holt requested a report from the Plum Creek Conservation District's Attorney, Mr. Bob Wilson. Mr. Bob Wilson discussed a recent Texas Water Development Board meeting regarding rules. Mr. Bob Wilson discussed a recent upswing in water wells being drilled in the Rosanky, Texas area. Mr. Bob Wilson then discussed a recent change in his current position with the law firm for whom he works. Mr. Bob Wilson also stated that he would be presenting the Board of Directors with an engagement letter in the near future for their possible approval of his continued services. President Holt requested a report from the Plum Creek Conservation District's proposed new office building. Mrs. Knight requested permission from the Board of Directors to discuss layout options with Mr. Thom Earnest for the possible new office building. The Board of Directors then discussed many items necessary for the possible new office building.
- 3:05PM President Holt then closed the meeting for a five minute break and moved it into executive session following the break.

3:40PM President Holt called the regular meeting back to order following the executive session. Mr. Twidwell made a motion to retain all current employees and to give each employee a three thousand dollar (\$3000.00) a year raise, retroactive to January 1st, 2012. Mrs. Knight provided the second and the motion passed unanimously.

3:41PM President Holt requested any public comments. There were no public comments.

3:41PM Mr. Twidwell made a motion to adjourn. Mr. Lipscomb provided the second and the motion was approved unanimously.

President

Vice President

2:25PM

2:48PM

3:05PM