

MEETING OF THE BOARD OF DIRECTORS
PLUM CREEK CONSERVATION DISTRICT,
LOCKHART, TEXAS 78644
August 20th, 2013

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), Ben Twidwell (Director) and Fred Rothert (Director). Also present were Bob Wilson (Attorney) Feathergail Wilson (PCCD Geologist) and PCCD staff Johnnie Halliburton, 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 July 16th, 2013. Mr. Lipscomb made a motion that the minutes of the regular meeting held on July 16th, 2013 be accepted as mailed out. Mr. Twidwell provided the second and the motion was approved unanimously.

1:00PM President Holt requested any unfinished business that required the Board of Directors' attention. Mr. Halliburton then discussed the current status of the possible recreational vehicle park being constructed at the Plum Creek Conservation District's Site 16. Mr. Halliburton informed the Board of Directors that the Texas Commission on Environmental Quality had stated that they did not want the recreational vehicle park constructed at the Plum Creek Conservation District's Site 16 and that Mr. Halliburton was awaiting a formal review of the landowners' plans at Site 16 from the Natural Resources Conservation Service. Mr. Bob Wilson then discussed different questions that he had regarding the possible recreational vehicle park at the Plum Creek Conservation District's Site 16 and requested guidance from the Board of Directors on how to proceed with the possible project. The Board of Directors as a whole stood in opposition to the recreational vehicle park being constructed at the Plum Creek Conservation District's Site 16 due to safety concerns for the campers in the event of a catastrophic rain event, but due to a lack of authority to prevent a landowner from this type of project on their land the Board of Directors had to entertain other avenues of protecting itself and persons utilizing the recreational vehicle park to the best of their ability. The Board of Directors and Mr. Bob Wilson discussed entering into an agreement with the landowners at Site 16 regarding the possible project and the liabilities associated with the possible project. The Board of Directors and Mr. Bob Wilson discussed different language that they would like to see within the possible agreement. It was the opinion of the Board of Directors that Mr. Bob Wilson draft an agreement with the landowners with all the items discussed by the Board of Directors contained within and work towards negotiating the agreement.

1:19PM President Holt requested discussion of Item IV on the agenda. Mr. Meyer then discussed the request made by the City of Luling for the renewal of four water well production permits in the amount of 1,612 acre feet of water per year. Mr. Meyer then discussed the required considerations for the approval of the production permits and the postings and notifications made regarding the production permit renewals. Mr. Meyer informed the Board of Directors that the City of Luling did not use the water wells for supply, but the wells were required as a contingency in case the City of Luling were to lose their

appropriations from the San Marcos River. The Board of Directors then discussed the City of Luling's water wells at length with the Plum Creek Conservation District's Staff and a City of Luling resident in attendance. Mr. Feather Wilson, the Board of Directors, and the City of Luling resident discussed the effects of oil production on the City of Luling's water wells. Mr. Reinecke made a motion that the City of Luling's four production permits in the amount of 1,612 acre feet per year be approved. Mr. Lipscomb provided the second and the motion passed unanimously.

1:34PM President Holt requested discussion of Item V on the agenda. Mr. Halliburton discussed the possible approval of an engagement letter from Jansen and Gregorczyk to perform the Plum Creek Conservation District's annual audit. Mr. Halliburton discussed Jansen and Gregorczyk's services and their price with the Board of Directors. Mr. Lipscomb made a motion that Jansen and Gregorczyk be retained to perform the Plum Creek Conservation District's annual audit. Mr. Reinecke provided the second and the motion passed unanimously.

1:35PM President Holt requested a report from the Plum Creek Conservation District's Geologist, Mr. William Feathergail Wilson. Mr. Feather Wilson discussed carbon dating of water with the Board of Directors and his expected results from the Walton Development test well in the Hosston Aquifer. Mr. Feather Wilson discussed a recent study of Clearfork Creek, which is a tributary of the Plum Creek watershed. Mr. Feather Wilson then discussed the different total dissolved solids contents in different areas of the Edwards Aquifer. Mr. Feather Wilson then discussed flowing Edwards Aquifer wells within the area with Mr. Halliburton and the Board of Directors. Mr. Feather Wilson discussed conversions and equations involved in deciphering the well logs. Mr. Feather Wilson then discussed the timeline for the Walton Development's well with the Board of Directors. Mr. Feather Wilson then showed the Board of Directors a video of a flowing Edwards Aquifer water well in Guadalupe County, Texas.

1:54PM President Holt requested a report from the Natural Resources Conservation Services' District Conservationist, Mr. Isidro Morales. Mr. Morales stated that he had nothing to report at this time.

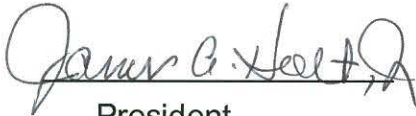
1:54PM President Holt requested a report from the Plum Creek Conservation District's Assistant Manager, Mr. Daniel Meyer. Mr. Meyer discussed the discontinuance of monitoring the Westmoreland Well, north of Lockhart, due to the sale of the property. Mr. Meyer discussed a recent oil well driller's request for a water well for supply during drilling operations. Mr. Meyer then discussed the metering of the water well during drilling operations in order to ascertain an estimate of water usage during drilling to facilitate the deciphering of exempt water usage. Mr. Meyer discussed a Region L Meeting and an Aquifer Storage and Recovery (ASR) Meeting that he had recently attended. Mr. Meyer then discussed a list of possible Aquifer Storage and Recovery (ASR) locations in Hays and Caldwell Counties. Mr. Meyer discussed the possibility of the Plum Creek Conservation District acquiring monitoring wells belonging to the San Antonio Water System (SAWS), due to the San Antonio Water System (SAWS) discontinuing of monitoring these wells. Mr. Meyer discussed the costs associated with monitoring these wells with the Board of Directors. Mr. Meyer then requested guidance from the Board of Directors regarding the Plum Creek Conservation District's landowners performing large scale pasture irrigation without a production permit. Mr. Meyer stated that a letter had been sent to one Plum Creek Conservation District resident. The Board of Directors then discussed the necessity for a well capable of producing more than 25,000 gallons per day to be permitted through the Plum Creek Conservation District according to the Plum Creek Conservation District's Rules. It was the opinion of the Board of Directors that the unauthorized large scale irrigation be followed up on and enforced in order to bring those infringing upon these rules into compliance. The Board of Directors also discussed the ease of receiving an agricultural use permit through the Plum Creek Conservation District.

- 2:10PM President Holt requested a report from the Plum Creek Conservation District's Executive Manager, Mr. Johnie Halliburton. Mr. Halliburton informed the Board of Directors that the Plum Creek Conservation District's Site 10 and Site 12 applications for rehabilitation planning had been approved by the Texas State Soil and Water Conservation Board. When funding becomes available the planning for the rehabilitation will begin. Mr. Halliburton also gave the Board of Directors a status update of the other Plum Creek Conservation District's flood control structures that have applications for possible rehabilitation. Mr. Halliburton informed the Board of Directors that the Caldwell/Hays Feral Hog Project was awarded the thirty thousand dollar (\$30,000.00) award by the State of Texas. Mr. Halliburton informed the Board of Directors that the new privacy fence behind the Plum Creek Conservation District's Office Building and Garage had been constructed. Mr. Halliburton informed the Board of Directors that he and Mr. Schuelke had recently attended the Texas Commission on Environmental Quality's Dam Safety Workshop in New Braunfels, Texas. Mr. Halliburton discussed the cause of the recent fish kill that had occurred at the Plum Creek Conservation District's Site 28. Mr. Halliburton informed the Board of Directors that he and Mr. Meyer had attended Mr. Kirk Holland's, Manager of the Barton Springs/Edwards Aquifer Conservation District, retirement party in Austin, Texas.
- 2:14PM President Holt requested a report from the Plum Creek Conservation District's Attorney, Mr. Bob Wilson. Mr. Bob Wilson discussed the Guadalupe-Blanco River Authority's water rights application in Gonzales County, Texas. Mr. Bob Wilson also discussed auditing questions that he had addressed regarding the recent Site 5 Rehabilitation. Mr. Bob Wilson discussed litigation involving the Texas Farm Bureau and the Aransas Project. Mr. Bob Wilson discussed possible inter-local agreements necessary in the future due to overlap between the Plum Creek Conservation District and neighboring Districts. Mr. Bob Wilson then discussed the restructuring of the Texas Water Development Board by recent appointments by Governor Perry. Mr. Bob Wilson then discussed the three new appointees with the Board of Directors.
- 2:21PM President Holt requested discussion of Item XI on the agenda. Mr. Bob Wilson informed the Board of Directors that he had drafted a resolution increasing the fee for the Plum Creek Conservation District's Directors to two hundred fifty dollars (\$250.00) a day and a limit of nine thousand dollars (\$9,000.00) a year plus expenses, per Director, in accordance with Texas Legislation. Mr. Lipscomb made a motion to adopt the resolution increasing the fees for the Plum Creek Conservation District's Directors to two hundred fifty dollars (\$250.00) a day with a limit of nine thousand dollars (\$9,000.00) a year plus expenses, per Director, in accordance with Texas Legislation. Mr. Rothert provided the second and the motion passed with four assenting votes (Mr. Holt, Mr. Lipscomb, Mrs. Knight, and Mr. Rothert) and two dissenting votes (Mr. Reinecke and Mr. Twidwell).
- 2:27PM President Holt requested discussion of Item XII on the agenda. Mr. Halliburton then discussed the Plum Creek Conservation District's 2013-2014 budget in depth with the Board of Directors and answered questions regarding the budget. Mr. Halliburton then discussed the tax rates with the Board of Directors. After much discussion and multiple questions, Mr. Reinecke made a motion to set the Plum Creek Conservation District's 2013-2014 proposed tax rate for the Flood Control section at \$0.022 per \$100.00 of valuation. Mrs. Knight provided the second and the motion passed unanimously. Mr. Reinecke made a motion to set the Plum Creek Conservation District's 2013-2014 proposed tax rate for the Groundwater section at \$0.022 per \$100.00 of valuation. Mrs. Knight provided the second and the motion passed unanimously. President Holt then announced that the public hearings regarding the proposed tax rates for 2013-2014 would be held on September 5th, 2013 at 1:00 pm and September 12th, 2013 at 1:00 pm at the Plum Creek Conservation District office. President Holt stated that the possible adoption of the proposed 2013-2014 tax rates would occur on September 17th, 2013 at 1:00 pm. President Holt requested motions or comments regarding the Plum Creek Conservation District's 2013-2014 proposed budget.

Mrs. Knight made a motion approving the Plum Creek Conservation District's 2013-2014 proposed budget with necessary adjustments regarding the proposed tax rates. Mr. Twidwell provided the second and the motion passed unanimously. President Holt requested any other business requiring discussion.

2:45PM President Holt requested public comments. There were no public comments.

2:45PM Mr. Twidwell made a motion to adjourn. Mr. Lipscomb provided the second and the motion to adjourn passed unanimously.


President


Vice President