

**MEETING OF THE BOARD OF DIRECTORS
PLUM CREEK CONSERVATION DISTRICT
LOCKHART, TEXAS 78644
December 20th, 2022**

Notices of this regular meeting were posted in the Caldwell and Hays 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 Treasurer/Secretary, Mrs. Lucy Knight.

1:00 PM The meeting/hearing was called to order by President of the Board, James Holt, with the following Board members present: Peter Reinecke (Vice President), Lucy Knight (Secretary/Treasurer), Fred Rotherth (Director) and Tom Owen (Director). David Perez of Federal Hermes was in attendance via Zoom. Stacy Britton and Sara Carey of Montemayor Britton Bender, PC, John Doyal, James Bene of RW Harden & Associates, and Graham Moore of Alliance Regional Water Authority were in attendance. Also present were PCCD Attorney Bob Wilson, PCCD Geologist Feathergail Wilson, and PCCD staff members Daniel Meyer, Nora Lopez-Castillo, Alan Burklund, and Robert Barron. The minutes were transcribed by Nora Lopez-Castillo.

1:00 PM President Holt requested public comments. There were no public comments.

1:00 PM President Holt requested motions or comments regarding the minutes of the regularly scheduled meeting held on November 15th, 2022. Mrs. Lucy Knight made a motion that the minutes of the regularly scheduled meeting held on November 15th, 2022, be accepted as mailed out. Mr. Peter Reinecke provided the second and the motion was approved unanimously.

1:01 PM President Holt asked if there was any unfinished business that required the Board of Directors' attention. Mr. Meyer stated that there was no unfinished business.

1:01 PM President Holt requested discussion of agenda item V regarding resolutions (Surface & Groundwater) to approve the Caldwell County Appraisal District's 2022 tax roll. Daniel Meyer reminded the Board that these resolutions had been presented at last month's meeting and had not been approved because the groundwater resolution contained an error. Mr. Meyer stated that he had been in contact with the Caldwell County Appraisal District (CCAD) regarding this. CCAD stated that the Board should go ahead and approve the resolutions as written and CCAD would make the necessary adjustment/correction in the future. Mr. Meyer discussed this with Mr. Bob Wilson who stated that the Board could approve the resolutions per CCAD's request, but asked that PCCD keep an email trail regarding this matter. Mrs. Knight made a motion that Mr. Holt execute the groundwater resolution subject to the changes that will be made by CCAD due to their error. Mr. Fred Rotherth provided the second and the motion was approved unanimously. Mrs. Knight made a motion that Mr. Holt execute the surface resolution as presented by CCAD. Mr. Peter Reinecke provided the second and the motion was approved unanimously.

1:04 pm President Holt requested discussion of agenda item VI regarding a presentation from Federated Hermes on TexPool Prime. Mr. Meyer introduced David Perez and stated that Federated Hermes is a full-service provider for TexPool and manages the assets of TexPool. Mr. Meyer stated that Mr. Perez would be discussing the differences between TexPool and TexPool Prime. Mr. Perez gave a comprehensive presentation on both types of accounts, but pointed out that the main difference between the two types of accounts was the underlying portfolio holdings. TexPool Prime can invest in all the same categories as TexPool, but they also invest in commercial paper (high quality, AAA-rated corporate debt), which is not government insured. Mrs. Knight stated that PCCD's current investment policy does not allow PCCD to take any kind of risk. She also inquired whether TexPool Prime was compliant with the Public Funds Investment Act (PFIA). Both David Perez and Stacy Britton of Montemayor, Britton & Bender acknowledged that TexPool Prime complies with the PFIA. Mr. Perez stated that if the Board chose to participate in TexPool Prime in the future, a change would need to be made in the investment policy. Mr. Perez also mentioned that many clients split funds between the two accounts. Many questions were asked and answered by various members of the Board as well as Mr. Bob Wilson. Mrs. Knight asked Mr. Perez to provide PCCD with verbiage for a possible amendment to the PCCD policy. The Board requested this item be on next month's meeting agenda for further consideration.

1:20 PM President Holt requested discussion of agenda item VII regarding the 2021 to 2022 Audit performed by Montemayor Britton Bender, PC. Mr. Meyer introduced Stacy Britton and Sara Carey, who presented the audit report to the Board. Stacy Britton outlined the responsibilities of the management staff and the auditors during the audit process. She stated the audit resulted in a "clean opinion," meaning that PCCD's financial statements are fairly stated in all material respects in accordance with generally accepted accounting principles. Ms. Britton pointed out that PCCD has a strong picture of financial health and sufficient liquid resources on hand to meet short-term operating liabilities. Ms. Britton reported there were no compliance issues with federal or state funds.

1:33 PM President Holt requested discussion of agenda item VIII regarding 4 agreements between PCCD and Texas State Soil and Water Conservation Board (TSSWCB) to extend the completion dates for the Site 21 Rehabilitation Project. Mr. Meyer stated that these agreements will extend the project date for one 1 year to 12/31/2023 to ensure continued federal and state funding. Mrs. Knight made a motion that PCCD sign the 4 agreements to extend the expiration date to 12/31/2023 for Site 21. Mr. Peter Reinecke provided the second and the motion was approved unanimously.

1:40 PM President Holt requested discussion of agenda item IX regarding the approval of engagement of Bill Hutchison as technical consultant for GMA-13. Mr. Meyer informed the Board that in October 2022 after Mr. Hutchison's qualifications were reviewed, the GMA-13 members chose Mr. Hutchison as their technical consultant. The costs of the consulting services were negotiated at \$75,000 over 4 years. Mr. Meyer stated that PCCD's percentage of this cost is 7.69%, which equals \$5767.50. Mr. Meyer reminded the Board that as part of the interlocal agreement, all GMA-13 members must agree on the consultant and the price. Mrs. Knight made a motion that PCCD approve the engagement of Bill Hutchison for GMA-13. Mr. Peter Reinecke provided the second and the motion was approved unanimously.

1:43 PM

President Holt requested discussion of agenda item X regarding a resolution approving the District Easement Use Policy. Mr. Meyer stated that at the November 2022 meeting, the Board recommended that a District Easement Use Policy resolution be presented at the December 2022 meeting. Mr. Bob Wilson stated that the resolution adopts the policy so that it can be published as a rule. Mr. Tom Owen made a motion to sign this resolution. Mr. Rotherth provided the second and the motion was approved unanimously.

1:45 PM

President Holt requested discussion of agenda item XI regarding a resolution approving the Mitigation Plan Policy. Mr. Meyer stated that at the November 2022 meeting, the Board recommended that a District Mitigation Plan Policy resolution be presented at the December 2022 meeting. Mr. Tom Owen made a motion to sign this resolution as well. Mrs. Knight provided the second and the motion was approved unanimously.

1:46 PM

President Holt requested discussion of agenda item XII regarding request for releasing the flood easement on a 10.01 acres (Calvillo Subdivision.) for Site 14. Mr. Meyer presented a resolution for restatement of Site 14 easement drafted by Mr. Bob Wilson. Mr. Bob Wilson stated that the proposed resolution would restate the easement to include a metes and bounds area describing the area where water may be impounded during a rainfall event and secondly it would also include a portion that is not yet attached to the restatement because a survey would be needed. Mr. Wilson stated that while it would be reasonable to restate the areas by metes and bounds in accordance with National Resources Conservation Service requirements, it would not be reasonable to do a blanket release as PCCD might require use of this area in the future. Mr. John Doyal reiterated that his request was for abandonment of the portion of that subdivision above the 547-foot level. Mr. Doyal said that the 2-lot subdivision plat had been recorded at the Caldwell County Courthouse. A lengthy discussion was held regarding this request. Mr. Bob Wilson reiterated this resolution would be a restatement of an area of the easement and not a release of the easement. Mr. Holt had asked Mr. Bob Wilson to confirm his statement: If PCCD were to change the easement and if water were to flood areas above that area, then would PCCD open itself up to future liability? Mr. Bob Wilson replied in the affirmative. Mr. Holt stated that given this statement along with the fact that the owners had purchased the land knowing it had an easement on it, and given if PCCD released the easement, then they could be liable in the future. Therefore, Mr. Holt expressed that he did not see how PCCD could consider changing the easement. Mr. Bob Wilson stated PCCD's newly adopted Easement Use Policy includes a section that 100-year-flood elevations are estimates, which change over time. Thus, Mr. Wilson explained, that if, for example, a person acknowledges that if they build something outside of a 100-year flood plain upstream from one of our dams, there may be floodwaters present at some point, then it might be possible to use that statement to lessen PCCD's future claim risk from that landowner. It may not eliminate the risk because anyone can file suit for any reason and the ultimate result may be dependent on facts. Mrs. Knight made a motion to restate this easement with a metes and bounds description that corresponds to the 547-foot elevation and that PCCD's Easement Use Policy be incorporated as part of this resolution along with the owners of the 2 tracts. Mr. Owen provided the second and the motion was approved unanimously.

2:25 PM

President Holt requested discussion of agenda item XIII regarding the consideration of drilling a monitoring well as it relates to the Alliance Regional Water Authority's Well Field Production Permit. Mr. Meyer stated that negotiations regarding the monitoring well are at a standstill. Mr. Meyer invited Graham Moore of Alliance Regional Water Authority and James Bene, geologist, with RW Harden & Associates to the meeting. Mr. Meyer stated that in September of 2022 Alliance requested to change the drilling schedule for permitted well #1; however, the drilling of the permitted well is tied to the drilling of the monitoring well. An agreement has not been reached regarding the size of the well casing and screen length. Graham Moore and James Bene presented a handout to the Board with tables comparing criteria for different sized casings and screen length. Mr. Bene explained at length the information in

the tables. Mr. Feathergail Wilson then restated his reasons for proposing a different sized well casing and screen length. Ultimately, an agreement was reached to use 4" well casing, selectively pick the best zones to screen with blanks in between, and to use a Tremie tube to install the gravel pack. Feather Wilson requested a meeting with the driller prior to commencing.

3:08 PM President Holt requested a report from the PCCD Geologist, Mr. Feathergail Wilson. Mr. Wilson presented a slideshow on the Edwards Aquifer and desalination. Mr. Wilson stated that the City of Lockhart is considering obtaining an additional 3000 acre feet to meet water demands. Mr. Wilson stated that the city has another viable option available to consider, which is a desalination well from the Edwards. Mr. Wilson presented information on a company called Saltworks that uses a process called Zero Liquid Discharge (ZLD), which produces mineral rich salt and fresh water. Mr. Holt asked what the cost might be to drill a new well for desalination. Mr. Wilson responded approximately \$250,000 to \$375,000.

3:36 PM President Holt requested a report from the NRCS' District Conservationist, Mr. Jeremy Hasty. Mr. Hasty was not in attendance.

3:36 PM President Holt requested a report from the PCCD Executive Manager, Mr. Daniel Meyer. Mr. Meyer reported that NRCS has not fully responded to the letter that had been previously sent to them regarding metes and bounds, easements, and land rights. Mr. Meyer stated that he would continue to keep the Board informed regarding this matter. Mr. Meyer informed the Board that he met with Walter Stephens to discuss land rights for Site 28. Mr. Stephens had several questions, some of which Mr. Meyer forwarded to the NRCS engineer and is awaiting a response from NRCS. Mr. Stephens stated he would provide Mr. Meyer with feedback in approximately 10 days regarding compensation.

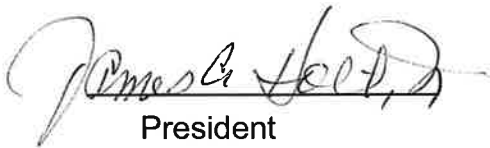
3:36 PM President Holt requested a report from PCCD's Executive Manager, Daniel Meyer. Mr. Meyer reminded the Board that several months ago he had proposed to them drilling a Wilcox monitoring well within the right of ways. Per the Board's direction, Mr. Meyer contacted the county road commission, researched the right of ways, and obtained drilling costs. Mr. Meyer stated that Mr. Tom Owen inquired if there was a possibility of drilling a well on his property. Mr. Meyer asked Feathergail Wilson to recommend the best place for a well on Mr. Owen's property. Mr. Feathergail Wilson provided this information. Mr. Meyer spoke with Mr. Owen regarding what the process would entail to drill the well. Mr. Meyer also asked Mr. Owen to provide an estimate compensation. Mr. Meyer stated that before moving forward, he wanted to verify with the Board whether they wanted to move forward with this project. Mr. Holt recommended that PCCD would be interested in this project, but PCCD would need to explore the legality of this transaction given that Mr. Owen is a Board member. Mr. Meyer provided an update on Site 6. Mr. Meyer informed the Board that in the spring PCCD had mailed letters to several landowners asking them to remove their livestock due to overgrazing. PCCD made several attempts to contact the landowner of Site 6, Mr. Jose Salazar, via certified mail, regular mail, and phone calls. Mr. Meyer was able to reach the landowner via a phone call, but the landowner did not allow Mr. Meyer to speak about removing the livestock. The Board asked that the gates be closed and locked to allow growth of the vegetation after the livestock had been guided out of the easement area. Mr. Meyer provided an update on Site 2, stating that the contractor is behind schedule and will probably not be able to meet the completion date of February 2023. Mr. Meyer provided the Board with a summary of PCCD's 2022 O&M projects that listed the funds that were received from the Texas State Soil and Water Conservation Board (TSSWCB). Mr. Meyer informed the Board that for 2023 PCCD is only eligible for 3 O&M projects under TSSWCB grant funding, for a total not to exceed \$80,000.


3:55 PM President Holt requested a report from PCCD's Attorney, Bob Wilson. Mr. Bob Wilson stated that he is still in the process of reviewing legislative bills that have been filed in the legislative session and has not found any issues that could affect PCCD.

3:59 PM President Holt requested discussion of agenda item XXI regarding possible reimbursements to staff for expenses incurred in 2022. Mrs. Lucy Knight made a motion that the staff be reimbursed for various expenses incurred in 2022 in the amount of \$300.00 each. Mr. Rothert provided the second and the motion was approved unanimously.

4:02 PM President Holt requested public comments. There were no public comments.

4:03 PM Mr. Owen made a motion to adjourn. Mr. Rothert provided the second and the motion to adjourn passed unanimously.


President


Vice-President