

MEETING OF THE BOARD OF DIRECTORS
PLUM CREEK CONSERVATION DISTRICT
LOCKHART, TEXAS 78644
July 18th, 2023

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 Vice-President of the Board, Peter Reinecke with the following Board members present: Lucy Knight (Secretary/Treasurer), Fred Rothert (Director) and Tom Owen (Director). Jacy Warick with D.R. Horton, Richard Rychlik with BGE, Inc., and Leonard Dougal, Attorney for D.R. Horton were present. Site 28 landowners, Shannon Vogel and Weston Stephens were present; Walter Stephens joined the meeting by phone. Also present were PCCD Attorney Bob Wilson, PCCD Geologist Feathergail Wilson, and PCCD staff members Daniel Meyer, Nora Lopez-Castillo, and Alan Burklund. The minutes were transcribed by Nora Lopez-Castillo.

1:00 PM Vice-President Reinecke requested public comments. There were no public comments.

1:00 PM Vice-President Reinecke requested motions or comments regarding the minutes of the regularly scheduled meeting held on June 20th, 2023. Mrs. Lucy Knight made a motion that the minutes of the regularly scheduled meeting held on June 20th, 2023, be accepted as mailed out. Mr. Owen provided the second and the motion was approved unanimously.

1:01 PM Vice-President Reinecke 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 Vice-President Reinecke requested discussion of agenda item V regarding the PCCD Quarterly Investment Report. Mrs. Knight stated that the report had been received, reviewed, and signed. Mrs. Knight stated that PCCD remains in a good financial position.

1:03 PM Vice-President Reinecke requested discussion of agenda item VI regarding cost estimates received for the Site 28 Surveying Project. Mr. Meyer reminded the Board that at the May 2023 meeting, the Board determined that the survey firms were equally qualified and requested that each survey firm submit a cost estimate. Mr. Meyer stated that 2 cost estimates were received. One was from Doucet and the other from Zamora, LLC. Mr. Meyer stated that if the Board elected to move forward with the surveying project, some of the survey items would need to be expedited, particularly those related to work of improvement areas and property boundaries, as information is needed to complete submission of the land rights letter. Mrs. Knight noted that Doucet has done surveys for both the City of Lockhart as well as Caldwell County, so this firm was familiar with the area, in addition to having a lower cost. Mrs. Knight made a motion that PCCD negotiate with Doucet to agree on a contract for the Site 28 Surveying Project. Mr. Rothert provided the second and the motion was approved unanimously.

1:08 PM

Vice-President Reinecke requested discussion of agenda item VII regarding an engagement letter from Montemayor, Britton, and Bender for auditing services. Mr. Meyer stated that a single audit would be required because PCCD had received more than \$750,000 in federal and state funding. Mr. Meyer informed the Board that the auditing services fee would be \$13,750, compared to last year's cost of \$13,000. Mr. Tom Owen made a motion that the engagement letter from Montemayor, Britton, and Bender be signed by PCCD. Mrs. Knight provided the second and the motion was approved unanimously. Vice-President Reinecke signed the letter.

1:11 PM

Vice-President Reinecke requested discussion of agenda item VIII regarding a request from D.R. Horton as it relates to Sites 11 & 12. Mr. Meyer introduced Jacy Warick with D.R. Horton and D.R. Horton's attorney, Leonard Dougal, as well as R.J. Rychlik, D.R. Horton's consulting engineer. Mr. Dougal stated discussions had been ongoing with PCCD regarding an amended easement agreement and a letter to the City of Kyle about storm water detention. Mr. Meyer stated that PCCD was only prepared to discuss the letter. Mr. Dougal informed the Board that the City of Kyle had requested a letter from PCCD stating whether it had any objections to the developer's plan to drain storm water into the Sites 11 and 12 reservoirs. The letter will be reviewed by the City as part of their approval process of the developer's development plan. Mr. Bob Wilson informed the Board that PCCD has had long and intense discussions with D.R. Horton about several issues. Mr. Wilson stated he reviewed and modified the letter, which states the water would drain into the lakes anyway and that PCCD has no objection to this.. Mr. Owen made a motion that the letter to the City of Kyle be approved and signed. Mrs. Knight provided the second and the motion was approved unanimously.

1:18 PM

Vice-President Reinecke requested discussion of agenda item IX regarding amending three cooperative agreements (*LPLUM28 RHB-ST2-029-23*, *LPLUM28-RHB-FED-003-20-AMENDMENT 2* and *LPLUM28-RHB-ESF-509-20-AMENDMENT 2*) for the Site 28 Rehabilitation Project. Mr. Meyer informed the Board that two agreements would allocate funding for construction of the Site 28 Rehabilitation Project. The ST2-029-23 agreement would allocate a state cost-share of 35% and would no longer require a PCCD cost-share of 1.75%. The FED-003-20 agreement amendment would allocate a federal cost-share of 65%. The ESF-509-20 agreement amendment would extend the agreement from September 30th, 2023, to September 30th, 2024. Mr. Meyer stated that PCCD would still be responsible for 1.75% of the land rights and administrative costs associated with this project. Mr. Meyer informed the Board that there was a shortfall of funds of 1.5 million dollars, which had been included in the agreements; however, the documents to allocate these funds had not been finalized by National Resources Conservation Service (NRCS) and Texas State Soil and Water Conservation Board (TSSWCB). Mr. Bob Wilson explained to the Board how the funding process works at both the State and Federal levels.

1:29 PM

Vice-President Reinecke requested discussion of agenda item X regarding authorizing President Holt to sign the 3 cooperative agreements related to the Plum 28 Rehabilitation Project. Mrs. Knight made a motion to authorize President Holt to sign the amended cooperative agreements, at his discretion, once the 1.5 million funding paperwork has been finalized. Mr. Fred Rothert provided the second and the motion was approved unanimously.

1:30 PM

Vice-President Reinecke requested discussion of agenda item XI regarding matters pertaining to Site 28 Rehabilitation Project. Mr. Meyer reminded the Board that at the June 2023 meeting, the landowners of Site 28, Walter Stephens and Shannon Vogel, presented several issues and requests regarding the rehabilitation project. At that meeting, the Board directed Mr. Meyer to send these issues to NRCS for their review. Mr. Meyer informed the Board that NRCS had responded in writing to many of the questions and conducted an in-person meeting with the landowners at the PCCD office. One of the landowners' requests was that two areas have a 40 to 50-foot clearance to gain access to certain portions of their property. Mr. Shawn Higgins of NRCS was able to modify the design to accommodate a 40-foot clearance; however, Mr. Stephens requested further attempts be made for a 50-foot clearance. Mr. Higgins is working to see if this would be possible. Mr. Meyer stated that the requests for possible compensation to the landowner during the initial construction project, additional compensation if project extended past the three-year projected completion date, and PCCD fertilizing and weed spraying another area of land due to loss of current grazing area were still issues that needed to be addressed. Mr. Meyer introduced Shannon Vogel to the Board. Ms. Vogel presented a revised list of items with an associated dollar value to the Board. Ms. Vogel elaborated on all the listed items. A new item that had been added to the list was a guy wire on the northwest side of the property, which the landowner felt might inhibit access. Weston Stephens discussed his concerns regarding this issue. Ms. Knight asked what type of guy wire it was, and Ms. Vogel stated that it was an electric guy wire for Bluebonnet Electric. Mr. Bob Wilson stated if Bluebonnet has an easement in this area, PCCD has no authority regarding this guy wire. Mr. Wilson informed the landowners that PCCD's easement grants PCCD certain powers and it is his responsibility to determine if PCCD is acting within the existing easement's powers. Mr. Wilson stated that should the Board need to acquire more land to complete the rehabilitation project, PCCD would need to get the value of the land appraised, which takes time. Mr. Wilson stated that the rehabilitation project is already behind schedule and if all issues cannot be resolved, the dam may not be rehabilitated. Mr. Wilson stated he would review the terms of the easement with respect to the landowners' requests and would communicate this information to the Board so a decision could be made regarding the next steps in the process. Mr. Wilson stated that PCCD would notify the landowners of the Board's decision.

1:51 PM

Vice-President Reinecke requested discussion of agenda item XII regarding a report for the compliance of PCCD's Desired Future Conditions (DFCs). Mr. Meyer stated that PCCD's Desired Future Conditions are reviewed yearly. Mr. Meyer gave a detailed explanation of how DFCs are determined. Mr. Meyer stated that Modeled Available Groundwater studies (MAGs) are developed by Districts in a Groundwater Management Area (GMA) and are considered when permits are issued. PCCD uses data from permitted water wells in the Middle and Lower Wilcox to analyze DFC compliance by comparing the actual water level drawdowns from 2011 to 2022 against the levels predicted in the DFCs. Mr. Meyer informed the Board that PCCD is compliant with its DFCs.

2:05 PM

Vice-President Reinecke requested discussion of agenda item XIII regarding a resolution to disapprove of the Caldwell County Appraisal District's (CCAD) FY 2024 Budget. Mrs. Knight stated that PCCD had made conscious and incremental efforts to maintain salaries at a level that enabled PCCD to hire and retain qualified staff. Mr. Bob Wilson informed the Board that if a county, which is a taxing entity, decided to protest the budget, they are required to

send a letter to every other taxing entities in the county asking them to pass a similar resolution of disapproval. Mr. Owen made a motion that a resolution to disapprove the CCAD FY 2024 budget not be approved. Mr. Rothert provided the second and the motion was approved unanimously.

2:21 PM Vice-President Reinecke requested discussion of agenda item XIV regarding quotes received to drill and install a Wilcox Monitoring well. Mr. Meyer stated that PCCD did not receive any quotes. No action was taken.

2:22 PM Vice-President Reinecke requested discussion of agenda item XV regarding an easement restatement for two 5-acre tracts (Calvillo Subd.) for Site 14. Mr. Wilson stated that Mr. John Doyal submitted a letter to PCCD, which stated he was acting on behalf of the landowners regarding the easement restatement. However, the letter also included the statement that PCCD had released a portion of the easement. Mr. Wilson stated the term release was incorrect. Mr. Wilson asked Mr. Meyer to contact Mr. Doyal and request the word "release" be changed to "restatement" and once Mr. Doyal resubmitted the letter, the Board could act on this request.

2:27 PM Vice-President Reinecke requested a report from the PCCD Geologist, Mr. Feathergail Wilson. Mr. Feathergail Wilson's presented slides on various reasons for groundwater depletion, a United States map showing areas where aquifers are being depleted, and a map of aquifers that had the greatest depletion. Mr. Wilson stated the Austin/San Antonio area is still in a drought, but it has improved in some areas. Mr. Wilson stated that desalination projects were a viable a solution to the depletion of fresh water.

2:47 PM Vice-President Reinecke requested a report from the NRCS' District Conservationist, Mr. Jeremy Hasty. Mr. Hasty was not in attendance.

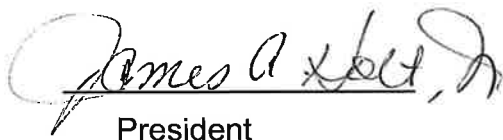
2:47 PM Vice-President Reinecke requested a report from the PCCD Executive Manager, Mr. Daniel Meyer. Mr. Meyer reported that he had attended a GMA-10 meeting and the purpose of that meeting was to review a cost proposal from Collier Consulting to provide technical consulting. Mr. Meyer presented the cost matrix, which divided the cost among the members, and would need to be included in the GMA-10 Interlocal Agreement. The total proposed cost of \$110,000 would be spread out over two to three years. Mr. Meyer stated PCCD's share would be approximately \$19,700. Mr. Meyer informed the Board that he planned to present the revised GMA-10 Interlocal Agreement at next month's meeting for possible approval. Mr. Meyer stated that Feathergail Wilson and Bob Wilson had suggested writing a column about PCCD for the local newspaper. Mr. Meyer asked Mr. Feathergail Wilson to draft an article, which was given to the Board. Mr. Meyer requested that the Board provide their feedback on this article at next month's meeting. Mr. Meyer informed the Board that he was contacted by the developers of Site 34, Lake Longhorn Ranch, who are currently going through the county to have their subdivision approved and platted. Mr. Meyer stated a meeting with the developers had been held and he asked for clarification of following items: (1) restrictions for the lots that cut across the spillway; (2) a designated campsite for PCCD to perform required operations and maintenance as needed; and (3) who was the responsible party for the installation of the septic systems. Mr. Meyer stated he had not received a response yet. Mr. Bob Wilson stated the entity that would approve the subdivision plats needed to be informed about PCCD's easements. Mr. Meyer stated that the Site 10 Rehabilitation Project was nearing completion, but still needed seeding and irrigation. Mr.

Meyer also informed the Board that the designated access easement for Site 10 off Satterwhite Road would need to be cleared and graded. Mr. Meyer stated he had asked the contractor to provide a quote on what the cost would be to level the area. Mr. Meyer gave an update on Site 2. Mr. Meyer stated pending items included fence installation, fertilization, seeding, and irrigation. Mr. Meyer informed the Board that the contract completion date had passed; therefore, PCCD had issued a Default Notice to the contractor. Mr. Meyer stated this was issued to ensure that PCCD did not waive any of its contractual rights and to avoid potential funding complications. The Default Notice allowed the contractor to continue working on the project; however, the contractor would be required to pay PCCD damages that were caused by the contractor's failure to complete the project on time. Mr. Meyer informed the Board that the Site 38 Revegetation Project had been completed. Mr. Meyer gave an update regarding the livestock lockout at Site 6 due to overgrazing. Mr. Meyer stated that PCCD staff members found that the livestock had been put back in the area to graze. On 07/20/2023, PCCD staff members were accompanied to Site 6 by an officer of the Hays County Sheriff and PCCD removed the livestock again without incident.

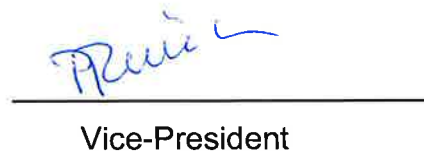
3:04 PM Vice-President Reinecke requested a report from PCCD's Attorney, Bob Wilson. Mr. Wilson stated that Senator Charles Perry introduced legislation for pilot projects and testing for new water sources. Mr. Wilson stated he would keep the Board apprised regarding this. Mr. Wilson also stated that he and Mr. Meyer had been asked by the Texas Alliance of Watershed Sponsors to participate in panel discussions about primary local sponsor problems and easement protection. The workshop will be held in November 2023.

3:07 PM Vice-President Reinecke requested public comments. There were no public comments.

3:07 PM Mr. Rothert made a motion to adjourn. Mrs. Knight provided the second and the motion to adjourn passed unanimously.



 President



 Vice-President