

**MEETING OF THE BOARD OF DIRECTORS
PLUM CREEK CONSERVATION DISTRICT
LOCKHART, TEXAS 78644
September 19th, 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 President of the Board, James Holt. The following Board members were present: Peter Reinecke (Vice President), Lucy Knight (Secretary/Treasurer), Fred Rothert (Director) and Tom Owen (Director). Leonard Dougal, attorney for D.R. Horton, John Sparrow, Division Vice-President for D.R. Horton, Jacy Warwick with D.R. Horton, Richard Rychlik with BGE, Inc., were present. Humberto Ramos with County Line Special Utility District (SUD) was also present. PCCD Attorney Bob Wilson, PCCD Geologist Feathergail Wilson (via ZOOM), and PCCD staff members Daniel Meyer, Nora Lopez-Castillo, Alan Burklund, and Tyler Farco were present. Nora Lopez-Castillo transcribed the minutes.

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 August 15th, 2023. Mrs. Knight made a motion that the minutes of the regularly scheduled meeting held on August 15th, 2023, be accepted as mailed out. Mr. Rothert 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 an easement modification request from D.R. Horton as it relates to Site 11 & 12. Mr. Meyer confirmed that all Board members had received a copy of the Final Offer letter from D.R. Horton. Mr. Meyer stated that Mr. Dougal wished to address the Board. Mr. Dougal reiterated that D.R. Horton planned to begin selling individual lots on October 30th, 2023. Mr. Dougal stated that after this date D.R. Horton would no longer be able to negotiate with PCCD regarding the easement modifications that had been discussed at previous meetings. Mr. Dougal handed out a "corrected" version of the easement to each Board member and stated that this version updated Exhibit A of the easement modification and designated the inundation boundary and access routes for PCCD. Mr. Sparrow then addressed the Board and requested that the Board act on their request at this meeting. Mr. Bob Wilson stated that he would discuss his recommendations with the Board during an Executive Session.

1:08 PM President Holt moved the meeting into Executive Session to discuss the easement modification request for Sites 11 & and 12 and subjects allowable.

2:00 PM President Holt called the meeting back into regular session. Mr. Owen made a motion that PCCD approve the resolution to restate the easement provided there would be defined access points with sufficient width and defined campsites for PCCD. Mrs. Knight provided the second and the motion was approved unanimously. Mr. Sparrow asked if the access points and defined

campsites would be different than what had been discussed previously. Mr. Meyer stated he had concerns regarding the Phantom Hill access. Mr. Meyer used slides to demonstrate the reasons the access needed to be wider, specifically to allow adequate clearance for heavy equipment. Ms. Warwick stated that they could use a feature in auto-CAD to determine the width needed for a semi-truck radius and turn at this access point. Mr. Sparrow stated that these points would be added to the document and sent to PCCD for final review and approval.

2:23 PM President Holt requested discussion of agenda item VI regarding Site 28 Rehabilitation Project matters. Mr. Meyer stated that he and Alan Burklund had researched the estimated value of items that the Site 28 landowners wanted to be compensated for. Mr. Meyer provided a handout that compared the values for many of the items. Mr. Meyer explained that there were items on the list that could not be assigned a dollar value. A lengthy discussion was held regarding this agenda item. Mr. Bob Wilson asked whether the Board wanted to expand the District's easement or only wanted to purchase the additional land that would be needed to complete the project. Mr. Meyer stated that a decision did not need to be made at this meeting since a survey and U.S. Army Corps of Engineers (USACE) permit still needed to be completed.

2:49 PM President Holt requested discussion of agenda item VII regarding review of PCCD's Mitigation Plan. Mr. Meyer stated that under the provisions of PCCD's management plan, PCCD was required to annually review the Mitigation Plan. Mr. Meyer informed the Board that, to-date, no inquiries about the plan or applications for mitigation had been received.

2:55 PM President Holt requested discussion of agenda item VIII regarding the GMA 10 Interlocal Agreement. Mr. Meyer informed the Board that this agenda item would need to be postponed as the agreement was not ready.

2:55 PM President Holt requested discussion of agenda item IX regarding amending PCCD's Deposit and Fee Schedule. Mr. Meyer presented each Board member with an updated Deposit and Fee Schedule, which included new items and their corresponding fees. Mr. Meyer stated the new fees could be required for Easement Use Applications, Engineering Fee for Review of Easement Modifications, and legal fees for review of easement modifications. Mr. Meyer stated that PCCD's Easement Policy allowed for these new fee types. Mr. Meyer informed the Board that H.B. No. 3059 became effective on September 1st, 2023, and allowed for a rate not to exceed 20 cents for each 1000 gallons of water that would be exported from the district. The Board requested that the PCCD staff perform research on what the current rate would be for engineers and lawyers to perform these types of reviews and present this information to the Board for further consideration. Mr. Bob Wilson stated that he was also reviewing other legislation that could affect the District. The Board asked that Mr. Bob Wilson coordinate with Mr. Meyer so that any new legislation affecting the fee schedule could be presented and reviewed by the Board at the same time.

3:03 PM President Holt requested discussion of agenda item X regarding annual review of PCCD's Management Plan. Mr. Meyer stated that the District had completed all mandated and elective objectives. Mr. Meyer presented a handout that included the time and estimated amount of money that had been spent on completing each task. Mr. Meyer pointed out that one of the elective objectives the District continued to work on was an alternative supply of groundwater, specifically desalination.

3:04 PM President Holt requested discussion of agenda item XI regarding an easement restatement for two 5-acre tracts (Calvillo Subd.) for Site 14. Mr. Bob Wilson needed to review the final version of the easement restatement, which would be presented to the Board at the next meeting.

3:06 PM President Holt requested discussion of agenda item XII regarding the proposed tax rate of .0145 per \$100 of valuation for flood control water. Mrs. Knight made a motion to approve the resolution adopting the flood control tax rate of .0145 and authorizing Mr. Holt to sign the resolution. Mr. Owen provided the second and the motion was approved unanimously.

3:07 PM President Holt requested discussion of agenda item XIII regarding the proposed tax rate of .0149 per \$100 of valuation for groundwater. Mrs. Knight made a motion to approve the resolution adopting the groundwater tax rate of .0149 and authorizing Mr. Holt to sign the resolution. Mr. Rothert provided the second and the motion was approved unanimously.

3:08 PM President Holt requested a report from the PCCD Geologist, Mr. Feathergail Wilson. Mr. Feathergail Wilson informed the Board that he had participated in a meeting with the Bureau of Reclamation and Harmony Desalting about their proposed Edwards Aquifer desalination project. Mr. Feathergail Wilson presented a slideshow on monitor wells, specifically the location of PCCD's proposed Wilcox Aquifer monitoring well. Mr. Feathergail Wilson also presented a slide that showed the location of 59 wells in Texas that are used for desalination to provide water in many small cities. Mr. Feathergail Wilson presented a slide that indicated that much of Texas is still in a moderate to exceptional drought situation.

3:30 PM President Holt requested a report from the NRCS' District Conservationist, Mr. Jeremy Hasty. Mr. Hasty was not in attendance.

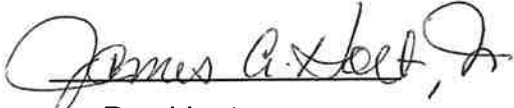
3:31 PM President Holt requested a report from the PCCD Executive Manager, Mr. Daniel Meyer. Mr. Meyer reported that Mr. Bob Wilson had drafted an interlocal agreement for the GMA-10 meeting that is scheduled for October 16, 2023. Mr. Meyer stated he had attended a GMA-13 meeting in September 2023. Mr. Meyer gave an update on Site 10 and stated the contractor had seeded and hydro-mulched, but no grass had grown so the contractor would be re-seeding and irrigating. Mr. Meyer stated that the Site 10 contract had been extended to November 2023. Mr. Meyer gave an update on Site 21 and provided pictures of the roller-compacted concrete (RCC) areas. Mr. Meyer stated that the contractor had hired a structural engineer to evaluate the RCC issues and create a repair plan. Mr. Meyer gave an update on Site 2 and stated the contractor had seeded certain areas and the grass was growing. Mr. Meyer stated that the City of Kyle had entered their Amended Stage 3 Drought Condition September 1st, 2023, which allowed the contractor to continue irrigation in some areas of the dam, but approximately 30 acres still needed to be revegetated. Mr. Meyer gave an update on Site 6 and stated that the horses have remained out of the easement area after new chains and locks were placed.


3:50 PM President Holt requested a report from PCCD's Attorney, Bob Wilson. Mr. Wilson stated that he had no further comments than those expressed during the meeting.

3:50 PM President Holt requested public comments. Mr. Humberto Ramos, the General Manager for County Line Special Utility District (SUD), introduced himself to the Board and stated that he would be attending PCCD's board meetings regularly.

3:51 PM

Mrs. Knight made a motion to increase Tyler Farco's salary from \$55,000 to \$60,000 as a result of his 90-day review. Mr. Owen provided the second and the motion passed unanimously. Mrs. Knight made a motion to adjourn. Mr. Reinecke provided the second and the motion to adjourn passed unanimously.


President


Vice-President