

MEETING OF THE BOARD OF DIRECTORS
PLUM CREEK CONSERVATION DISTRICT
LOCKHART, TEXAS 78644
September 25th, 2024

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). PCCD Attorney Ed McCarthy was present. Feathergail Wilson, PCCD Geologist, attended via ZOOM. Mr. Kyle Conley of Norfleet and Mr. Lee Rust were in attendance. Greg Bouton of Southern Infrastructure Group attended the meeting via Zoom. PCCD staff members in attendance were 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 Tax Rate Hearing held on September 11th, 2024. Mrs. Knight made a motion that the minutes of the regularly scheduled meeting held on September 11th, 2024, be accepted as mailed out. Mr. Rothert provided the second and the motion was approved unanimously.

1:01 PM President Holt requested motions or comments regarding the minutes of the regularly scheduled meeting held on August 20th, 2024. Mr. Knight made a motion that the minutes of the regularly scheduled meeting held on August 20th, 2024, 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.

1:02 PM President Holt requested discussion of agenda item VI regarding the proposed tax rate of .0140 per \$100 of valuation for flood control water. Mr. Owen made a motion to approve the resolution adopting the flood control tax rate of .0140 and authorizing Mr. Holt to sign the resolution. Mrs. Knight provided the second and the motion was approved unanimously. President Holt signed the resolution.

1:03 PM President Holt requested discussion of agenda item VII regarding the proposed tax rate of .0158 per \$100 of valuation for groundwater. Mrs. Knight made a motion to approve the resolution adopting the flood control tax rate of .0158 and authorizing Mr. Holt to sign the resolution. Mr. Rothert provided the second and the motion was approved unanimously. President Holt signed the resolution.

1:05 PM President Holt requested discussion of agenda item VIII regarding amending two cooperative agreements (PLUM21-ADD-ST2-026-22-AMEND 3 and LPLUM28-RHB-ADD-ST2-037-24-AMEND 2) to add state funding for in-kind

costs for Site 21 and 28 Rehabilitation Projects. Mr. Meyer explained that the Site 21 amendment would add back unused in-kind funds in the amount of \$1362.93 for contract administration and \$22,057.22 for land rights and related activities. Mr. Meyer explained that the Site 28 amendment would add back unused in-kind funds in the amount of \$23,504.70 for contract administration and \$9,712.27 for land rights and related activities. Mr. Owen made a motion that the amended cooperative agreements for Site 21 and Site 28 be approved. Mrs. Knight provided the second and the motion was approved unanimously. President Holt signed both amended agreements.

1:07 PM

President Holt requested discussion of agenda item IX regarding NRCS' review of Kinder Morgan's proposed pipeline within Site 37's easement. Mr. Meyer showed a map of Site 37's location, which also depicted the proposed pipeline. Mr. Meyer reminded the Board that Kinder Morgan had submitted the required easement use application, which had been sent to NRCS for review. Mr. Meyer stated NRCS' recommendations only concerned stations 204 to 226 of the proposed pipeline. Mr. Meyer stated NRCS recommended the following: (1) the construction of the pipe should not reduce the total amount of storage and excess excavated material should be removed outside of the easement, (2) a pre and post survey should be done to ensure no loss of storage occurred and be presented to the District; (3) the pipe should be marked within the easement, and (4) the owner of the pipe should indemnify the District to be held harmless for the operation of the dam and its impact on the pipe within the easement. Mr. Meyer introduced Kyle Conley of Norfleet, the contractor for Kinder Morgan, to the Board should they have any questions. Mr. Conley stated that Kinder Morgan did not have any issues with the recommendations that had been made by NRCS. Mr. Conley stated that Norfleet/Kinder Morgan and PCCD's attorneys would be working on a draft indemnification agreement that would release the District of any liability. Mr. Ed McCarthy stated that this indemnification agreement would be reviewed and then presented to the Board for consideration.

1:15 PM

President Holt requested discussion of agenda item X regarding the Site 28 Rehabilitation Project. Mr. Meyer stated that Southern Infrastructure Group (SIG), the contractor for the Site 27 Rehabilitation project, was requesting that PCCD submit an application to the Texas Commission on Environmental Quality (TCEQ) for a long-term temporary water permit. Mr. Meyer stated that Mr. Greg Bouton with SIG was in attendance via Zoom. Mr. Meyer advised the Board that the long-term temporary water permit would allow for more than 10-acre feet of water and would be valid for one to three years. Mr. Meyer informed the Board that SIG had informed him they would need approximately 120-acre feet for construction, excavation, revegetation, and irrigation purposes. Mr. Meyer stated that SIG had applied for and had been granted a 10-acre feet permit. Mr. Meyer stated that SIG had also searched for other potential water sources and was told they could not supply this amount of water. Mr. Meyer informed the Board that SIG could consider using groundwater, but agreements would have to be reached with the landowner. Mr. Meyer informed the Board that the rehabilitation project was predicted to take 2-1/4 years to complete. Mr. Meyer stated that a pre-application meeting had been held with TCEQ and were told that if SIG submitted the long-term application, it would only be approved for up to two years. Mr. Meyer informed the Board that costs would be incurred by PCCD if they applied for the permit, but that SIG had acknowledged that they would reimburse PCCD for these costs. Mr. Ed McCarthy addressed the Board regarding this agenda item and stated that there would be a significant benefit to PCCD establishing its presence with respect to its water rights at Site 28.

Mr. McCarthy also stated that given the future rehabilitation projects PCCD would be involved with, this would create a working history with TCEQ and that TCEQ would learn more about PCCD and its operations. Mr. McCarthy stated that having PCCD submit the application could reduce the possibility of downstream landowners objecting since the notice would indicate that the purpose for the permit would be for flood control. Mr. McCarthy stated another benefit of applying for and being granted this permit would prevent the project from being delayed due to lack of water. Mr. Holt asked Mr. McCarthy whether lifetime permits were available. Mr. McCarthy stated that he had been discussing this with Mr. Meyer along with possible legislative changes regarding exempt water use for PCCD. Mrs. Knight made a motion that PCCD submit an application to TCEQ for a long-term temporary water permit for Site 28 with the understanding that PCCD work on an agreement with SIG that stated SIG would reimburse PCCD for all associated costs. Mr. Owen provided the second and the motion was approved unanimously.

1:30 PM

President Holt requested discussion of agenda item XI regarding the review of PCCD's Mitigation Plan. Mr. Meyer stated that the Board had approved the Mitigation Plan in 2022 and required an annual review. Mr. Meyer informed the Board that PCCD had not received any requests for mitigation. Mr. Meyer stated that there were three important reasons for a review, which included: (1) to consider any newly passed legislation involving mitigation, (2) to allow the public, landowners, and well owners an opportunity to attend the meeting and ask questions about the Mitigation Plan, (3) to evaluate whether the Mitigation Plan was working as intended. Mr. Meyer stated that the Mitigation Plan was created to address alleged adverse conditions caused by one well to another well and, should this occur, PCCD would be the moderator for the two parties so that the issue could be resolved. Mr. Meyer stated that under certain circumstances, Board action could also be required. Mr. Meyer discussed potential challenges that the District could encounter such as one of the affected parties not being within PCCD's District. Mrs. Knight asked whether the two Districts could work out some type of agreement. Mr. McCarthy stated that it would be possible for Districts to have interlocal agreements to address these types of situations. Mr. McCarthy recommended that the Mitigation Plan be revised to include House Bill 3059, which would authorize PCCD to assess an export fee of 20 cents per 1000 gallons and this amount would be increased 3% annually following Board review and action. Mr. McCarthy stated any assessed fees must be dedicated to mitigation, primarily to maintain the ability for existing operating wells to continue to operate when the drawdown takes the water level below where the wells were completed. Mr. Meyer asked Mr. McCarthy about mitigation concerning exempt wells. Mr. McCarthy stated that if an exempt well was compliant with all the criteria, PCCD had no authority to regulate this type of well. The Board requested that PCCD create a draft Mitigation Plan that incorporated the House Bill 3059 changes and any other applicable changes to present to the Board for review.

1:50 PM

President Holt requested discussion of agenda item XII regarding the 2024 Precipitation Enhancement Report. Mr. Meyer explained that precipitation enhancement is weather modification (cloud seeding with silver iodide or potassium chloride). Mr. Meyer stated that part of PCCD's management plan required that PCCD look at nearby weather modification, which was performed by South Texas Weather Modification Association (STWMA). Mr. Meyer presented a handout that summarized how much more water the cloud seeding produced in 10 counties. Mr. Meyer briefly discussed both the positive and negative effects of cloud seeding. Mr. Meyer stated that if the Board

wished, PCCD could possibly participate in a STWMA precipitation enhancement project for \$21,000 a year (6 cents per acre for 350,000 acres in Caldwell County). Mr. Meyer stated much of Hays County would not be eligible since it was considered a high-density area. The Board decided against participation.

1:57 PM President Holt requested discussion of agenda item XIII regarding a report of permitted production compared to the Modeled Available Groundwater (MAG). Mr. Meyer stated when PCCD received a permit, PCCD must look at three factors: (1) the permitted amount, (2) how much water had actually been used, and (3) the Modeled Available Groundwater. Mr. Meyer stated that without knowing these factors, PCCD would not be able to manage the District. Mr. Meyer stated that for the Wilcox aquifer, PCCD had 12,766 acre-feet permitted per year, and in 2023, only 2010 acre-feet were used with 196 acre-feet exempt usage, and a MAG of 17,673 acre-feet. Mr. Meyer stated that for the Carrizo aquifer, PCCD had 4700 acre-feet permitted per year, and in 2023 with no permitted or exempt use, and a MAG of 1990.

2:05 PM President Holt requested discussion of agenda item XIV regarding amending the PCCD's Deposits and Fee Schedule. Mr. Meyer stated PCCD staff researched and found no new statutes or requirements that would require a change in the Schedule. The Board agreed no changes needed to be made.

2:07 PM President Holt requested discussion of agenda item XV regarding the annual review of PCCD's Management Plan. Mr. Meyer presented a handout that illustrated PCCD's compliance and/or completion of its yearly objectives and goals. Mr. Meyer stated that PCCD had successfully completed all the yearly goals. Mr. Meyer pointed out the plan was amended in 2023, which had added reporting violations of District Rules and number of plugged wells. Mr. Meyer stated that PCCD had spent quite a bit of time on the alternative supply for groundwater objective and that, going forward, he felt this objective would require even more of PCCD's time.

2:10 PM President Holt requested discussion of agenda item XVI regarding RFQs received for accounting services. Mr. Meyer stated that at the September Board meeting, the Board requested that PCCD confirm that the pre-audit work did not have to be performed by a CPA, and, if this was not a requirement, that a quote be requested from Debi Hubert, who had been performing these tasks for the past several years. Mr. Meyer informed the Board that PCCD confirmed that a CPA was not required to do this work. Mr. Meyer presented the quote that was received from Ms. Hubert to the Board. Mrs. Knight made a motion that PCCD enter into a contract with Ms. Hubert to perform the pre-audit accounting services. Mr. Rothert provided the second and the motion was approved unanimously.

2:12 PM President Holt requested discussion of agenda item XVII regarding bids/quotes received for the Site 31 entrance repair project. Mr. Meyer informed the Board that two recommendations were received, one from MVK First Phase Construction and Nighthawk Construction. Mr. Meyer briefly reviewed each recommendation and then asked the Board for direction on how they wished to proceed. The Board asked that PCCD staff request a quote from each of the contractors for the Board's consideration.

2:15 PM President Holt requested discussion of agenda item XVIII regarding transferring CD funds into the TexPool account on their next maturity date. Mr. Meyer informed the Board that PCCD had recently encountered difficulties

renewing CDs. Mr. Meyer then asked Mrs. Knight to address this agenda item. Mrs. Knight stated that over the last couple of years the process of renewing CDs had become more difficult and time-consuming. Mrs. Knight made a motion that when the Broadway Bank CD matured in 18 months that PCCD transfer these funds into TexPool, and, in addition, as each remaining CD matured, the Board could decide whether to renew or transfer the funds to TexPool. Mr. Reinecke provided the second and the motion was approved unanimously.

2:24 PM

President Holt requested a report from the PCCD Geologist, Mr. Feathergail Wilson. Mr. Feathergail Wilson presented a slideshow and discussed former volcanic eruptions that had occurred in PCCD's district, which greatly influenced the geology in the area. Mr. Feathergail Wilson presented a slide on the locations of over 300 wells drilled in the in the Lytton Springs area to about 1550 feet. Mr. Feathergail Wilson informed the Board that lessons had been learned from drilling the Wilcox monitoring well. For example, Mr. Feathergail Wilson stated that any well drilled in the Wilcox aquifer needed to be drilled all the way through the Wilcox aquifer to ensure that the data obtained from well pump tests was accurate, given that this data was reported to agencies/organizations such as the Texas Water Development Board for use in creating Modeled Available Groundwater studies.

2:58 PM

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

2:58 PM

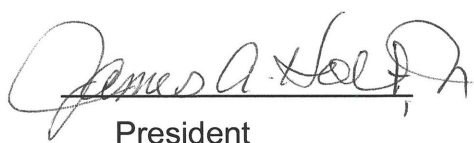
President Holt requested a report from the PCCD Executive Manager, Mr. Daniel Meyer. Mr. Meyer reported that he wanted to get direction from the Board regarding a request he had received from the Plum Creek Watershed Partnership (PCWP) asking members to vote on whether a letter should be sent to TCEQ regarding concerns over an Air Quality Standard Permit application that had been submitted by a concrete batch plant located near Clear Fork Creek. Mr. Meyer asked Mr. McCarthy for his comments regarding this agenda item. Mr. McCarthy stated that since this was an air quality permit, it did not fall under the main purview of the PCCD. The Board asked that Mr. Meyer abstain from voting on this. Mr. Meyer informed the Board that County Line Special Utility District (SUD) had contacted him about water that was flowing and settling on the property of one of their customers, which was near PCCD Site 7. Mr. Meyer informed the Board that County Line SUD had asked PCCD to consider whether water could be seeping from the Site 7 dam. Mr. Meyer stated that PCCD staff had tested the water (which showed possible chlorine) and had also walked the area to try to determine the origin of the water. Mr. Meyer stated that PCCD staff checked the area and saw no visual evidence that linked the pooling water to possible seepage from the dam. Given these findings, Mr. Meyer and the Board agreed that PCCD would hold off on any further testing and/or action regarding this matter. Mr. Meyer gave an update regarding the Alliance Regional Water Authority (ARWA) water line and a Site 7 landowner. Mr. Meyer reminded the Board that the landowner had attended a previous Board meeting and voiced concerns that the water line that ARWA had installed was causing drainage issues on the landowner's property. Mr. Meyer stated that at the landowner's request, he would be attending a meeting that would be held between ARWA and the landowner. Mr. Meyer stated that at that meeting, based on NRCS' recommendation, he would request that ARWA provide PCCD a post construction survey to ensure that the ground in the area had been restored to its original condition. Mr. Meyer introduced Mr. Lee Rust to the Board and informed the Board that he would be swearing him in at the October Board


meeting. Mr. Rust briefly introduced himself to the Board.

3:14 PM President Holt requested a report from PCCD's Attorney, Ed McCarthy. Mr. McCarthy stated that he did not have anything further to add at this time.

3:15 PM President Holt requested public comments. There were no public comments.

3:15 PM Mrs. Knight made a motion to adjourn. Mr. Reinecke provided the second and the motion to adjourn passed unanimously.


President


Vice-President
