

MEETING OF THE BOARD OF DIRECTORS  
PLUM CREEK CONSERVATION DISTRICT  
LOCKHART, TEXAS 78644  
April 15th, 2025

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 A. Holt, Jr. The following Board members were present: Peter Reinecke (Vice President), Lucy Knight (Secretary/Treasurer), Fred Rothert (Director), Tom Owen (Director), and Lee Rust (Director). PCCD Attorneys Bob Wilson, Edmond McCarthy (via Zoom) and PCCD Geologist Feathergail Wilson (via Zoom). Susan Ayers with Hutcheson Bowers, Richard Rychlik with Gray Engineering, Zac Vasek with D.R. Horton, and Austin Jarmusch with BGE, Inc., were present. 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 called the meeting to order.

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

1:00 PM Mr. Meyer administered the oath of office to Mr. James A. Holt, Jr, Mr. Peter Reinecke, and Mrs. Lucy Knight. Each re-appointed Director then signed the oath of office.

1:02 PM President Holt requested motions or comments regarding the minutes of the regularly scheduled meeting held on March 18th, 2025. Mrs. Knight made a motion that the minutes of the regularly scheduled meeting held on March 18th, 2025, be accepted as mailed out. Mr. Reinecke provided the second and the motion was approved unanimously

1:02 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 receipt of the PCCD Quarterly Investment Report. Mrs. Knight stated that PCCD remained in good financial shape and that the report had been received, reviewed, and signed.

1:03 PM President Holt requested discussion of agenda item VII regarding not renewing two Certificates of Deposits (CDs) maturing in May 2025 and depositing all funds into the TexPool account. Mr. Meyer reminded the Board that in September of 2024, the Board decided that as each CD matured, they would consider transferring the funds into TexPool or rolling it back into another CD. Mr. Meyer informed the Board that the Citizens State Bank CD would mature on 05/27/2025 and the Trust Texas Bank would mature on 05/04/2025. Mrs. Knight made a motion not to renew the CDs. Mr. Rothert provided the second and the motion was approved unanimously.

1:07 PM President Holt requested discussion of agenda item VIII regarding Site 12 matters. Mr. Meyer stated that agenda items VIII through XIII were all related.

Mr. Meyer asked Bob Wilson whether any of these items needed to be addressed in an Executive Session and/or whether they should be addressed as a group or separately. Mr. Bob Wilson stated they could be addressed by the Board collectively because they were of a general nature. Mr. Bob Wilson stated these matters started when he realized that he could not write the Site 12 rehabilitation land rights letter until all the necessary land rights were acquired. Mr. Bob Wilson stated that the Board signed a metes and bounds description of easements, which was recorded, but unfortunately the description did not include all the land that the National Resources Conservation Service's (NRCS) design showed as being needed for the rehabilitation project. Mr. Bob Wilson stated in January 2025 he wrote a letter to Leonard Dougal, the lawyer representing D.R. Horton (the landowners at Site 12) about these land rights issues. Mr. Bob Wilson stated that D.R. Horton's response was they would be willing to work with PCCD, but only on a temporary easement arrangement. Mr. Bob Wilson stated that D.R. Horton was also planning another development and Mr. Meyer had sent these plans to NRCS who had reviewed and made comments. Mr. Meyer informed the Board that he had been in correspondence with Austin Jarmusch, BGE engineer for D.R. Horton, regarding the multifamily development. Mr. Meyer stated that the NRCS had recommended that if fill were going to be placed below the top of the dam a compensational cut would need to be made in the reservoir area so that storage would not be lost. Mr. Meyer stated that there were areas below the top of the dam and above the top of the dam. Mr. Meyer informed BGE of NRCS' comments and stated that BGE asked whether they would be bound by NRCS' recommendation because this was outside of the easement area. Mr. Meyer stated he had informed BGE that this question would need to be considered by the Board. Mr. Bob Wilson stated within the last few years NRCS had determined that the area upstream of one of the dams that would be impacted by the structure was at an elevation 2 feet over the emergency spillway. Mr. Bob Wilson stated that in recent NRCS agreements, NRCS stated it preferred that PCCD now have easements to the top of the dam. Mr. Bob Wilson stated that currently none of PCCD's easements, as currently designed, go to the top of the dam. Mr. Bob Wilson stated that if NRCS insisted on this requirement, the question would become whether/how PCCD, as the primary local sponsor, could comply with this requirement. Mr. Bob Wilson reminded everyone in attendance that this was a federal project, constructed by federal dollars, and designed by federal engineers, not PCCD. Mr. Bob Wilson stated that the current easement area did not include all the area needed to rehabilitate the structure on the western side of the dam because it needed to be broader. Mr. Holt asked Mr. Meyer if the Site 12 design was being raised and Mr. Meyer stated the new proposed elevation would be 623.2 versus the old elevation of 619.8. Mr. Meyer stated that his biggest concern was the email communication he had with Ronald Gardner of NRCS and Austin Jarmusch of BGE in which Mr. Gardner wrote that any loss of storage up to the proposed top of dam would need compensatory cut, otherwise, release of easement was not recommended as loss of storage could require redesign of the dam. Mr. Meyer stated he thought it was possible that if the recommended cuts were not made, then NRCS could come back and state the design needed to be modified, which could also cause the funds to no longer be available and set the whole project back. Mr. Bob Wilson stated given the easement access issues, the Board decided at last month's meeting to consider eminent domain/condemnation proceeding. Mr. Bob Wilson stated that PCCD had obtained the required metes and bounds survey of the area to be condemned. Mr. Rychlik addressed the Board and stated that there was an easement access road that could be used for the time being, but Mr. Meyer pointed out that there were No Trespassing/No Access signs in

that area. Mr. Rychlik stated he would work with PCCD to find another easement access. Mr. Meyer then presented maps that depicted the bare minimum area that NRCS needed for its design, which would be 0.3185 acre, but upon considering future operation and maintenance, Mr. Meyer included another map that included the benchmark monument and a 20-foot buffer on each side for a total of 0.6408 acre. Mr. Rychlik stated he felt that D.R. Horton would consider amending the current easement to resolve this issue versus condemnation. Ms. Ayers informed the Board that to ensure PCCD would have the necessary property rights before the August 31<sup>st</sup>, 2025, deadline (the date the federal funds would go away), negotiations could continue with D.R. Horton, but the path of condemnation proceedings should be going on at the same time.

1:07 PM President Holt requested discussion of agenda item IX regarding Site 12 survey. This item was discussed above.

1:59 PM President Holt requested discussion of agenda item X regarding Site 12 appraisal. Mr. Meyer stated that the appraisal needed for the condemnation proceeding had not been completed but was being worked on.

1:59 PM President Holt requested discussion of agenda item XI regarding two amended cooperative agreements for the Site 12 Rehabilitation Project. Mr. Meyer stated that Steve Bednarz with TSSWCB asked him to inform the Board that it was imperative that PCCD act on these agreements before August 31<sup>st</sup>, 2025, otherwise the state and federal construction funding may not be available. Mrs. Knight made a motion that the two documents be signed. Mr. Reinecke provided the second and the motion was approved unanimously. Mr. Holt signed the agreements.

2:04 PM President Holt requested discussion of agenda item XII regarding an engagement letter from Sue Ayers for legal assistance with eminent domain decisions and procedures relating to the Site 12 Rehabilitation Project. Ms. Ayers introduced herself to the Board and stated she felt that information regarding the eminent domain process and procedures in general should be available to anyone considering taking those steps. Mr. Owen made a motion to approve the hiring of Sue Ayers through the engagement letter. Mr. Rust provided the second and the motion was approved unanimously. Mr. Holt signed the engagement letter.

2:09 PM President Holt requested discussion of agenda item XIII regarding sending an "initial offer letter" to Continental Homes, LLC., to acquire areas needed for the Site 12 Rehabilitation Project. Ms. Ayers stated her recommendation was that PCCD send an initial offer letter as soon as the ownership/entity had been verified. Ms. Ayers briefly explained that the initial offer letter needed to be sent to start the condemnation steps and discussed the amount of time that had to elapse between each of the steps. Mrs. Ayers informed the Board that the initial offer letter needed to include a good faith estimate of what PCCD felt the properties were worth. Mrs. Knight stated that the total acreage needed would be 0.7994 acre. Mrs. Knight stated she had used values including information from the Hays Appraisal District sent to them by Mr. Meyer to calculate the per acre value of each of the areas. Mrs. Knight stated she added them together, divided the total by 3, and then multiplied this by 0.7994, which equaled \$168,549.96. Mr. Rust pointed out that the values used were for buildable lots where the areas PCCD needed were not. Bob Wilson reiterated that he recommended to the Board that the amount offered would be for the easement. Mrs. Knight stated the 75% of fee value would be

\$126,412.47. Mrs. Knight made a motion that PCCD put in an offer of \$126,400.00. Mr. Rust provided the second and the motion was approved unanimously.

2:27 PM President Holt requested discussion of agenda item XIV regarding the consideration of amending the Site 10 Amended Easement (2022). Mr. Bob Wilson stated he had not heard anything regarding the draft that had been sent.

2:27 PM President Holt requested discussion of agenda item XV regarding the request for Recordable Release & Termination of Site 10 Temporary Construction Working Space and Access Easement. Mr. Bob Wilson stated he had not heard anything regarding the draft that had been sent.

2:28 PM President Holt requested a report from the PCCD Geologist, Mr. Feathergail Wilson. Mr. Feathergail Wilson presented slides on desalination and lithium. Mr. Feathergail Wilson stated that lithium was a valuable commodity. Mr. Feathergail Wilson stated that brine water would be near and associated with certain types of volcanoes, which could be rich in lithium sources. Mr. Feathergail Wilson showed slides that depicted the parts of a volcano. Mr. Feathergail Wilson stated that there was a possibility that lithium could be found in Lytton Springs via desalination.

3:00 PM President Holt requested a report from the NRCS's District Conservationist. The NRCS's District Conservationist was not in attendance.

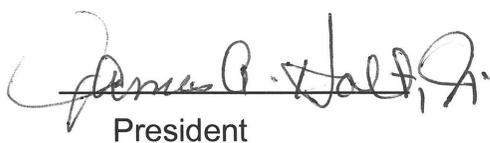
3:00 PM President Holt requested a report from the PCCD Executive Manager, Mr. Daniel Meyer. Mr. Meyer reported that he had attended the GMA-13 meeting. Mr. Meyer stated that two of the GMA 13 Districts issued concerns about the updated southern Carrizo-Wilcox groundwater availability model. Mr. Meyer stated that the technical consultant for GMA-13 would be addressing these concerns by July 2025. Mr. Meyer stated that he would be sending the locations of PCCD's historical permitted water use to the technical consultant. Mr. Meyer stated that over the years, the amounts associated with these wells shifted. Mr. Meyer gave an update regarding GMA-10 and informed the Board that TWDB stated they anticipated having the new Southern Trinity model available by June. Collier, GMA 10's consultant, indicated that August 2025 would be the deadline to propose and adopt the Desired Future Conditions (DFC). Mr. Meyer informed the Board that PCCD would be soliciting bids next month to drill a monitoring well in the right of way on Little Lane, which is located just east of 183, south of Lockhart. Mr. Meyer stated that the well would be drilled 850 feet into the Wilcox aquifer. Mr. Meyer gave an update on the City of Kyle's Bebee Road expansion, which was near PCCD's Site 6. Mr. Meyer stated that Structure Point is the design company for this expansion project. Mr. Meyer stated that the plan is to double the size of the road, which would interfere with the Site 6 outlet structure and cause it to be relocated approximately 44 feet from its current position. Mr. Meyer stated he had asked Mr. Bob Wilson who would be responsible for acquiring the easements, PCCD or the City of Kyle. Mr. Meyer stated if someone other than PCCD moved the outlet structure, PCCD would need assurances it would be done properly. Mr. Bob Wilson stated that because this involved the design of the dam structure, NRCS would need to be involved. Mr. Meyer stated he had sent the designs to NRCS and was awaiting their comments. Mr. Meyer gave an update on Site 28 and stated it had been going smoothly, other than the funds being frozen. Mr. Meyer stated Steve Bednarz with TSSWCB had told him that the state might not be able to cover the federal costs of the project because the state was floating the federal funds for five projects. Mr. Meyer reminded the Board that if this happened, PCCD would

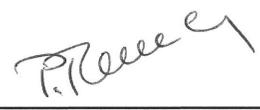
be responsible for paying the contractor the federal portion. Mr. Meyer gave an update on Site 3, which is owned by the City of Kyle as the City Park. Mr. Meyer stated that over the years, the city began mowing the grass; however, the city would cut the grass as short as possible while PCCD needed the grass to be 6 to 12 inches tall. Mr. Meyer stated that, because of noncompliance, PCCD is working with the City of Kyle in developing an agreement.

3:24 PM President Holt requested a report from PCCD's Attorney, Bob Wilson. Mr. Bob Wilson stated that Ed McCarthy wanted to address the Board about the legislation (SB 2568) he had been working on. Mr. McCarthy stated that they were working to get the bill scheduled to be heard by the Senate Committee on Water, Agriculture, and Rural Affairs next Tuesday. Mr. McCarthy stated if the Committee voted to move the bill to the Senate floor for a vote and it passed, it would then move to the House. Mr. Bob Wilson stated he had briefly reviewed SB7 and its companion in the house regarding financing under the Water Development Fund and a bill introduced by Senator Perry that would authorize the Water Development Board to use the flood infrastructure fund to finance flood containment projects that could also serve as water supplies. Mr. Bob Wilson stated that SB7 would interconnect groundwater supply lines to have a consolidated way for lines to run across Texas and provide water throughout Texas.

3:29 PM President Holt requested public comments. There were no public comments.

3:29 PM Mr. Owen made a motion to adjourn. Mrs. Knight provided the second and the motion to adjourn passed unanimously.

  
President

  
Vice-President