

MEETING OF THE BOARD OF DIRECTORS
PLUM CREEK CONSERVATION DISTRICT
LOCKHART, TEXAS 78644
September 16th, 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), Tom Owen (Director), and Lee Rust (Director). Fred Rothert (Director) was absent. PCCD Attorney Bob Wilson was present. Edmond McCarthy, and Feathergail Wilson attended the meeting via Zoom. Quantum Wei of Harmony Desalting, Antonio Delgado from the Texas Water Development Board, and representatives from D.R. Horton attended the meeting via Zoom. PCCD staff members Daniel Meyer, Alan Burklund, Tyler Farco, and Nora Lopez-Castillo 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 19th, 2025. Mrs. Knight made a motion that the minutes of the regularly scheduled meeting held on August 19th, 2025, be accepted as mailed out. Mr. Owen provided the second and the motion was approved unanimously. President Holt asked if there was any unfinished business that required the Board of Directors' attention. Alan stated that there was no unfinished business.

1:00 PM President Holt requested motions or comments regarding the minutes of the Tax Rate Public Hearing held on September 10th, 2025. Mr. Meyer stated that the minutes were not ready and would be presented at the next Board meeting.

1:03 PM President Holt requested discussion of agenda item VI regarding a Resolution thanking Senator Judith Zaffirini and Representative Stan Gerdes for sponsoring Senate Bill 17 (typographical error, should be S.B.18). Mr. Meyer reminded the Board that this was the bill that would allow PCCD to use 200-acre feet of water from the reservoirs for repairs, maintenance, or rehabilitation projects without submitting a permit application to the Texas Commission on Environmental Quality (TCEQ). Mr. Meyer explained that after having been filed and refiled, the bill had passed both the House and Senate during the second special session, and the bill was on the governor's desk for signature. Mr. Ed McCarthy stated that the Governor of Texas could veto the bill, but that he was very optimistic that it would be signed and would keep the Board informed. Mr. Meyer stated that the Resolution was to formalize PCCD's thanks to both Senator Zaffirini and Representative Gerdes for sponsoring the bill. Mrs. Knight made a motion to approve the resolution. Mr. Rust provided the second and the motion was approved unanimously. Mr. Holt signed the resolution.

1:07 PM President Holt requested discussion of agenda item VII regarding the proposed tax rate of .0137 per \$100 of valuation for flood control water / sign

resolution. Mr. Meyer stated that the hearing had been held, there were no public attendees or comments, and no written comments had been received regarding the tax rates. Mrs. Knight made a motion to approve the resolution adopting the flood control tax rate of .0137 and authorizing Mr. Holt to sign the resolution. Mr. Owen provided the second and the motion was approved unanimously. President Holt and Mr. Reinecke signed the resolution.

1:07 PM

President Holt requested discussion of agenda item VIII regarding the proposed tax rate of 0.017 per \$100 of valuation for groundwater / sign resolution. Mrs. Knight made a motion to approve the resolution adopting the groundwater tax rate of .017 and authorizing Mr. Holt and Mr. Reinecke to sign the resolution. Mr. Owen provided the second and the motion was approved unanimously. President Holt and Mr. Reinecke signed the resolution.

1:09 PM

President Holt requested discussion of agenda item IX regarding request from Site 28 landowner. Mr. Meyer stated he had received a call from the Site 28 rehabilitation project inspector and project engineer to inform him that a landowner (Walter Stephens) had a concern about the dam. Mr. Meyer presented slides that showed Mr. Stephens' concern regarding the north side of the dam/access to the top of the dam. Mr. Meyer stated he met with the landowner who told him that the access was steeper and narrower so a sharper turn would be needed and because of that the landowner would no longer be able to travel across the top of the dam with a truck and trailer attached. Mr. Meyer stated that he wrote Mr. Stephens a letter that indicated he did not want to make any changes to the area because of the ongoing rehabilitation work, which currently included sprigging. Mr. Meyer stated that if a change were to be made, NRCS probably would not fund it. Mr. Meyer explained to the Board that the District could access the top of the dam via a different route. Mr. Meyer stated he also mentioned in the letter that after the rehabilitation project was completed, PCCD could have an engineer look at the situation. Mr. Bob Wilson stated that the landowner needed to understand that the dam was a structure that was also regulated by the Texas Dam Safety Act provisions, so any changes would need to be cleared through both the National Resources Conservation Service (NRCS) and TCEQ's Dam Safety Division.

1:21 PM

President Holt requested discussion of agenda item X regarding the Texas Water Development Board Agricultural Water Conservation Grant Contract. Mr. Meyer reminded the Board that at last month's meeting the Board had requested that PCCD gather more information and feedback from the Luling Foundation regarding this project. Mr. Meyer stated that he felt the Luling Foundation was open to participating but still had questions. Mr. Meyer introduced Dr. Quantum Wei with Harmony Desalting to the Board. Dr. Wei provided a slide presentation about desalting water for agricultural purposes. Dr. Wei discussed reasons to consider desalinated water, which included: (1) saline water transitioned to desalinated water would help improve soil health, which could result in higher crop productivity and crop quality; (2) when used as part of a strategic water supply, this could result in lower overall cost of water; (3) desalinated water could be used to supplement the water supply and/or be blended with fresh water during times of drought, and (4) many times there were no other water options. Dr. Wei discussed and provided a breakdown of tasks and expenses that would be associated with the project. Dr. Wei stated that the biggest cost uncertainty was the cost of brine disposal. A lengthy discussion was held regarding the project to include various

options for brine disposal, how much land might be needed for a brine evaporation pond, agreements regarding access to the site, possible storage units/area for both the clean and brine water, agreements needed between all involved parties, what would happen to the brine pond and other equipment at the end of the project, what extra costs might be associated with the end of the project, the pilot testing timeline in relation to TWDB's three-year requirement of observation/reporting. Mr. Meyer stated he had asked Antonio Delgado with TWDB what would happen if PCCD signed the grant contract, but the subcontractor agreements did not come to fruition. Antonio Delgado stated that if that happened, the contract would be terminated since no funds had been used, and PCCD could apply again in the future. Mr. Reinecke made a motion that PCCD not approve/sign the grant contract. Mr. Rust provided the second. Mrs. Knight and Mr. Owen opposed the motion. Mr. Holt voted in favor of the motion; thus, the motion not to approve/sign the grant contract passed.

2:15 PM

President Holt requested discussion of agenda item XI regarding proposed amendments to PCCD's 2025-2026 Budget. Mr. Meyer discussed the line items that were amended, which were the grant income account and capital outlay and unusual O&M expense account for two of the rehabilitation projects, Site 28 and Site 12. Mrs. Knight made a motion to amend the budget as proposed and discussed. Mr. Rust provided the second and the motion was approved unanimously.

2:18 PM

President Holt requested discussion of agenda item XII regarding anything condemnation required as it relates to areas in and around Site 12. Mr. Meyer informed the Board that the land rights letter had been completed and PCCD needed the Board's approval to send the letter to Texas State Soil and Water Conservation Board (TSSWCB) and the National Resources Conservation Service (NRCS). Mr. Meyer stated that the NRCS-ADS-78 Form regarding the land rights would also need to be signed. Mr. Meyer gave an update on the rehabilitation project and stated the bid packet would be published on September 18th, 2025, the pre-bid meeting and site showing would be October 2nd, and the bid opening would be on October 22nd at 10:00. Mrs. Knight made a motion that PCCD sign the NRCS form regarding real property acquisition. Mr. Owen provided the second and the motion was approved unanimously. Mr. Meyer stated Sue Ayers would address the Board in Executive Session. Mr. Holt stated that the Board would move into Executive Session after a short break.

2:25 PM

President Holt moved the meeting into Executive Session.

3:30 PM

President Holt called the meeting back into Regular session. Mrs. Knight made a motion that Sue Ayers file a response and counteroffer to D.R. Horton. Mr. Owen provided the second and the motion was approved unanimously.

3:30 PM

President Holt requested discussion of agenda item XIII regarding the consideration of amending the Site 10 Amended Easement (2022). Mr. Meyer stated he did not have anything new to present for this agenda item.

3:30 PM

President Holt requested discussion of agenda item XIV regarding request for Recordable Release & Termination of Site 10 Temporary Construction Working Space and Access Easement. Mr. Meyer stated he did not have anything new to present for this agenda item.

3:30 PM President Holt requested discussion of agenda item XV regarding a proposed Indemnification Agreement regarding the proposed multifamily Prairie Lakes project at Site 12. Mr. Meyer stated he did not have anything new to present for this agenda item.

3:31 PM President Holt requested discussion of agenda item XVI regarding the review of PCCD's Mitigation Plan. Mr. Meyer stated given the concerns raised at the September 10th, 2025, tax rate hearing/ public meeting about dewatering and potential groundwater level fluctuations of a nearby well, he had asked Bob Wilson if a landowner would be eligible for mitigation in this type of scenario under PCCD's current mitigation plan. Mr. Bob Wilson stated the landowner would be responsible for demonstrating that the dewatering effort had impacted their well, which would be very expensive for the landowner since they would need to do a thorough geologic investigation.

3:35 PM President Holt requested discussion of agenda item XVII regarding a report of permitted production compared to the Modeled Available Groundwater (MAG). Mr. Meyer stated the report was a requirement of PCCD's management plan. Mr. Meyer stated that it was important for PCCD to know how much PCCD had permitted and how much had been used. Mr. Meyer stated it was important to know what the MAG was because by law any time PCCD was reviewing a permit application PCCD had to consider the MAG. Mr. Meyer presented each Board member with a table that showed PCCD's MAG numbers, the permitted amount, and the production amount for 2024 for the following aquifers: Trinity, Saline Edwards, Carrizo-Wilcox combined, Carrizo, Wilcox Group, and Queen City. Mr. Meyer reminded the Board that they had previously asked him to have a dialogue with Gonzales County UWCD regarding pumping that was occurring near PCCD's boundaries. Mr. Meyer stated he had spoken with Laura Martin of Gonzales UWCD and Ms. Martin informed Mr. Meyer that Gonzales UWCD had interlocal agreements with the Fayette and Lost Pines Districts. Ms. Martin stated PCCD and Gonzales could consider an agreement and that Ms. Martin was open to coming to a PCCD meeting to discuss this.

3:46 PM President Holt requested discussion of agenda item XVIII regarding amending PCCD's Deposits and Fee Schedule. Mr. Meyer stated that the proposed amendments were on page 2, in the service fees section and would: (1) delete CDs & DVDs under the photocopies section, and (2) update the link to the website for other allowable charges. Mr. Bob Wilson stated that a hearing would need to be held since this was a PCCD rule. Mrs. Knight made a motion that PCCD conduct a hearing on the proposed changes to the Deposits and Fee Schedule rules. Mr. Rust provided the second and the motion was approved unanimously.

3:49 PM President Holt requested discussion of agenda item XIX regarding the review of PCCD's Management Plan. Each Board member was presented with a copy of the annual report which contained a description of each goal, the estimated time spent on each goal, and the cost associated with each goal. Mr. Meyer stated the review was an annual requirement. Mr. Meyer informed the Board that PCCD had completed all the goals and objectives.

3:50 PM President Holt requested discussion of agenda item XX regarding terminating the Horton production permit. Mr. Meyer informed the Board that after multiple attempts, he had finally located and spoken with the current landowner

had told him that he planned to plug the well. Mr. Meyer informed the Board that he told the landowner that the well could be turned into a monitoring well, but the owner declined this option stating he planned to put a septic system near the well area. Mr. Meyer stated he felt it would be safe for the Board to terminate the production permit now or they could wait until it was plugged. Mr. Owen made a motion to terminate the Horton production permit. Mrs. Knight provided the second and the motion was approved unanimously.

3:53 PM President Holt requested a report from the PCCD Geologist, Mr. Feathergail Wilson. Mr. Feathergail Wilson stated he would present his report at next month's meeting.

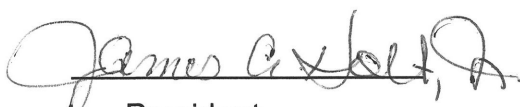
3:53 PM President Holt requested a report from the NRCS's District Conservationist. The NRCS's District Conservationist was not in attendance.

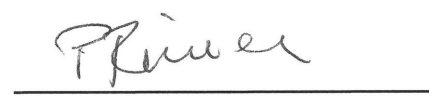
3:53 PM President Holt requested a report from the PCCD Executive Manager, Mr. Daniel Meyer. Mr. Meyer gave an update on Site 17, which had suffered wave bite damage during Hurricane Harvey. Mr. Meyer stated that PCCD had applied for and had been granted financial assistance from the State. Mr. Meyer stated that the State had contracted with M&E Consultants who had completed the engineering design and construction specifications for the project. Mr. Meyer stated that the State was ready to move forward with the repair. Mr. Meyer stated that M&E would provide the inspector, engineers, and could also provide contract administrative services. Mr. Meyer presented the administrative services contract to the Board for their consideration. Mr. Meyer also discussed what services would be provided under the contract. Mrs. Knight made a motion to hire M&E Consultants. Mr. Rust provided the second and the motion was approved unanimously. Mr. Meyer gave an update on Site 2 and stated that the City of Kyle was planning to build an amphitheater, adding bike trails that would cut across PCCD's works of improvement, and putting a bridge over the reservoir, in addition to other changes. Mr. Meyer also showed slides of the proposed project concept.

4:04 PM President Holt requested a report from PCCD's Attorney, Bob Wilson. Mr. Bob Wilson stated he wanted to mention the constitutional amendment that was coming up for vote under Senate Bill 7 that would provide water funding for the state. Mr. Bob Wilson also stated that the TWDB was seeking stakeholder ideas for flood research projects. Mr. Bob Wilson discussed the importance of conducting water availability studies.

4:15 PM President Holt requested public comments. There were no public comments.

4:15 PM Owen made a motion to adjourn. Mrs. Knight provided the second and the motion to adjourn passed unanimously.


President


Vice-President