

MEETING OF THE BOARD OF DIRECTORS
PLUM CREEK CONSERVATION DISTRICT
CONFERENCE ROOM, COUNTY ANNEX
BUILDING, LOCKHART, TEXAS 78644
February 17th, 2009

Notices of this regular meeting were posted in the Hays and Caldwell 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 Vice President, James O Lipscomb.

2:00 PM The meeting was called to order by President of the Board, James A. Holt, Jr. with the following Board members present: James O. Lipscomb (Vice President), Peter Reinecke (Treasurer), Ben Twidwell (Director), Lucy Knight (Director) and Fred Rothert (Director). Also present were Johnie Halliburton (Executive Manager), Karen Bassett (Office Secretary), Bob Wilson (PCCD Attorney), Josh Grimes (PCCD Consultant), William Feathergail Wilson (PCCD Geologist) and PCCD staff members Korey Schuelke and Dan Meyer. Minutes were taken by Karen Bassett.

2:00PM Mr. Halliburton announced that President Holt had been reappointed for another four year term as a Director of the Plum Creek Conservation District Board. Mr. Halliburton then swore in President Holt and had President Holt sign his oath of office.

2:02PM President Holt announced that the Board needed to be reorganized and that an election of officers needed to be held. President Holt opened up with nominations for President of the Board of Directors.

2:03PM Mrs. Knight nominated Mr. Holt for President of the Board of Directors. Mr. Rothert added the second. President Holt asked if there were any other nominations.

Mrs. Knight made a motion that nominations cease and President Holt's nomination be accepted by acclamation. Mr. Twidwell provided the second and the motion to elect Mr. Holt as President of the Board of Directors passed unanimously.

2:03PM President Holt opened up the floor for nominations for Vice-President of the Board of Directors. Mr. Twidwell nominated Mr. Lipscomb for Vice-President of the Board of Directors. Mr. Rothert added the second for the nomination for Mr. Lipscomb for Vice-President of the Board of Directors. President Holt requested any other nominations.

2:03PM Mr. Rothert made a motion to cease nominations and elect Mr. Lipscomb by acclamation. Mrs. Knight added the second and the motion carried unanimously.

2:04PM President Holt opened up the floor for nominations for the position of Secretary/Treasurer of the Board of Directors.

2:04PM Mr. Lipscomb made a motion to nominate Mr. Reinecke for the position of Secretary/Treasurer of the Board of Directors. Mrs. Knight added the second to the nomination. President Holt requested any other nominations. Mr. Lipscomb made a motion to cease nominations and elect Mr. Reinecke by acclamation. Mr. Rothert added the second and the motion passed unanimously.

- 2:05PM President Holt requested comments or motions on the January 20th, 2009 minutes. Mrs. Knight made a motion to approve the January 20th, 2009 minutes as distributed. Mr. Rothert added the second and the motion was approved unanimously.
- 2:06PM President Holt requested comments or motions on the January 22nd, 2009 Desired Future Conditions' Workshop minutes. Mrs. Knight made a motion to approve the January 22nd, 2009 minutes as distributed. Mr. Lipscomb added the second and the motion was approved unanimously.
- 2:07PM President Holt requested any unfinished or old business that needed to be discussed. Mr. Halliburton informed President Holt that there wasn't any unfinished or old business.
- 2:07PM Mr. Grimes stated that as of today no decision had been made for the Desired Future Conditions to be presented to Groundwater Management Area 13(GMA-13). Mr. Feather Wilson informed the Board that he had provided them with a worksheet on Demand and Supply to assist them with their decision on the Desired Future Conditions. Mr. Feather Wilson gave his recommendation for Desired Future Conditions for sustainability to the Board. Mr. Grimes stated that Gonzales County Underground Water District had decided to use 100 foot of draw down in each of the aquifers, the Carrizo and Wilcox respectively, as their Desired Future Conditions. Mr. Grimes stated that Gonzales County Underground Water District was planning on permitting 90,000 acre/feet within their district which also included a portion of the county in both Gonzales County Underground Water District and Plum Creek Conservation District. Mr. Bob Wilson asked Mr. Grimes where they were in the process of GMA-13 and if there was an agenda posted as of this date. Mr. Grimes informed Mr. Bob Wilson that there was a GMA-13 meeting on either March 2nd or March 3rd, but that no agenda had been posted as of yet. Mr. Grimes also stated that Plum Creek Conservation District's Desired Future Conditions couldn't be so different from everyone else in GMA-13 that the Desired Future Conditions didn't correlate. President Holt announced that he didn't believe that the Board was prepared to make a decision on Desired Future Conditions at this time. Mr. Rothert made a motion that Desired Future Condition discussion be tabled. Mr. Twidwell added the second and the motion passed unanimously.
- 2:28PM Mr. Halliburton announced that there was a production permit request by Mr. A. E. Nicholson on property that lies in the Plum Creek Conservation District and the Gonzales County Underground Water District. Mr. Halliburton stated that this water is to be used for irrigation purposes consisting of the use of four wells (Old Irrigation Well, Blue Jay Irrigation #1, Northgate Irrigation #1, and Northgate Irrigation #2) for a total of 4,000 acre/feet per year. Mr. Halliburton stated that both Mr. Feather Wilson and Mr. A. E. Nicholson wanted to speak regarding these production permits. Mr. Feather Wilson gave a presentation on the location and makeup of the wells that Mr. A. E. Nicholson was proposing for irrigation. Mr. Feather Wilson stated that he wasn't entirely sure that the wells were capable of producing the amount of water that Mr. A. E. Nicholson was requesting.
- 2:33PM President Holt asked if Mr. A. E. Nicholson would like to address the Board. Mr. A. E. Nicholson accepted President Holt's request. Mr. A. E. Nicholson then gave a presentation on the proposed use of the water for irrigation, some background information on the wells and his proposed plans for them, the benefits his agricultural endeavor posed to the community, and the importance of these wells for irrigation to the livelihood of himself and his family. Mr. Bob Wilson posed a question to the Board as to how the production permits should be written up based on Mr. A. E. Nicholson's request. Mr. Bob Wilson asked as to whether the amount should be per well or an aggregate amount containing all wells. Mr. A. E. Nicholson stated that he would like to be given consent to drill more wells in the instance that the current wells

would not produce the amount of water necessary for his operation. Mr. Reinecke stated that he did not want a blanket agreement that Mr. A. E. Nicholson be allowed to drill wells at his discretion until he had the amount of water that he needed. Mr. Bob Wilson stated that the drilling of more wells would have to be permitted and dealt with on a case by case basis. Mr. Grimes, Mr. Twidwell, and Mr. Reinecke then discussed different methods of calculating the amount of water used by Mr. A. E. Nicholson for tracking purposes.

- 3:08PM Mr. Feather Wilson then gave a presentation on Mr. A. E. Nicholson's well production permits. Mr. Feather Wilson then discussed with Mr. A. E. Nicholson the possibility of the wells interfering with one another if they are pumped at the levels Mr. A. E. Nicholson had determined. Mr. A. E. Nicholson stated that he wished to complete one well and determine its performance before moving on to complete the second. Mr. Feather Wilson addressed the spacing requirements of Plum Creek Conservation District and the fact that Mr. A. E. Nicholson's wells had a number of wells with the 6,000 foot spacing requirement. Mr. Bob Wilson then stated that this was something that needed to be addressed by mitigation if Mr. A. E. Nicholson's wells would possibly be interfering with others wells. Then Mr. Bob Wilson discussed the information that Mr. Feather Wilson would like to have based on this spacing requirement. Mr. Feather Wilson stated that he would like to have a geophysical log performed on the wells so that he could better ascertain their content. Mr. Feather Wilson then discussed the different types of logs and their prices. Mr. A. E. Nicholson said that he had a log on the Old Irrigation Well and that he could get a log on the two wells that are called the Northgate Irrigation Wells. Mr. Feather Wilson informed Mr. A. E. Nicholson that the logs that were run on the two old oil wells (Northgate Irrigation #1 and Northgate Irrigation #2) were looking for oil and gas and that he would like a more modern log looking specifically for water. Mr. A. E. Nicholson informed the Board that he would commit to running a geophysical log on the two old oil wells (Northgate Irrigation #1 and Northgate Irrigation #2) when they were developed, provided that the Board would allow him to use the Blue Jay Irrigation Well #1 without a log until such time that the well is reworked, in which case Mr. A. E. Nicholson would then provide a log on the Blue Jay Irrigation Well #1.
- 3:50PM Mr. Twidwell made a motion to approve Mr. A. E. Nicholson's production permit request with provisions for rate of production at 1,000 gallons per minute for three wells (Blue Jay Irrigation Well #1, Northgate Irrigation Well #1, and Northgate Irrigation Well #2) and 500 gallons per minute for 1 well (Old Irrigation Well), an aggregate amount of water produced at 4,000 acre/feet per year, possible mitigation due to interference with others wells, and Mr. A. E. Nicholson providing Plum Creek Conservation District with a log on at least one of the Northgate Irrigation Wells once it is developed and a log on the Blue Jay Irrigation Well #1 once it is reworked. Mr. Lipscomb added the second and the motion passed unanimously.
- 3:52PM President Holt asked for a report from Natural Resource Conservation Service's Isidro Morales. Mr. Morales stated that Natural Resource Conservation Service Engineers were finishing up dam safety inspections on Sites 1, 6, 7, 16, 21, 24, and 26. Mr. Morales stated that he hadn't received any comments on the dams. Mr. Morales stated that he and Mr. Halliburton had inspected both Sites 6 and 16 and that both sites looked satisfactory. Mr. Morales stated that the brush removal on Site 16 looked up to standard.
- 3:58PM President Holt then asked for Mr. Grimes' report. Mr. Grimes stated that after the Desired Future Conditions' Workshop at Plum Creek Conservation District that he had attended the Gonzales County Underground Water District meeting also on January 22nd, 2009. Mr. Grimes stated that he had been keeping track of bills that had been filed by the Legislature concerning Plum Creek Conservation District. Mr. Grimes stated that he had attended a meeting concerning Mr.

A. E. Nicholson's wells and that he was planning on attending the GMA-13 meeting at the beginning of March. Mr. Grimes made a recommendation that the Board be prepared to make a decision on the Desired Future Conditions within the next couple of months.

Mrs. Knight asked attorney Bob Wilson when was the last day to file bills in the Legislature. Mr. Bob Wilson replied that it is March 13th, 2009.

4:02PM President Holt then asked for Mr. Halliburton's report. Mr. Halliburton informed the Board that he had taken County Commissioner Tom Bonn on a tour of several of the flood control dams to give him an idea as to how they function and what is entailed in the maintenance of the dams. Mr. Halliburton informed the Board that the brush on the water's edge and the plunge basin had been removed from Sites 15, 16, 28, and the removal will commence on Site 23 very soon. Mr. Halliburton informed the Board that he and Mr. Schuelke had attended a class on dam safety, outlining the new dam safety rules adopted December 2008 by Texas Commission on Environmental Quality. Mr. Halliburton informed the Board that a new scanner and a new postage machine had been purchased and installed for the Plum Creek Conservation District's office. Mr. Halliburton informed the Board that the damaged fence corner post on Site 6 resulting from an automobile accident had been repaired, the claim was in with the insurance company, and we were awaiting their payment. Mr. Halliburton informed the Board that a section of cross fence and a section of fence along the water's edge had been built on Site 28 and that improvements are continuing to be made to that site. Mr. Halliburton informed the Board that he had advertised for fertilizer bids.

4:06PM Mr. Lipscomb informed the Board that he needed a motion for Mr. Reinecke to be authorized to execute financial paperwork. Mrs. Knight made a motion to remove Melvin Bain and to include Mr. Reinecke, Mr. Lipscomb, and President Holt as signatories on all Plum Creek Conservation District banking accounts. Mr. Twidwell added the second and the motion was approved unanimously. Mr. Lipscomb discussed the need for guidance from the Board on the management of money from different accounts. Mrs. Knight made a motion that the money be moved to the places where the highest amount of interest could be gained. Mr. Rothert added the second and the motion was approved unanimously.

4:21PM President Holt asked for a report from Attorney Bob Wilson. Mr. Bob Wilson informed the Board that there was a bill for the River Authority that may affect Plum Creek Conservation District, but that he didn't know the scope of the bill yet. Mr. Bob Wilson also discussed a bill that hasn't been filed regarding Texas Commission on Environmental Quality losing their money from the general revenue fund causing them to raise fees. Mr. Bob Wilson stated that this wouldn't affect Plum Creek Conservation District unless Texas Commission on Environmental Quality decided to charge a fee just for being within their jurisdiction. Mr. Bob Wilson stated that he spoke with County Judge H. T. Wright and District Attorney Trey Hicks regarding the Attorney General's inquest into the validity of the annexation in southeastern Caldwell County. The Board instructed Mr. Bob Wilson to assist District Attorney Hicks in drafting the question to be posed to the Attorney General.

4:35PM Mr. Halliburton then informed the Board that it was the time of year to apply for Natural Resource Conservation Service's assistance for the rehabilitation of any flood control structures. Mr. Halliburton informed the Board that if the stimulus package passed then there would be money available if the Board wished to rehabilitate another flood control structure besides Site 5, which had already been applied for. The Board instructed Mr. Halliburton to find out which flood control structures the National Resource Conservation Service felt needed the rehabilitation the most and report back to them so that the Board could make a

determination and apply for rehabilitation on one or possibly two of the structures. Mr. Grimes informed the Board that a table top exercise needed to be performed on Emergency Action Plan on Site 38.

4:40PM President Holt requested any public comments. Mr. Phil Savoy informed the Board that there wasn't anyone on the Region L Planning Commission that represented Caldwell County. Mr. Savoy informed the Board that Vance Rodgers (City of Lockhart, City Manager) had an application in to the Region L Planning Commission to represent Caldwell County. Mr. Savoy requested that the Board entertain a resolution of support of Vance Rodgers for Region L Planning at the next regular scheduled Plum Creek Conservation District Board meeting. Mr. Savoy also made a bookkeeping recommendation that Plum Creek Conservation District's forms on the Plum Creek Conservation District website be made available in .PDF format rather than the .HTML format for ease of use by the public. President Holt informed Ms. Bassett to put the resolution for Vance Rodgers on the agenda for the March 2009 meeting.

4:45PM Mr. Twidwell made a motion to adjourn. Mr. Lipscomb provided the second and the motion passed unanimously.

President

Vice President