

CITIZENS ADVISORY COMMITTEE

OF THE

SOUTHERN EDWARDS PLATEAU

HABITAT CONSERVATION PLAN

MINUTES

DATE: January 10, 2011
LOCATION: Bobby J's Old Fashioned Hamburgers – Banquet Room
13247 Hwy 16 Helotes, Texas 78023

1. Call to order – Kirby Brown or Jonathan Letz (CAC Co-chairs)

Kirby Brown called the meeting to order at 6:00pm.

2. Public comment (3 minutes per speaker)

Kirby Brown called for public comments. None were received.

3. Review and possible approval of draft minutes from December 6, 2010 CAC meeting -- Kirby Brown or Jonathan Letz (CAC Co-chairs)

Kirby Brown introduced the revised draft minutes from the December 6, 2010 CAC meeting and asked for any additional comments or suggestions. Gary Schott (CAC member) asked for a correction and Amanda Aurora (Loomis Partners) relayed a clarification suggested by Jerry Webberman (Jackson Walker).
MOTION (Delmar Cain): Approve the draft minutes from the December 6, 2010 CAC meeting as revised.
SECOND (Bebe Fenstermaker). **VOTE:** Voice vote passed without opposition.

4. Update from CAC Co-chairs – Kirby Brown or Jonathan Letz (CAC Co-chairs)

Jonathan Letz reported that the Kerr County and Bandera County Commissioners' Courts recently passed resolutions formally requesting to not participate in the SEP-HCP and that Kendall County may do the same. Commissioner Letz stated that he sponsored the Kerr County resolution and explained that the resolution still allows ranchers to make their property available to the plan for conservation purposes and that any Kerr County entity that voluntarily wants to use the plan for compliance purposes may contact Bexar County directly and ask to be considered. He added that the Kerr County resolution does not require Bexar County to change its plan area, but asks that any automatic coverage for incidental take be withdrawn. Commissioner Letz stated that he did not want to force his constituents to participate in the SEP-HCP.

Commissioner Letz also reported that Bexar County Commissioner Wolff has confirmed that Bexar County was still comfortable with Commissioner Letz's co-chairmanship of the CAC and that Bexar County desires to hear the interests of the rural counties.

Eric Lautzenheiser (CAC member alternate) asked if these resolutions of non-participation would affect the project's federal grant funding. Andy Winter (Bexar County) stated that he was not sure how the U.S. Fish and Wildlife Service would respond, but that it was Bexar County's responsibility to develop a plan that works for the community and hoped that additional outreach would relieve some of these concerns. (The Service was not represented at the meeting.)

CAC members discussed ideas for how better information about the plan could be distributed.

5. Discuss basic concepts for plan implementation and participation – Kirby Brown or Jonathan Letz (CAC Co-chairs)

Amanda Aurora presented a simplified example for how the SEP-HCP might be implemented, including the process for creating habitat preserves and the process for enrolling participants for Endangered Species Act compliance. She emphasized that the details and examples used in the presentation were only to illustrate the conservation and participation processes and may not be the specific measures proposed for the plan.

Ms. Aurora described how preserves would be acquired through conservation easements or fee simple purchases and stated that all conservation transactions would be individually negotiated with willing landowners who are interested in offering all or part of the property for conservation purposes. She explained that the plan would receive mitigation credits for habitat permanently protected and managed within the preserve system. CAC members discussed how much flexibility landowners might have when negotiating conservation transactions, including allowable uses of protected lands, mitigation credit for habitat buffers, and partial protection of properties (i.e., landowners only wishing to place a portion of their property under a conservation easement).

Ms. Aurora described the process for enrolling participants in the plan for Endangered Species Act compliance. She described concepts of direct and indirect impacts to habitat, mitigation ratios, and participation fees. She also emphasized that landowners, developers, or other entities that want to achieve Endangered Species Act compliance must request to enroll in the plan with the submittal of an application to the plan administrator, and that these applicants may ultimately elect to not complete enrollment in the plan. Ms. Aurora also explained that the plan may only enroll new projects in the plan if there are sufficient mitigation credits available in the conservation bank to cover the anticipated impacts of the project.

CAC members discussed how impacts might be assessed for portions of a property that are not directly developed, if participation can be phased for large projects, and what might happen if project plans change after application. CAC members also discussed what might happen if the conservation bank does not have enough credits to cover a potential participant.

CAC members asked where the initial funding for the plan comes from. Ms. Aurora noted that some mitigation credits might be available from lands protected with recently passed bond funds from the City of San Antonio, which reference the protection of wildlife habitat (in addition to aquifer protection) as a qualifying use. Jesus Garza (City of San Antonio) also suggested that some landowners might be willing to protect habitat upfront and defer payments until credits are sold to participants (i.e., an independent conservation banking approach).

CAC members discussed to what extent the investors or lenders backing development projects typically require compliance with endangered species issues to reduce risk. Michael Moore (CAC member) responded that in his experience most banks and investors are aware of endangered species issues and require demonstration of compliance to reduce the potential risks of a project prior to approving a loan application.

Eric Lautzenheiser asked if the Endangered Species Act only protects occupied habitats. Clifton Ladd (Loomis Partners) responded that the Act protects the species, and that (at least for the golden-cheeked warbler and black-capped vireo) the Service typically requires three years of species surveys to demonstrate that potential habitat is not used by the species and that the loss of that habitat would not result in take of the species.

CAC members discussed how compliance with the Endangered Species Act is monitored and enforced with the SEP-HCP in place. Jonathan Letz stated that some of his concerns are that the SEP-HCP administrator would be engaged in monitoring who complies with the Endangered Species Act, instead of the Service being responsible for this function. Amanda Aurora stated that the plan is only responsible for monitoring what happens with projects that are enrolled in the project, and that the plan does not have any obligation to (and is not likely to voluntarily engage in) tracking compliance or non-compliance with the Act generally. Clifton Ladd explained that the Service has the ultimate responsibility for enforcing compliance the Endangered Species Act and that the plan is only responsible for ensuring that its

participants are in compliance with the permit. Richard Heilbrun (BAT chair) explained how the SEP-HCP administrator might be able to ensure that projects enrolled in the plan are in compliance with the terms and conditions of the permit. Amanda Aurora indicated that if a participant was violating the terms of their participation agreement, then the plan administrator could withdraw their take authorization and report them to the Service for enforcement.

6. Discuss alternatives for conservation program structure and funding, with possible action on recommendations – Kirby Brown or Jonathan Letz (CAC Co-chairs)

Amanda Aurora introduced a simple, interactive budget model for the plan that provides an opportunity to adjust a number of variables and determine how those changes affect the overall take authorization, preserve size, and program cost. Ms. Aurora began the discussion by exploring the results of the BAT recommendations for mitigation ratios and preserve land distribution and noted that this scenario might require a large contribution of public funding.

CAC members noted that the budget numbers are totals over a 30-year period and that up to \$90 million may be available from the City of San Antonio aquifer protection bond program. CAC members asked to see how the budget was influenced by altering the mitigation ratios (i.e., reducing warbler mitigation ratios from 3:1 to 2:1) and distribution of preserve lands (i.e., reducing the proportion of Bexar County preserve lands from 60% to 10%). Michael Moore indicated that funds from the aquifer protection bond program may not be available for use in the HCP unless specifically authorized in the terms of the bond.

Annalisa Peace (CAC member) asked how the public funding estimate was derived and expressed concern that public might end up paying for a large portion of the costs. Amanda Aurora explained that the public funding estimate was the amount necessary to fill the gap between the amount of participation fees collected and the total project costs, and to reduce the public funding contribution either the total plan cost must be reduced or the participation revenue must be increased. Ms. Peace suggested increasing the participation fees to narrow the funding gap and that the taxpayers of Bexar County shouldn't be asked to pay such a large percentage for the benefit of the development community. Michael Moore reminded the CAC that the HCP could be overlaid on future aquifer protection programs without any additional cost to the taxpayers.

Michael Moore suggested that the BAT recommendations for the conservation program may not be required by the Endangered Species Act. Amanda Aurora stated that the mitigation standard for the plan is to minimize and mitigate the impacts of the authorized taking to the maximum extent practicable. Kirby Brown reminded the CAC that they should carefully consider the science recommendations from the BAT, but that the CAC is charged with recommending a plan that is practical. CAC needs to understand what the local governments are willing to do to support endangered species conservation and the economy. Mr. Moore stated that he is aware of individual habitat conservation that recently obtained mitigation for approximately \$2,800 per acre.

Ms. Aurora explained that reducing the amount of preserve land placed in Bexar County can greatly reduce plan costs, while keeping the same total amount preserve land.

Jesus Garza stated that when this project was proposed by Bexar County and the City of San Antonio, the purpose of the plan was to help meet local compliance needs for the Endangered Species Act and support economic development. He also noted that it would be important to make sure that the plan is usable. Randy Johnson (CAC member) asked if the Service would support a plan that did not include a large amount of preserve land close to Camp Bullis, since preserving the mission at Camp Bullis was a major driver for the plan. Kirby Brown noted that protecting Camp Bullis is a community goal, and not a requirement under the Endangered Species Act.

Kirby Brown suggested that CAC members experiment with the variables in the spreadsheet and send ideas for possible scenarios to Andy Winter. Jonathan Letz stated that the CAC needs to come to some consensus on a recommendations and that require everyone to give a little to reconcile different views.

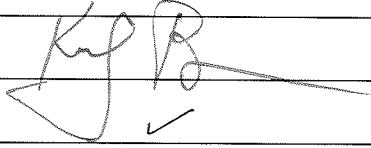


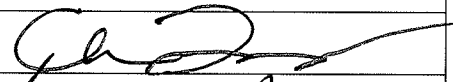
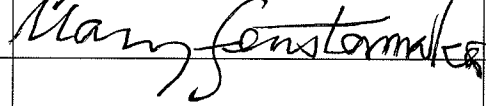
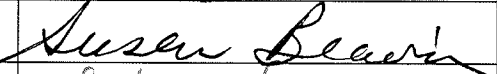


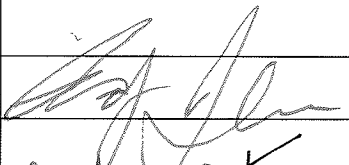
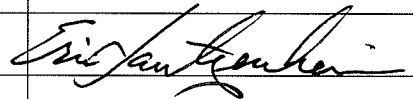
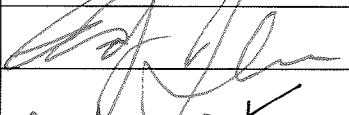
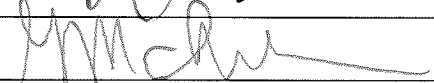


7. Adjourn - Kirby Brown or Jonathan Letz (CAC Co-chairs)



Kirby Brown noted that Bexar County and a CAC member submitted questions to the BAT regarding the basis for their recommendations. Richard Heilbrun stated that the BAT may have responses to these questions by mid-March.

Mr. Brown reminded CAC members that the next meeting is scheduled for Monday, February 7, 2011.

Mr. Brown adjourned the meeting at 7:58pm.

CAC MEMBER SIGN-IN SHEET

CAC MEMBERS			CAC ALTERNATE (FOR VOTING PURPOSES)	
	NAME	SIGNATURE (IF PRESENT)	ALTERNATE NAME (PRINTED)	ALTERNATE SIGNATURE
1	Bradshaw, Mary (Bexar County landowner)		Lottie Millsaps	Lottie Millsaps
2	Brown, Kirby (Texas Wildlife Association)			
3	Cain, Delmar (Kendall County landowner)	✓		
4	Cude, Ian (Cude Engineering)	✓		
5	Dietert, Ann (Kerr County landowner)			
6	Fenstermaker, Bebe (Bexar County landowner)		Clark Turrell	
7	Fenstermaker, Mary (Hill Country Planning Association)		Susan Beavin	
8	Fitzgerald, Bob (Medina County landowner)		LESTER LONDONA	
9	Forster, Charles ("Frosty") (Pape-Dawson Engineers)			
10	Hisler, Deirdre (Texas Parks and Wildlife Department)			
11	Hornseth, Tom (Comal County)	✓		
12	Jenkins, Sandy (City of San Antonio)		Eric Lautzenheiser	
13	Johnson, Randy (Bexar County landowner)			
14	Letz, Jonathan (Kerr County)	✓		
15	McFarlen, Gerald (Cibolo Nature Center)			
16	Moore, Michael (Ironstone Development)			
17	Nottingham, Jennifer (City of Grey Forest)	✓		
18	Peace, Annalisa (Greater Edwards Aquifer Alliance)			

19	Schott, Gary (Bexar County landowner)			
20	Terrez, Jenna (CPS Energy)		Kim Stoker	
21	Wright, Susan (Susan Wright & Associates)		Bob Lreisman	

GENERAL SIGN-IN SHEET

NAME	AFFILIATION	EMAIL ADDRESS	PHONE NUMBER	PLEASE NOTE IF YOU WOULD LIKE TO SPEAK DURING THE PUBLIC COMMENT PORTION OF THE AGENDA
Amanda Aurora	Loomis Partners	aaurora@loomis-partners.com	512-672-8977	
Andy Winter	Bexar Co	AWinter@Bexar.org	210 335 6700	
Clifton Ladd	Loomis	cladd@loomis-partners.com	512-672-8967	
Susan Beech	HEPA	on file		
Bob + BERNADINE Dittmar	Kern County Fb +	b.dittmar@Windstream.net	830-257-6885	
STEVE LEHMAN	Central Texas private property rights coalition KERR COUNTY	STEVE@LEHMAN'S.US	830-739-8990	
MIKE BARR	SAWS	_____	_____	
Juan Sandoval	CPS Energy	JASandoval@cpsenergy.com	2103556510	
JULIE GROCE	TAMU-IRAR	ON FILE		
Richard Heilbrun	TPWD	on file		

GENERAL SIGN-IN SHEET

NAME	AFFILIATION	EMAIL ADDRESS	PHONE NUMBER	PLEASE NOTE IF YOU WOULD LIKE TO SPEAK DURING THE PUBLIC COMMENT PORTION OF THE AGENDA
Jayne Neal	COSA	on file		
Jesus Garza	COSA	"		
Rudy Bazan	AECOM	rudy.bazan@alcom.com	210-296-2171	
Lisa Pack	Scenic loop EARZ landowner	lisa57.pack@yahoo.com	210 422-7400	
Rachel Barlow	ZARA	On file	on file	