

PECAN VALLEY GROUNDWATER CONSERVATION DISTRICT
107 N. GONZALES CUERO, TX 77954

PUBLIC HEARING AND BOARD MEETING
MINUTES

OCTOBER 25, 2011 – 2:00 P.M.

Board Members Present: Clem Waskow, Vice-Chairman (At Large), Tim Pennell, Director (Pct. 1), Wilbert Sauermilch, Secretary/Treasurer (Pct. 3), and Gil Riedesel, Director (Pct. 4).

Board Members Absent: Darnell Knippa, Chairman Pct. 2.

Also in attendance: Charlotte Krause, GM; Marcia Mann, Secretary; and Jim Allison, Board Attorney.

Guests: Will Bledsoe, Cindy Chavez, and Liz Colella (Pioneer); Bill Pace (ConocoPhillips/Burlington); Paige Powers, Robert Garner, and Charles Cole (Petrohawk); Robert Egg; David and Mrs. Hinojosa; John Langhoff; Aaron Googins (Oil & Gas Site Services).

1. Call to Order: The meeting was called to order by the Vice-Chairman at 2:00 P.M.
2. Welcome Guests: Vice-Chairman welcomed guests and thanked them for their interest.
3. Public Comment: None at this time.
4. Public Hearing – Mary Lou Gerhardt
 - A. Public Hearing on the Operating Permit Application from Mary Lou Gerhardt. The proposed permit application is to be used for commercial use for an RV Park. The Operating Permit Application is requesting 10 AF (acre feet) of water per year. This property is located on Nathan Mueller Road near Yorktown, Texas and involves 96 acres: No public comment or objection.
 - B. Discussion and possible action on the Operating Permit Application from Mary Lou Gerhardt: A motion to approve the Operating Permit in the amount of 10 (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.
5. Public Hearing – Chester & Judith Hanzelka
 - A. Public Hearing on the Operating Permit Application from Chester & Judith Hanzelka. The proposed permit application is to be used for commercial use for an RV Park. The Operating Permit Application is requesting 10 AF (acre feet) of water per year. This property is located on Hwy 87 South near Thomaston, Texas and involves 30.9 acres: No public comment or objection.
 - B. Discussion and possible action on the Operating Permit Application from Chester & Judith Hanzelka: A motion to approve the Operating permit in the amount of 10 AF (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.
6. Public Hearing - Ray Pressler, Jr.

- A. Public Hearing on the Operating Permit Application from Ray Pressler, Jr. The proposed permit application is to be used for commercial use for an RV Park. The Operating Permit Application is requesting 1.75 AF (acre feet) of water per year. This property is located at 12879 Hwy 87 North in Westhoff, Texas and involves 3.52 acres: No public comment or objection stated.
 - B. Discussion and possible action on Operating Permit Application from Ray Pressler, Jr.: A motion to approve the Operating permit in the amount of 1.75 AF (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.
7. Public Hearing – Roberto Leal
- A. Public Hearing on the Drilling and Operating Permit Applications from Roberto Leal. The proposed permit application is to be used for livestock use. The Operating Permit Application is requesting 60 AF (acre feet) of water per year. This property is located on Elroyce Helmers Road near Nordheim, Texas and involves 120 acres: No public comment or objection stated.
 - B. Discussion and possible action on the Drilling and Operating Permit Application from Roberto Leal: The Operating Permit Application was deemed incomplete. A motion to approve the Drilling permit and to table action on the Operating Permit until missing information is supplied by Applicant was made by Tim Pennell, seconded by Gil Riedesel, and carried unanimously.
8. Public Hearing – D. M. Collier
- A. Public Hearing on the Drilling and Operating Permit Applications from D. M. Collier. The proposed permit amendment application is for agriculture use. The Operating Permit Application is requesting 86 AF (acre feet) of water for a total of 1056 AF per year. This property is located on CR 162 near Cuero, Texas and involves 2113 acres: No public comment or objection stated.
 - B. Discussion and consideration on the Drilling and Operating Permit Applications from D. M. Collier: A motion to approve the Drilling Permit and to approve the Operating permit application in the amount of 86 AF (acre feet) for a total of 1056 AF (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, , and carried unanimously.
9. Public Hearing – Kevin & Mary Keating
- A. Public Hearing on the Drilling and Operating Permit Applications from Kevin & Mary Keating. The proposed permit application is for commercial use. The Operating Permit Application is requesting 2 AF (acre feet) of water per year. This property is located on Hwy 87 South near Cuero, Texas and involves 4.813 acres: No public comment or objection.
 - B. Discussion and consideration on the Drilling and Operating Permit Applications from Kevin & Mary Keating: A motion to approve the Drilling Permit and to approve the Operating Permit in the amount of 2 AF (acre feet) of water per year was made by Tim Pennell, seconded by Gil Riedesel, and carried unanimously.
10. Public Hearing – Rising Star Missionary Baptist Church
- A. Public Hearing on the Drilling and Operating Permit Applications from Rising Star Missionary Baptist Church. The proposed permit application is for church use. The Operating Permit

Application is requesting 2 AF (acre feet) of water per year. This property is located at 807 Riedel in Yorktown, Texas and involves 4.76 acres: No public comment or objection stated.

- B. Discussion and consideration on the Drilling and Operating Permit Applications from Rising Star Missionary Baptist Church: GM presented a letter from the applicant requesting the Board to consider waiving either all, or a portion of, permit fees since this is for a non-profit group. A motion to waive all Permit fees, to approve the Drilling Permit, and to approve the Operating Permit Application in the amount of 2 AF (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

11. Public Hearing – Oil & Gas Site Services, Inc.

- A. Public Hearing on the Drilling and Operating Permit Applications from Oil & Gas Site Services, Inc. The proposed permit application is for commercial use. The Operating Permit Application is requesting 2 AF (acre feet) of water per year. This property is located at 15268 US Hwy 183 North near Hochheim, Texas and involves 4.0 acres: No public comment or objection stated.
- B. Discussion and consideration on the Drilling and Operating Permit Applications from Oil & Gas Site Services, Inc.: A motion to approve the Drilling Permit and to approve the Operating Permit Application in the amount of 2 AF (acre feet) of water per year was made by Tim Pennell, seconded by Gil Riedesel, and carried unanimously.

12. Public Hearing – Petrohawk Energy – Calvin Rayes

- A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Calvin Rayes' Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 31AF (acre feet) of water per year for a total of 46 AF per year. This property is located on FM 2980 near Nordheim, Texas and involves 122.2 acres: No public comment or objection stated.
- B. Discussion and possible action on the Operating Permit Amendment Application from Petrohawk Energy on Calvin Rayes' property: A motion to approve the Operating permit Amendment Application in the amount of 31 AF (acre feet) of water for a total of 46 AF (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

13. Public Hearing – Petrohawk Energy – Patsy Seidel Warzecha

- A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Patsy Seidel Warzecha's Property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year. This property is located on CR 339 near Westhoff, Texas and involves 311.9 acres: No public comment or objection stated.
- B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on Patsy Seidel Warzecha's property: A motion to approve the Operating Permit Application in the amount of 20 AF (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

14. Public Hearing – Petrohawk Energy – David Kircher

- A. Public Hearing on the Operating Permit Application from Petrohawk Energy on David Kircher's Property. The proposed permit application is to be used to hydraulic fracture an

oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year. This property is located on Schulle Road near Westhoff, Texas and involves 360.02 acres: No public comment or objection stated.

- B. Discussion and possible action on the Operating Permit Application from Petrohawk Energy on David Kircher's property: A motion to approve the Operating permit in the amount of 20 AF (acre feet) of water per year was made by Wilbert Sauermilch, seconded by Gil Riedesel, and carried unanimously.

15. Public Hearing – Petrohawk Energy – David Hinojosa

- A. Public Hearing on the Operating Permit Application from Petrohawk Energy on David Hinojosa's Property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 13 AF (acre feet) of water per year. This property is located on FM 951 near Concrete, Texas and involves 27.95 acres: Landowner stated his understanding that this permit would leave only 1 acre foot of water available for non-exempt use and voiced no objection. No other public comment or objection stated.

- B. Discussion and consideration on the Operating Permit Application from Petrohawk Energy on David Hinojosa's property: A motion to approve the Operating permit in the amount of 13 AF (acre feet) of water per year was made by Tim Pennell, seconded by Gil Riedesel, and carried unanimously.

16. Public Hearing – Petrohawk Energy – Sandra Hahn

- A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Sandra Hahn's Property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year. This property is located on CR 339 near Westhoff, Texas and involves 316.6 acres: No public comment or objection stated.

- B. Discussion and consideration on the Operating Permit Application from Petrohawk Energy on Sandra Hahn's property: A motion to approve the Operating permit in the amount of 20 AF (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

17. Public Hearing – Petrohawk Energy – Keith & Lois Boysen

- A. Public Hearing on the Operating Permit Application from Petrohawk Energy on Keith & Lois Boysen's Property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year. This property is located on Blank Road near Hochheim, Texas and involves 236.97 acres: No public comment or objection stated.

- B. Discussion and consideration on the Operating Permit Application from Petrohawk Energy on Keith & Lois Boysen's property: A motion to approve the Operating permit in the amount of 20 AF (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

18. Public Hearing – Petrohawk Energy – Walter Williams

- A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Walter Williams' Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is

requesting 20 AF (acre feet) of water per year for a total of 35 (acre feet) of water per year. This property is located on McElroy Road near Concrete, Texas and involves 318.98 acres: No public comment or objection stated.

- B. Discussion and consideration on the Operating Permit Amendment Application from Petrohawk Energy on Walter Williams' property: A motion to approve the Operating permit amendment in the amount of 20 AF (acre feet) of water for a total of 35 (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

19. Public Hearing – Petrohawk Energy – Larry Geffert

- A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Larry Geffert's property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 15 AF (acre feet) of water per year for a total of 35 (acre feet) of water per year. This property is located on Klein Road near Garfield, Texas and involves 102.75 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Amendment Application from Petrohawk Energy on Larry Geffert's property: A motion to approve the Operating Permit Amendment application in the amount of 15 AF (acre feet) of water for a total of 35 AF (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

20. Public Hearing – Petrohawk Energy – May Pearl Aldis

- A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on May Pearl Aldis' Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 15 AF (acre feet) of water per year for a total of 50 (acre feet) of water per year. This property is located on CR 242 near Concrete, Texas and involves 207 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Amendment Application from Petrohawk Energy on May Pearl Aldis' property: A motion to approve the Operating permit amendment application in the amount of 15 AF (acre feet) of water for a total of 50 AF (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously.

21. Public Hearing – Petrohawk Energy – Keith Boysen

- A. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Keith Boysen's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 70 AF (acre feet) of water for a total of 100 (acre feet) of water per year. This property is located on Hwy 111 near Hochheim, Texas and involves 275 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Amendment Application from Petrohawk Energy on Keith Boysen's property: A motion to approve the Operating permit amendment application in the amount of 70 AF (acre feet) of water for a total of 100 (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

22. Public Hearing – Burlington Resources – William Tamm

- A. Public Hearing on the Operating Permit Application from Burlington Resources O&G Co. LP on William Tamm's Property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 40 AF (acre feet) of water per year. This property is located on Ckudre Road near Yorktown, Texas and involves 105.05 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Application from Petrohawk Energy on William Tamm's property: It was noted that this Permit will be used to frac two oil & gas locations. A motion to approve the Operating permit in the amount of 40 AF (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

23. Public Hearing – Burlington Resources – Bill Bargman

- A. Public Hearing on the Operating Permit Application from Burlington Resources O&G Co LP on Bill Bargman's Property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 40 AF (acre feet) of water per year. This property is located on FM 238 near Westhoff, Texas and involves 270 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Application from Burlington Resources O&G Co LP on Bill Bargman's property: It was noted that this Permit will be used to frac two oil & gas locations. A motion to approve the Operating permit in the amount of 40 AF (acre feet) of water per year was made by Tim Pennell, seconded by Gil Riedesel, and carried unanimously.

24. Public Hearing – Burlington Resources – John Langhoff

- A. Public Hearing on the Operating Permit Application from Burlington Resources O&G Co LP on John Langhoff's Property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year. This property is located on Gerdes Road near Yoakum, Texas and involves 587 acres: No objection stated. Landowner voiced his approval of this Permit application being approved.
- B. Discussion and consideration on the Operating Permit Application from Burlington Resources O&G Co LP on John Langhoff's Property: A motion to approve the Operating permit in the amount of 20 AF (acre feet) of water per year was made by Tim Pennell, seconded by Gil Riedesel, and carried unanimously.

25. Public Hearing – Burlington Resources – Marvin Gohlke, MD

- A. Public Hearing on the Operating Permit Application from Burlington Resources O&G Co LP on Marvin Gohlke, MD's Property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 60 AF (acre feet) of water per year. This property is located on Gruenau Road near Yorktown, Texas and involves 220 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Application from Petrohawk Energy on Allen Joyce Baker's property: It was noted that this Permit will be used to frac three oil & gas locations. A motion to approve the Operating permit in the amount of 60 AF (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

26. Public Hearing – Pioneer Natural Resources – Charles Riedesel

- A. Public Hearing on the Drilling and Operating Permit Applications from Pioneer Natural Resources on Charles Riedesel's Property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year. This property is located on Metting Road near Yorktown, Texas and involves 194.8 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Application from Pioneer Natural Resources on Charles Riedesel's property: A motion to approve the Operating permit in the amount of 20 AF (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, and carried unanimously, with Gil Riedesel abstaining from the vote.

27. Public Hearing – Pioneer Natural Resources – Eva Marie Gohmert

- A. Public Hearing on the Drilling and Operating Permit Applications from Pioneer Natural Resources on Eva Marie Gohmert's Property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 40 AF (acre feet) of water per year. This property is located on Spies Road near Yorktown, Texas and involves 327.61 acres: No public comment or objection stated.
- B. Discussion and consideration on the Drilling and Operating Permit Applications from Pioneer Natural Resources on Eva Marie Gohmert's property: A motion to approve the Drilling Permit and to approve the Operating permit in the amount of 40 AF (acre feet) of water per year was made Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

28. Public Hearing – Pioneer Natural Resources – Carl Matejek

- A. Public Hearing on the Drilling and Operating Permit Applications from Pioneer Natural Resources on Carl Matejek's Property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 38.35 AF (acre feet) of water per year. This property is located on Harvey Hahn Road near Yorktown, Texas and involves 76.7 acres: No public comment or objection stated. Attorney Allison suggested that Pioneer be required to supply a letter to clarify where the water will be used, since this will tie up the available water for non-exempt use on this property. Pioneer Natural Resources representative decided to reduce the requested amount of water to 20 (acre feet) and bring an Amendment Application at a later date if additional water is needed.
- B. Discussion and consideration on the Drilling and Operating Permit Applications from Pioneer Natural Resources on Carl Matejek's property: A motion to approve the Operating permit in the amount of 20 AF (acre feet) of water per year was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously

29. Public Hearing – Pioneer Natural Resources – Rodney Pedraza

- A. Public Hearing on the Drilling and Operating Permit Applications from Pioneer Natural Resources on Rodney Pedraza's Property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 40 AF (acre feet) of water per year. This property is located on Smith Ranch Road near Cuero, Texas and involves 323.2 acres: No public comment or objection stated. Attorney Allison

suggested that Pioneer Natural Resources be required to submit documentation on where the water will be used.

- B. Discussion and consideration on the Drilling and Operating Permit Applications from Pioneer Natural Resources on Rodney Pedraza's property: A motion to approve the Drilling Permit and to approve the Operating permit in the amount of 40 AF (acre feet) of water per year, contingent upon Applicant's submission of where the water will be used, was made by Gil Riedesel, seconded by Tim Pennell, and carried unanimously.

30. Public Hearing – Pioneer Natural Resources – Joe Broll, Jr.

- A. Public Hearing on the Operating Permit Application from Pioneer Natural Resources on Joe Broll, Jr.'s Property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF (acre feet) of water per year. This property is located on Hwy 72 E near Yorktown, Texas and involves 120.5 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Application from Pioneer Natural Resources on Joe Broll, Jr.'s property: A motion to approve the Operating permit was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

31. Public Hearing – Pioneer Natural Resources – Lori Strieber

- A. Public Hearing on the Operating Permit Amendment Application from Pioneer Natural Resources on Lori Strieber's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 40 AF (acre feet) of water for a total of 60 AF per year. This property is located on Metting Road near Yorktown, Texas and involves 129.09 acres: No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Amendment Application from Pioneer Natural Resources on Lori Strieber's property: It was noted that this Permit will be used to frac two oil & gas locations. A motion to approve the Operating permit amendment in the amount of 40(acre feet) of water for a total of 60 (acre feet) of water per year was made by Gil Riedesel, second by Wilbert Sauermilch, and carried unanimously.

32. Public Hearing – Pioneer Natural Resources – Dorine Warling

- A. Public Hearing on the Operating Permit Amendment Application from Pioneer Natural Resources on Dorine Warling's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 16 AF (acre feet) of water for a total of 36 AF per year. This property is located on Hwy 119 near Yorktown, Texas and involves 72.2 acres: Land owner has been contacted regarding the permit application on his property and has voiced no objection. No public comment or objection stated.
- B. Discussion and consideration on the Operating Permit Amendment Application from Pioneer Natural Resources on Dorine Warling's property: A motion to approve the Operating Permit amendment request was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.

33. Public Hearing – Pioneer Natural Resources – Roger Frank

- A. Public Hearing on the Operating Permit Amendment Application from Pioneer Natural Resources on Roger Frank's Property. The proposed permit amendment application is to be used to hydraulic fracture an oilfield location. The Operating Permit Amendment Application is requesting 28.15 AF (acre feet) of water for a total of 44.25 AF per year. This property is located on FM 2980 near Yorktown, Texas and involves 88.5 acres: It was noted that the application form requested a total of 40 (acre feet) of water, rather than 44.25 (acre feet) of water as listed in Agenda Item. This would be a request of 23.9 additional (acre feet) of water, rather than 28.15 (acre feet) of water. No public comment or objection stated.
 - B. Discussion and possible action on the Operating Permit Amendment Application from Pioneer Natural Resources on Roger Frank's property: A motion to approve the Operating Permit Amendment Application in the amount of 23.9 additional (acre feet) of water for a total of 40 (acre feet) of water per year was made by Gil Riedesel, seconded by Tim Pennell, and carried unanimously.
34. Public Hearing – Rosetta Resources Operating LP – Mark & Melanie Klotzman
- A. Public Hearing on the Operating Permit Application from Rosetta Resources Operating LP on Mark & Melanie Klotzman's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 189 AF (acre feet) of water per year. This property is located on Schulle Road near Westhoff, Texas and involves 1,380 acres: No public comment or objection stated. GM reported a request from Rosetta Resources to postpone action on this application until a later date.
 - B. Discussion and consideration on the Operating Permit Application from Rosetta Resources Operating LP on Mark & Melanie Klotzman's property: A motion to table action on the Operating permit application was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.
35. Minutes from 9-20-11 and 10-04-11 Meetings (provided prior to meeting): A motion to approve the minutes from the 9-20-11 and 10-04-11 meetings as presented was made by Tim Pennell, seconded by Clem Waskow, and carried unanimously.
36. Financial Report: A motion to approve the financial reports as presented was made by Wilbert Sauermilch, seconded by Gil Riedesel, and carried unanimously.
37. Quarterly Investment Report: An amended Report for the second quarter was presented by GM, along with the third quarter report for the Board's consideration. A motion to approve both reports was made by Wilbert Sauermilch, seconded by Tim Pennell, and carried unanimously.
38. Discussion of Legislative changes to the Tax Code regarding "Goods-in-Transit": Attorney Allison explained the legislative change requiring Districts to formally approve the continuation of taxation of good-in-transit and advised that GM be authorized to include the Board's intent in the publication for the next scheduled Public Hearing/Board Meeting. A motion to authorize GM to include the Board's intent to continue the taxation of good-in-transit in the next Public Hearing publication notice was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.
39. Cancel Election: Since there were no additional filings for the board places held by Directors Sauermilch and Pennell an election is not necessary. A motion to cancel the election was made by Gil Riedesel, seconded by Wilbert Sauermilch, and carried unanimously.
40. General Manager Report:

- State Auditor's Office will be conducting a routine Performance Audit beginning tomorrow.
- GM distributed a copy of an email received concerning the proposed injection well in the Yoakum area and asked Board to consider whether to actively support the efforts to opposition to this proposed well. Attorney Allison advised that the Board gather more information before a decision is made on possible action at the November meeting.
- Monitor wells in the oil & gas high activity area have been measured again and a full report of static level readings will be presented at the November meeting.
- Steve Young of Intera is scheduled for a meeting with the Board on Monday, November 7, 2011, at 2:00 P.M. in the District office. Attorney Allison suggested that GM request a written report prior to the meeting and send to Board members for review and formulation of questions.
- Board is asked to check their calendars for possible conflicts in December since the regularly scheduled meeting is Dec. 20.
- GM was asked to make a presentation at the meeting hosted by the City of Yorktown for city water personnel of Yorktown and surrounding area municipalities. The meeting was well attended with active discussions followed by a question and answer session.
- Board was given a report showing the total permitted water pumpage to date.

41. Closed Meeting (If necessary) – Close the meeting to conduct private consultation with PVGCD attorney regarding matters protected by the attorney-client privilege pursuant to V.T.C.A. Government Code 551.07. or to discuss matters regarding personnel pursuant to V.T.C.A. Government Code 551.074: No Executive session was called.

42. Return to Open Meeting (If Necessary) – Return to open meeting and take any action deemed necessary based upon discussions in closed meeting pursuant to V.T.C.A. Government Code 551.102: No Executive session was called.

43. Next Scheduled Board Meeting Date: Next meeting is scheduled for November 7, 2011, at 2:00 p.m.

44. Adjournment: Meeting was adjourned at 3:40 p.m. by the Vice-Chairman with a motion from Tim Pennell, seconded by Gil Riedesel, and carried unanimously.



Sec/Wilbert Sauermilch

Recorded: Marcia Mann, Admin. Assistant