

PECAN VALLEY GROUNDWATER CONSERVATION DISTRICT
107 N. GONZALES CUERO, TX 77954
BOARD MEETING
MINUTES
DECEMBER 17, 2013 – 2:00 P.M.

Board Members Present: Darnell Knippa, Chairman (Pct. 2), Clem Waskow, Vice-Chairman (At Large), Wilbert Sauermilch, Secretary/Treasurer (Pct. 3), Marvin Sager, Director (Pct. 4), and Tim Pennell, Director (Pct. 1).

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

Guests: Brittney Schlenker and Beth Reinecke (BHP); Andrew Donnelly and Michelle Sutherland (Daniel B. Stevens & Associates); and Robert Egg.

1. Call to order: The meeting was called to order by the Chairman at 2:00 P.M.
2. Welcome guests: Guests were welcomed by Chairman.
3. Public comment: No public comment.

PUBLIC HEARINGS OPENED AT 2:01 P.M.

4. Public Hearing – Petrohawk Energy – Ronald & Betty Blank
 - a. Public Hearing on the Operating Permit Application from Petrohawk Energy on Ronald & Betty Blank's property: The proposed permit application is to be to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 30 AF of water per year. This property is located on Lincke Road near Yorktown, Texas and involves 86.84 acres. No public comment or objection stated
 - b. Discussion and consideration of operating permit application from Petrohawk Energy on Ronald & Betty Blank's property: A motion to approve the Operating Permit Application in the amount of 30 AF of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, which carried unanimously.
5. Public Hearing - Petrohawk Energy – David & Gayla Greeson
 - a. Public Hearing on the Operating Permit Application from Petrohawk Energy on David & Gayla Greeson's property: The proposed permit application is to be to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 20 AF of water per year. This property is located on Leo Nelson Road near Yorktown, Texas and involves 121 acres. No public comment or objection stated.

- b. Discussion and consideration of operating permit application from Petrohawk Energy on David & Gayla Greeson's property: A motion to approve the Operating Permit Application in the amount of 20 AF of water per year was made by Clem Waskow, seconded by Wilbert Sauermilch, which carried unanimously.
6. Public Hearing – Johnnie Friedel
 - a. Public Hearing on the Operating Permit Application from Johnnie Friedel: The proposed permit application is to be used for irrigation. The Operating Permit Application is requesting 40 AF (acre feet) of water per year. This property is located on City of Hochheim Rd near Hochheim, Texas and involves 236 acres: No public comment or objection stated.
 - b. Discussion and consideration of operating permit application from Johnnie Friedel: A motion to approve the Operating Permit Application in the amount of 40 AF (acre feet) of water per year was made by Tim Pennell, seconded by Wilbert Sauermilch, which carried unanimously.
7. Public Hearing – Precision Drilling – Edwin & Lucille Thieme
 - a. Public Hearing on the Drilling Permit Application from Precision Drilling on Edwin & Lucille Thieme's property (#1): The proposed permit application is to be used for monitor well purposes. This property is located on FM 3157 near Meyersville, Texas and involves 40 acres: No public comment or objection stated.
 - b. Discussion and consideration of drilling permit application from Precision Drilling on Edwin & Lucille Thieme's property: GM explained that the Railroad Commission has mandated the drilling of these monitor wells in connection with a natural gas well blow-out which occurred several years ago. Owners are in favor of the proposed wells and locations are specified by the Railroad Commission. The proposed spacing variance is between the monitor wells and not to be closer than 50' from property lines. A motion to approve the drilling all 3 monitor wells and grant the requested spacing variance was made by Marvin Sager, seconded by Tim Pennell, which carried unanimously.
8. Public Hearing – Precision Drilling – Edwin & Lucille Thieme
 - a. Public Hearing on the Drilling Permit Application from Precision Drilling on Edwin & Lucille Thieme's property (#2): The proposed permit application is to be used for monitor well purposes. This property is located on FM 3157 near Meyersville, Texas and involves 40 acres: No public comment or objection stated.
 - b. Discussion and consideration of drilling permit application from Precision Drilling on Edwin & Lucille Thieme's property: GM explained that the Railroad Commission has mandated the drilling of these monitor wells in connection with a natural gas well blow-out which occurred several years ago. Owners are in favor of the proposed wells and locations are specified by the Railroad Commission. The proposed spacing variance is between the monitor wells and will not be closer than 50' from property lines. A motion to approve the drilling all 3 monitor

wells and grant the requested spacing variance was made by Marvin Sager, seconded by Tim Pennell, which carried unanimously.

9. Public Hearing – Precision Drilling – Edwin & Lucille Thieme

- a. Public Hearing on the Drilling Permit Application from Precision Drilling on Edwin & Lucille Thieme's property (#3): The proposed permit application is to be used for monitor well purposes. This property is located on FM 3157 near Meyersville, Texas and involves 40 acres: No public comment or objection stated.
- b. Discussion and consideration of drilling permit application from Precision Drilling on Edwin & Lucille Thieme's property: GM explained that the Railroad Commission has mandated the drilling of these monitor wells in connection with a natural gas well blow-out which occurred several years ago. Owners are in favor of the proposed wells and locations are specified by the Railroad Commission. The proposed spacing variance is between the monitor wells will not be closer than 50' from property lines. A motion to approve the drilling all 3 monitor wells and grant the requested spacing variance was made by Marvin Sager, seconded by Tim Pennell, which carried unanimously.

10. Public Hearing – Spacing Variance – Precision Drilling

- a. Public Hearing on the Spacing Variance Request from Precision Drilling on Edwin & Lucille Thieme's property: The proposed variance is for a water well to be placed closer than the required 50' spacing from additional water wells. This property is located on FM 3157 near Meyersville, Texas and involves 40 acres: No public comment or objection stated.
- b. Discussion and consideration of spacing variance request from Precision Drilling on Edwin & Lucille Thieme's property: GM explained that the Railroad Commission has mandated the drilling of these monitor wells in connection with a natural gas well blow-out which occurred several years ago. Owners are in favor of the proposed wells and locations are specified by the Railroad Commission. The proposed spacing variance is between the monitor wells and will not be closer than 50' from property lines. A motion to approve the drilling all 3 monitor wells and grant the requested spacing variance was made by Marvin Sager, seconded by Tim Pennell, which carried unanimously.

PUBLIC HEARINGS CLOSED AT 2:09 P.M.

11. Minutes from 11-19-13 Meetings (provided prior to meeting): A motion to approve the minutes as presented was made by Wilbert Sauermilch, seconded by Clem Waskow, which carried unanimously.
12. Financial Reports: A motion to approve the Financial Reports for October as presented was made by Wilbert Sauermilch, seconded by Clem Waskow, which carried unanimously.

13. Discussion and consideration of closing bank accounts at Prosperity Bank: Board directed GM to close all existing bank accounts at Prosperity Bank with a motion by Wilbert Sauermilch which was seconded by Marvin Sager and carried unanimously.
14. Discussion and consideration cost for video-conferencing equipment: GM summarized the cost estimates developed up to this point which would be associated with video-conferencing for future board meetings. No action was taken on this item pending additional research of equipment and costs to be brought back to the board at a later meeting.
15. Discussion and consideration on website changes and associated fees: Board approved contracting with Victoria Web Design to handle the revision of the District's website as well as the ongoing management of website additions and deletions as needed. A motion to approve this contract was made by Wilbert Sauermilch, seconded by Clem Waskow, which carried unanimously.
16. Discussion and consideration of 2014 Holiday Schedule: GM presented the proposed holiday schedule for calendar year 2014. District has always kept the same holiday schedule as DeWitt County. Holiday schedule was approved as presented with a motion by Wilbert Sauermilch, a second by Clem Waskow, which carried unanimously.
17. Initial meeting with Daniel B. Stephens & Associates for water quality testing program: GM gave an overview of some of the broad objectives desired for the water quality testing program being developed. Representatives Andrew Donnelly and Michelle Sutherland requested data bases of registered wells to begin development of a proposed program. A draft contract agreement with proposed costs should be ready for the Board's consideration at the January meeting.
18. GM Report:
 - a. Water Quality Testing in Cheapside area: A review of the results of water quality testing in the Cheapside area was presented by GM. This is the second set of tests taken 6 months after initial testing. GM is consulting with LCRA lab to get a more definitive explanation of the changes and what further actions may be indicated.
19. 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 called.
20. 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 called.

21. Next Scheduled Board Meeting: Next meeting is scheduled for January 21, 2014.

22. Adjournment: The meeting adjourned at 3:40 P.M. with a motion by Tim Pennell, seconded Clem Waskow, which carried unanimously.



Sec/Wilbert Sauermilch

Recorded: Marcia Mann, Admin. Assistant