

PECAN VALLEY GROUNDWATER CONSERVATION DISTRICT
107 N. GONZALES CUERO, TX 77954
PUBLIC HEARING AND BOARD MEETING
MINUTES

MAY 20, 2014 – 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: Fred Hahn, Thomas Carey (Carey Environmental), and Bo Wall (Slay Engineering).

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.

No public hearings held at this meeting. A motion to table agenda items 4 through 20 and reschedule for the June Board meeting was made by Tim Pennell, seconded by Marvin Sager, which carried unanimously.

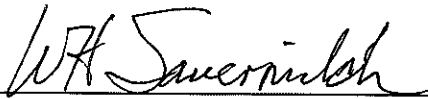
4. Public Hearing – Fred Hahn
 - a. Public Hearing on the Operating Permit Application from Fred Hahn.
5. Public Hearing – BHP Billiton (Eagleford Gathering)
 - a. Public Hearing on the Operating Permit Application from BHP Billiton (Eagleford Gathering).
6. Public Hearing – Petrohawk Energy – Frisbie Family Trust
 - a. Public Hearing on the Operating Permit Application from Petrohawk Energy on Frisbie Family Trust's property.
7. Public Hearing – Petrohawk Energy – Harvey Immenhauser
 - a. Public Hearing on the Operating Permit Application from Petrohawk Energy on Harvey Immenhauser's property.
8. Public Hearing – Petrohawk Energy – Edward & Inez Hahn
 - a. Public Hearing on the Operating Permit Application from Petrohawk Energy on Edward & Inez Hahn's property.
9. Public Hearing – Petrohawk Energy – Alton & Betty Siefert
 - a. Public Hearing on the Operating Permit Amendment Application from Petrohawk Energy on Alton & Betty Siefert's property.

10. Public Hearing – Petrohawk Energy – AJ Metz Investments
 - a. Public Hearing on the Operating Permit Application from Petrohawk Energy on AJ Metz Investment's property.
11. Public Hearing – Pioneer Natural Resources – Stanley Garvel
 - a. Public Hearing on the Operating Permit Application from Pioneer Natural Resources on Stanley Garvel's property.
12. Public Hearing – Pioneer Natural Resources – Stanley Garvel
 - a. Public Hearing on the Operating Permit Application from Pioneer Natural Resources on Stanley Garvel's property.
13. Public Hearing – Pioneer Natural Resources – Betty Ann Siefert
 - a. Public Hearing on the Operating Permit Application from Pioneer Natural Resources on Betty Ann Siefert's property.
14. Public Hearing – Statoil US Holdings, Inc. – Bill Blackwell
 - a. Public Hearing on the Operating Permit Application from Statoil US Holdings, Inc. on Bill Blackwell's property.
15. Public Hearing – Statoil US Holdings, Inc. – Mary Klaevemann
 - a. Public Hearing on the Operating Permit Application from Statoil US Holdings, Inc. on Mary Klaevemann's property.
16. Public Hearing – Statoil US Holdings, Inc. – Mary Klaevemann
 - a. Public Hearing on the Operating Permit Application from Statoil US Holdings, Inc. on Mary Klaevemann's property.
17. Public Hearing – Statoil US Holdings, Inc. – Mary Klaevemann
 - a. Public Hearing on the Operating Permit Application from Statoil US Holdings, Inc. on Mary Klaevemann's property.
18. Public Hearing – Statoil US Holdings, Inc. – Pete Dlugosch
 - a. Public Hearing on the Operating Permit Amendment Application from Statoil US Holdings, Inc. on Pete Dlugosch's property.
19. Public Hearing – Statoil US Holdings, Inc. – Pete Dlugosch
 - a. Public Hearing on the Operating Permit Amendment Application from Statoil US Holdings, Inc. on Pete Dlugosch's property.
20. Public Hearing – Statoil US Holdings, Inc. – Pete Dlugosch
 - a. Public Hearing on the Operating Permit Application from Statoil US Holdings, Inc. on Pete Dlugosch's property.

21. Minutes from 04-15-14 Meeting (provided prior to meeting): A motion to approve the minutes as presented was made by Clem Waskow, seconded by Marvin Sager, which carried unanimously.
22. Financial Reports – April (provided prior to meeting): A motion to approve the April financial reports as presented was made by Wilbert Sauermilch, seconded by Tim Pennell, which carried unanimously.
23. Discussion and possible action regarding enforcement actions against Anthony Broussard and Kenneth Benbow: A motion was made to refer Kenneth Benbow and Anthony Broussard (One Stop Restoration) to Attorney Allison for enforcement action according to the District's Enforcement Policy by Marvin Sager which was seconded by Clem Waskow and carried unanimously.
24. Consideration and possible action on new Task Order from Daniel B. Stephens for water quality testing program: A motion was made by Tim Pennell to approve the addition of the proposed additional Task Order, which was seconded by Clem Waskow and carried unanimously.
25. Discussion and possible action on potential problems with water well for Big Diamond LLC regarding meter and water well driller: Permit holder has used most of the annual allotment prior to opening of convenience store. Water well driller installed the meter before the 36-hour pump test required by TCEQ on Public Water Supply wells, instead of after the pump test which is the normal procedure. Also, the pump that was installed is capable of pumping at 72 gpm, rather than 45 gpm which the permit specifies. Permit holder was advised that he could submit an Amendment request to increase the rate of pumpage to 72 gpm and request a one-time waiver deleting the amount of water pumped during the mandatory TCEQ pump test and flushing. Amendment will be considered at the June Board meeting.
26. Discussion and possible action regarding changes to pumping scenarios for GMA 15 for input to Intera for DFC modeling: Each District within the GMA 15 must submit estimates for future pumpage based on current levels and a possible future high demand scenario. GM presented suggested rates for consideration. After discussion, the high demand estimate will be increased by approximately 15,000 acre feet in the Jasper aquifer. A motion to approve the submission to GMA 15 with the additional 15,000 acre feet was made by Tim Pennell, seconded by Clem Waskow, and carried unanimously.
27. GM Report
 - a. Update on Water Quality Testing Program: GM reported that only about 9 applications have been received. Board members agreed that each person should attempt to get at least 10 applicants by the next meeting. GM will provide grid maps for each precinct.
 - b. Update on Jerome Respondek's water well: GM reported that Mr. Respondek has changed the oil he uses in his turbine pump to an environmentally safe oil on the

recommendation of a pump specialist so that any future leaks will not adversely affect the groundwater.

- c. GM reported on the motion filed by Marathon Oil with the Rail Road Commission of Texas to bar all GCD's from participation in any protests of injection well applications. A decision has not been reached yet. Attorney Allison reported that he had filed an Amicus brief on behalf of Victoria County GCD to support Gonzales County in their position opposing Marathon Oil's motion.
28. 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.
 29. 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.
 30. Next Scheduled Board Meeting: Next meeting is scheduled for June 17, 2014.
 31. Adjournment: The meeting adjourned at 3:50 P.M. with a motion by Tim Pennell, seconded Clem Waskow, which carried unanimously.



Sec/Wilbert Sauermilch

Recorded: Marcia Mann, Admin. Assistant