

PECAN VALLEY GROUNDWATER CONSERVATION DISTRICT
107 N. GONZALES CUERO, TX 77954
PUBLIC HEARING AND BOARD MEETING
MINUTES
SEPTEMBER 9, 2014 – 2:00 P.M.

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

Board Members Absent: Darnell Knippa, Chairman (Pct. 2), and Tim Pennell, Director (Pct. 1).

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

Guests: Lias Bubba Steen; Kathy Oliver; Brian Chandler; Marcus Schwartz; and Charles Cole, Michael Addison, and Bob Boyack (BHP).

1. Call to order: The meeting was called to order by the Vice-Chairman at 2:00 P.M.
2. Welcome guests: Guests were welcomed.
3. Public comment: Lias Bubba Steen presented the Board with information about water levels dropping in his wells. Mr. Steen is aware of the serious drought conditions in DeWitt County. He did not request any action but wanted to share the seriousness of the problem in his area with the Board with a written summary of the status of wells on his property. Mr. Marcus Schwartz, attorney for the Oliver family, concurred and stated that water levels in some of the Oliver wells have dropped as well and Chandler Drilling has dropped the pump in at least one of their wells approximately 30' recently.

PUBLIC HEARINGS OPENED AT 2:15 P.M.

4. Public Hearing – BHP Billiton – Oliver Ventures #5
 - a. Public Hearing on the Operating Permit Application #5 from BHP Billiton on Oliver Ventures' Property: The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 30 AF of water per year and a combined total of 170 AF from five water wells. This property is located on Bellevue Cemetery Road near Westhoff, Texas and involves 944 acres. Attorney for Oliver Ventures stated an objection to the approval of the Operating Permit Application, based on provisions in the lease between Oliver Ventures and BHP Billiton.
 - b. Discussion and consideration of operating permit application from BHP Billiton on Oliver Ventures' property: A motion to postpone action on this item was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.
5. Public Hearing – BHP Billiton – Oliver Ventures #6
 - a. Public Hearing on the Operating Permit Application #6 from BHP Billiton on Oliver Ventures' Property: The proposed permit application is to be used to

hydraulic fracture an oilfield location. The Operating Permit Application is requesting 30 AF of water per year and a combined total of 210 AF from six water wells. This property is located on Bellevue Cemetery Road near Westhoff, Texas and involves 944 acres. Attorney for Oliver Ventures stated an objection to the approval of the Operating Permit Application, based on provisions in the lease between Oliver Ventures and BHP Billiton.

- b. Discussion and consideration of operating permit application from BHP Billiton on Oliver Ventures' property: A motion to postpone action on this item was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.

6. Public Hearing – Cuero RV, LLC

- a. Public Hearing on the Operating Permit Application from Cuero RV, LLC: The proposed permit application is for commercial use for an RV park. Operating Permit Application is requesting 0.345 AF of water per year. This property is located on Anderson Road near Cuero, Texas and involves 0.649 acres. No public comment or objection stated.
- b. Discussion and consideration of operating permit application from Cuero RV, LLC: A motion to approve the Operating Permit Application in the amount of 0.345 AF of water per year was made by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.

7. Public Hearing – FDF Properties, LP

- a. Public Hearing on the Operating Permit Application from FDF Properties, LP: The proposed permit application is for commercial use. Permit Application is requesting 10 AF of water per year. This property is located at 375 Lockhart Cemetery Road near Cuero, Texas and involves 22.28 acres. No public comment or objection stated.
- b. Discussion and consideration of operating permit application from FDF Properties, LP: A motion to approve the Operating Permit Application in the amount of 10 AF of water per year was made by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.

PUBLIC HEARINGS CLOSED AT 2:38 P.M.

- 8. Discussion and possible action on proposed FY 2015 Budget and Order Adopting Budget: A motion to approve the FY 2015 Budget and Order Adopting Budget as presented was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.
- 9. Public Hearing on Tax Rate for FY 2015: Public Hearing was opened for comments at 2:47 P.M. and closed at 2:53 P.M. with no public comment. A motion to set the Tax Rate for FY 2015 at .00680 was made by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.
- 10. Discussion and possible action on Order Approving Certified Tax Roll as submitted by DeWitt County Tax Assessor/Collector: A motion to approve the Order Approving

Certified Tax Roll as submitted by DeWitt County Tax Assessor/Collector was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.

11. Minutes from 08-19-14 Meeting (provided prior to meeting): A motion to approve the minutes as presented was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.
12. Financial Reports – August (provided prior to meeting): A motion to approve the August financial reports as presented was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.
13. Discussion and possible action on application for replacement of grandfathered well for City of Yorktown and application for variance on distance requirement: A motion to grant a variance waiving the requirement of the replacement well location to be within 30 feet of the original well and allowing replacement well to be 50' from original well was made by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.
14. Discussion and of proposal from Intera for improving the GAM for GMA 15 for the Gulf Coast Aquifer: A motion was made to postpone action on this item until next meeting by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.
15. Discussion and possible action regarding changes to Fee Schedule for FY 2015: GM asked the Board to review the Permit Fee Schedule and consider adding transaction fees for credit card payments and late fees on permit renewals. A motion was made to charge a credit card transaction fee of 4% and late fees in the amount of \$30 for each 30 day period the payment or meter reading is late, effective October 1, 2014, was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.
16. Discussion and possible action on Water Level Testing Results: Monitor well water level readings taken in August were given to the Board. Results showed water levels dropping across most of the County due primarily to extreme drought conditions.
17. Closed Meeting (if necessary) – No Executive session called.
18. Return to Open Meeting (If Necessary) – No Executive session called.
19. Next Scheduled Board Meeting: Next meeting is scheduled for October 21, 2014.
20. Adjournment: The meeting adjourned at 3:45 P.M. with a motion by Wilbert Sauermilch, seconded Marvin Sager, which carried unanimously.



Sec/Wilbert Sauermilch

Recorded: Marcia Mann, Admin. Assistant