

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

JANUARY 20, 2015 – 2:00 P.M.

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

Board Members Absent: Tim Pennell, Director (Pct. 1).

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

Guests: Sixto Ortiz (BHP), Robert Egg, David Kircher, James Ellis.

1. Call to order: The meeting was called to order by the Chairman at 2:00 P.M.
2. Welcome guests: Guests were welcomed.
3. Public comment: None.

PUBLIC HEARINGS OPENED AT 2:01 P.M

4. Public Hearing – BHP Billiton – Julius & Alice Joe Scheibe
  - a. Public Hearing on the Operating Permit Application from BHP Billiton on Julius & Alice Jo Scheibe's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 40 AF of water per year. This property is located on Westhoff Cemetery Road near Westhoff, Texas and involves 100 acres. No public comment or objection stated.
  - b. Discussion and consideration of operating permit application from BHP Billiton on Julius & Alice Joe Scheibe's property. A motion was made to approve the Operating Permit Application from BHP Billiton on Julius & Alice Jo Scheibe's property in the amount of 40 AF of water per year by Wilbert Sauermilch, seconded by Clem Waskow, which carried unanimously.
5. Public Hearing – BHP Billiton – Ronald & Harlan Aschen
  - a. Public Hearing on the Operating Permit Application from BHP Billiton on Ronald & Harlan Aschen's 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. This property is located on Cheapside Road

near Westhoff, Texas and involves 113 acres. No public comment or objection stated.

- b. Discussion and consideration of operating permit application from BHP Billiton on Ronald & Harlan Aschen's property. A motion was made to approve the Operating Permit Application from BHP Billiton on Ronald & Harlan Aschen's property in the amount of 30 AF of water per year by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.

6. Public Hearing – BHP Billiton – HR Krause

- a. A Public Hearing on the Operating Permit Application from BHP Billiton on HR Krause's property. The proposed permit application is to be used to hydraulic fracture an oilfield location. The Operating Permit Application is requesting 40 AF of water per year. This property is located on Schlenstedt Road near Westhoff, Texas and involves 200 acres. No public comment or objection stated.
- b. Discussion and consideration of operating permit application from BHP Billiton on HR Krause's property. A motion was made to approve the Operating Permit Application from BHP Billiton on HR Krause's property in the amount of 40 AF of water per year by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.

7. Public Hearing – BHP Billiton – David Kircher

- a. A Public Hearing on the Operating Permit Application from BHP Billiton 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 40 AF of water per year for a total of 100 AF of water per year from three (3) water wells. This property is located on Dubose Ranch Road near Westhoff, Texas and involves 360 acres. No public comment or objection stated.
- b. Discussion and consideration of operating permit application from BHP Billiton on David Kircher's property. A motion was made to approve the Operating Permit Application from BHP Billiton on David Kircher's property in the amount of 40 AF of water per year for a total of 100 AF of water per year from three (3) water wells by Clem Waskow, seconded by Wilbert Sauermilch, which carried unanimously.

8. Public Hearing – Dan Blakeman – Spacing Variance

- a. A Public Hearing on the Spacing Variance on Dan Blakeman's property. This water well is for domestic use on a small tract of land. No public comment or objection stated.
- b. Discussion and consideration of spacing variance on Dan Blakeman's property. A motion was made to approve the Spacing Variance on Dan Blakeman's property by Marvin Sager, seconded by Wilbert Sauermilch, which carried unanimously.

PUBLIC HEARINGS CLOSED AT 2:05 P.M.

9. Election of Officers: A motion to keep the same slate of officers for 2015 was made by Marvin Sager, seconded by Clem Waskow, and carried unanimously.
10. Minutes from 12-16-14 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.
11. Financial Report – December (provided prior to meeting): A motion to approve the financial report as presented was made by Wilbert Sauermilch, seconded by Clem Waskow, which carried unanimously.
12. Quarterly Investment Report: Quarterly Investment Reports for the 4th quarter of 2014 were presented. A motion to approve the Quarterly Investment Reports for 4th quarter of 2014 as presented was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.
13. Discussion of possible new office space options and/or lease agreement with Frank Burns: Following an executive session, a motion for attorney Jim Allison and Charlotte Krause, G.M. to prepare a counter offer on the proposed lease agreement to Frank Burns was made by Wilbert Sauermilch, seconded by Marvin Sager, which carried unanimously.
14. Discussion on possible non-exempt water well for Meyersville Volunteer Fire Dept. and possible variance options: Discussion regarding permit options. No action taken.
15. Closed Meeting: Executive session was called at 2:20 P.M. by President Knippa for discussion on Agenda Item 13 regarding matters protected by the attorney-client privilege pursuant to V.T.C.A. Government Code 551. 07
16. Return to Open Meeting: Open Meeting was resumed at 2:45 P.M. for action on Agenda Item 13.
17. Next Scheduled Board Meeting: Next meeting is scheduled for February 17, 2015.
18. Adjournment: The meeting adjourned at 3:00 P.M. with a motion by Clem Waskow, seconded Marvin Sager, which carried unanimously.



Sec/Wilbert Sauermilch

Recorded: Carole Moore, Admin. Assistant