

THE STATE OF TEXAS * GROUNDWATER CONSERVATION DISTRICT
COUNTY OF KENEDY * OF KENEDY COUNTY, TEXAS

On the 24th day of April, 2013, at 8:00 o'clock a.m., a regular meeting of the Kenedy County Groundwater Conservation District was held in Sarita, Texas, at the Kenedy Memorial Foundation Carriage House.

Directors present:

Chuck Burns, President
Homero Vera, Vice-President
Dave Delaney, Secretary
Daniel Butler
Craig Weiland

Also present:

Leo Villarreal, Administrative Assistant
Andy Garza, General Manager
Bob Rehberger, Laborcitas Ranch
Shana Horton, La Paloma Ranch
Dain McCoig, URI

Absent:

None

1. Call Meeting to Order

Chuck Burns, President, called the meeting to order at 8:05 a.m.

2. Receive Public Comments

No comments were offered.

3. Discuss and Act on Approval of March 20, 2013 Regular Meeting Minutes

Chuck Burns, President, presented to the Board of Directors the Minutes of the March 20, 2013, regular meeting of the Kenedy County Groundwater Conservation District.

Homero Vera moved to accept the minutes as presented with the amendment to Item 9 to include "that names of ranches in the District would not be mentioned by the District's oral or written comments on legislation".

Danny Butler moved and Craig Weiland seconded the motion; the motion was unanimously passed that the March 20, 2013, regular meeting minutes be accepted subject to Homero Vera's proposed amendment to Item 9.

4. **Receive General Manager's Activity Report and Act, If Necessary, Regarding:**
 - a. **Communications**
 - b. **2012 Water Use Reports**
 - c. **Well hydrostatic level measurements relative to mean sea level elevation**
 - d. **Railroad Commission correspondence regarding uranium exploration permit**
 - e. **EOG permits**
 - f. **Water chemistry sampling for uranium exploration project on expanded area**
 - g. **Drought report**
 - h. **Brush Country GCD meeting**
 - i. **Handouts**
 - j. **Other**

Andy Garza, General Manager, reported to the Board of Directors regarding the following matters:

a. Communications included contacts with Commissioner Shulz and D&H Petroleum & Environmental.

b. The 2012 Water Use Report was presented to the Board for their review. Water usage decreased in 2012 as compared to 2011 mainly because of less water being used by the natural gas processing plants.

c. Garza informed the Board that he has used USGS topographic maps to acquire elevations for 21 well locations and proceeded to determine hydrostatic levels based on mean sea level. The levels were presented in a graph. This approach allows the user to compare hydrostatic levels between wells.

d. Garza reported that the District had received from the Railroad Commission a notice of receipt of a uranium exploration permit application from Cameco Texas, Inc. to conduct uranium exploration in Kenedy County.

e. Garza informed the Board that as result of the change in ownership forms submitted to the District by ExxonMobil, the new owner, EOG, was furnished with a copy of the permit applicable to some wells.

f. Garza reported that the wells around the expanded uranium exploration area on Kenedy Memorial Foundation land had been sampled by DBSA on April 15, 2013. Five of the six wells are located on the Kenedy Charitable Trust property.

g. A copy of the latest Drought Monitor map was given to the directors.

h. Garza reported that the Brush Country GCD had met on April 23, 2013. Their management plan has been approved by the TWDB. The district continues to work on their rules and may complete them by May or June, 2013.

i. Various news articles were distributed to the directors.

This being a report only, no vote was needed and none was taken.

5. Discuss and Act on Limiting/Terminating District's Participation in The Current Texas Legislative Session

Chuck Burns initiated the discussion by stating that the District needed to reevaluate how much it was willing to spend on services provided by Mary Sahs regarding legislative and rulemaking matters. The current bill from Mary Sahs was much higher than the \$3000 per month limit put in place on February 20, 2013. Dave Delaney noted that it appeared at times that the Kenedy County GCD was the only district providing comments on legislation that could have negative impacts on many other districts, yet, they were nowhere to be found. Delaney also noted that he was not sure where TAGD stood on some on these issues. Andy Garza interjected that he too was disappointed with TAGD because even though they submitted comments, he was not aware of what those comments were so that he could in turn share them with the Board. Delaney suggested that the District maintain some presence on legislative matters by concentrating on certain bills pertaining to brackish water and fracking. There was consensus on prioritizing bills that are of greatest interest to the District. Danny Butler suggested amending the budget, if needed, to cover the additional costs on this matter and that Mary Sahs should inform the Board in advance when the cost will exceed the limit. Homero Vera stated that when possible, he would like to see the comments prior to them being submitted on behalf of the District.

David Delaney moved and Danny Butler seconded the motion. The motion passed unanimously for the chairman or Leo Villarreal to inform Mary Sahs to 1) track only certain bills as per directive from District, 2) make an attempt to stay within the \$3000 cap and 3) inform the Board in advance if the cost will be exceeding the cap.

6. Receive, Discuss and Act, If Necessary, on GMA-16 Activities Report

Andy Garza presented the Board of Directors with the GMA-16 report. The next meeting will be held on April 30, 2013 in Falfurrias, TX. A copy of the agenda was given to the Directors. A copy of GAM Run 12-025: Total Estimated Recoverable Storage For Aquifers in GMA-16 was given and reviewed with the directors.

Dave O'Rourke, hydrogeologist with LBG-Guyton Associates, updated the District via telephone on his work as per contract with the District regarding the revised DFC for GMA-16. O'Rourke stated that he is using Dr. Uddameri's pumping figures as a starting point for his work.

This being a report only, no vote was needed.

7. Discuss and Act, If Necessary, on Legislative, Litigation and Agency Rulemaking Report

Andy Garza presented to the Directors a legislative update on various bills. The Directors indicated that HB 2578, HB 3718 and SB 873 are of particular interest and would ask Mary Sahs to track them.

This being a report only, no vote was needed.

8. Discuss and Act on Authorization of Renewal of Kleberg Bank Certificate of Deposit 50926

Leo Villarreal reported that Certificate of Deposit #50926 had matured and was subject to being cashed or renewed.

Craig Weiland moved and Danny Butler seconded the motion; the motion was passed unanimously to renew certificate of deposit 50926 for six months.

9. Discuss and Act on Date of Next Board Meeting

Chuck Burns informed the Board of Directors that a date for the May 2013 meeting needed to be determined.

Craig Weiland moved and Dave Delaney seconded the motion; the motion was unanimously passed that the next regular Board of Directors meeting be held on May 22, 2013.

10. Receive Report on 2013 Budget as of March 31, 2013

Leo Villarreal presented the Board of Directors with a status report regarding the 2013 budget as of March 31, 2013 and recommended that the Board of Directors should consider a legislative affairs budget line item in the 2014 Budget.

This being a report only, no vote was needed.

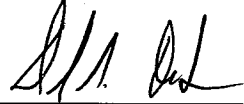
11. Discuss and on Payment of Bills

Chuck Burns presented the bills to the Board of Directors and asked that the bills be considered for payment.

Homero Vera moved and Danny Butler seconded the motion; the motion was passed unanimously to pay bills as presented.

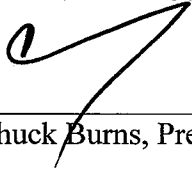
12. Adjournment

There being no other business to come before the Board of Directors, Danny Butler moved and Homero Vera seconded the motion; the motion passed unanimously to adjourn the meeting at 9:45 a.m.



David Delaney, Secretary

ATTESTED TO:



Chuck Burns, President