

**MINUTES OF A REGULAR MEETING OF THE PINEYWOODS
GROUNDWATER CONSERVATION DISTRICT
HELD ON THE 9th DAY OF April, 2015**

On the 9th day of April, 2015 at 1:39 p.m. at Kurth Lodge in Angelina County, Texas, the Board of Directors of the Pineywoods Groundwater Conservation District convened in a regular meeting at which time the following items were discussed and action possibly taken with the following members thereof, to wit:

Keith Wright	President
Jimmy Mize	Treasurer
Kelley Holcomb	Member
Keith Weathers	Member

being present, and

David Alders	Vice-President
Gloria Montes	Secretary
Ty Thornton	Member

being absent, and

Jackie Risner	General Manager
Cheryl Benke	Administrative Assistant

also present.

1. Call to Order:

With a quorum of board members present, the meeting was called to order at 1:39 p.m. by President Keith Wright and the invocation was given by President Wright.

2. Approval of the minutes of the meeting of January 6, 2015:

The Minutes were reviewed by Board members. A motion was made by Jimmy Mize to approve the minutes, and the motion was seconded by Kelley Holcomb.

The motion passed unanimously.

3. Receive a report from the General Manager concerning the financial position of the District:

Current balance through March 31 was \$37,712.11. A quarterly report to date was presented along with a ledger printout, copies of bills, budget report, Balance Sheet, and A/R report.

4. General Manager's District Report:

1. Pending Completion: We have 11 exempt wells in progress, 3 non-exempt wells in progress, 0 new O&G rig supply wells, and 0 new frac wells registered. We have received 2 new exempt wells and 0 new non-exempt well, 0 new O&G rig supply and 0 frac wells since the last report.

2. Completed Wells:

- Total Exempt wells in database: 868 (417 in Nac. Co., 451 in Ang Co.)
- Total Non-Exempt Ag wells in database: 285 (209 in Nac. Co., 77 Ang. Co.)
- Total Oil & Gas rig supply wells in database: 719 (663 in Nac. Co., 56 in Ang. Co.)
- Total Oil & Gas frac wells in database: 35 (all in Nac. Co.)
- Total Production fee based wells in database: 197 (100- Nac. Co., 97- Ang. Co.)
- Total District wells recorded in database: 2409 (this includes 305 plugged wells)

3. Activities:

No variances granted this month

-Met with Pollok-Redtown Water Supply Board, a very good meeting where I was able to bring the board up to date on many issues and explain the GCD process.

-Participated with the Texas Forest Service at their Forest Awareness Day. Presented 30 minute class on groundwater to 519 4th graders over a four day period. The Angelina Forest Day was also supposed to take place, but was cancelled due to weather conditions. I'm looking forward to doing this one next year.

-Attended a day-long TDLR training on correct water well completion standards, in Rusk County.

-USGS Water Quality Study-They gave me parameters for three wells, 2 in Nacogdoches County and 1 in Angelina County. Searched data base and found appropriate wells. I visited the sites and spoke to well owners and received their commitments to participate. Allen Loggins, Sr. in Angelina County, and Michael Stanaland and Bill Hoppe in Nacogdoches County.

-GMA-11 Update-We are meeting monthly and have sent out requests for RFQ's to consulting and engineering firms to complete a DFC for GMA-11. We also developed a timeline for completion of the DFC to be complete and submitted by May 1, 2016. Prepared a letter going to all County Judges in GMA-11 who are not a part of a GCD asking them to send a representative to represent their interests in the planning process.

- 1 curb well was plugged this month and 6 O&G rig supply wells were plugged.

- Inspected the Caro, Appleby and Melrose production wells to check progress.

- Found one existing well and added to data base.

- Did three site inspections for new wells- all in Angelina County.

- "The Value of Land" program that was a big success in Nacogdoches Co last year will be held on May 8th in Angelina County this year at the Angelina County Extension Office. I will be presenting a session on groundwater.

-- Thank you on behalf of my sister and family for the flowers sent from the PGCD board to the recent funeral of my brother-in-law.

-- Legislative Update

5. Unfinished Business

None.

6. New Business

a. Review and possibly approve 1st Quarter Investment Report.

Jimmy Mize moved to accept the investment report, and Keith Weathers seconded the motion. The motion passed unanimously.

b. Review and possibly approve amendments to 2015 Budget to reflect needed changes in healthcare reimbursement.

Cheryl Benke explained the tax consequences of the Affordable Care Act and the recommendations of our accountant, Diana Haney, on how to handle those related to Jackie Risner's compensation. Jimmy Mize moved that the 2015 budget be amended per our accountant's recommendation to increase Jackie's salary by \$100 per month and discontinue reimbursing him monthly for his health insurance premium. In addition, the motion provided for a one-time payment to Jackie to reimburse him for his tax liability on 2014's 1099 from PGCD, as well as for his tax liability on the healthcare reimbursements made in 2015. Kelley Holcomb seconded the motion, and the motion passed unanimously.

c. Review and possibly approve selection and District's funding for consultants and engineering study for completion of DFCs for GMA-11. Grant authority to act on behalf of the PGCD Board.

After a discussion of the issues related to those counties in GMA-11 not covered by groundwater districts and the potential costs associated with the completion of the DFCs, Kelley Holcomb moved that Keith Wright make the final decision on PGCD's portion of the cost, not to exceed \$10,000.00, for a hydrology study and legal fees for completing the DFCs. If PGCD's portion of the GMA-11's cost is greater than \$10,000.00, PGCD will have a called Board meeting to further discuss the funding. Keith Weathers seconded the motion, and it passed unanimously.

d. Discuss and possibly approve cost share funding for legal representation for GMA-11 during DFC process.

See item 6.c. above for motion including legal fees.

7. Announcement of the date and location of the next meeting of the District Board of Directors:

Keith Wright announced the next meeting will be held on July 9, 2015, at Kurth Lodge, Angelina County, Texas.

8. Adjourn:

The meeting was adjourned by President Wright at 2.45 p.m.

Keith Wright, President

Gloria Montes, Secretary