

**MINUTES OF A REGULAR MEETING OF THE PINEYWOODS
GROUNDWATER CONSERVATION DISTRICT
HELD ON THE 13th DAY OF APRIL, 2016**

On the 13th day of April, 2016 at 1:43 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:

David Alders	Vice-President
Jimmy Mize	Treasurer
Keith Weathers	Member
Kelley Holcomb	Member

being present, and

Keith Wright	President
Gloria Montes	Secretary
John Derrick	Member

being absent, and

Jackie Risner	General Manager
---------------	-----------------

also present.

1. Call to Order:

With a quorum of board members present, the meeting was called to order at 1:43 p.m. by Vice-President David Alders and the invocation was given by David Alders.

2. Open Public Hearing for proposed District Rules Amendment:

David Alders opened the public hearing at 1:43. The General Manager reported no correspondence on the proposed rule change, and no one was in attendance for public comment. The hearing was closed at 1:45 by David Alders, presiding.

3. Approval of the minutes of the meeting of January 7, 2015:

The Minutes were reviewed by Board members. A motion was made by Keith Weathers to approve the minutes, and the motion was seconded by Kelley Holcomb. The motion passed unanimously.

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

Current balance through April 1, 2016 was \$25,333.78. A quarterly report to date was presented along with a ledger printout, copies of bills, budget report, Balance Sheet, and A/R report.

5. General Manager’s District Report:

Pending Completion: We have 12 exempt wells in progress, 0 non-exempt wells in progress, 0 new O&G rig supply well, and 0 new frac wells registered. We have received 4 new exempt wells and 0 new non-exempt wells, 0 new O&G rig supply and 0 frac wells since the last report.

Completed Wells:

- Total Exempt wells in database: 941 (448 in Nac. Co., 493 in Ang Co.)
- Total Non-Exempt Ag wells in database: 284 (210 in Nac. Co., 74 Ang. Co.)
- Total Oil & Gas rig supply wells in database: 575 (521 in Nac. Co., 54 in Ang. Co.)
- Total Oil & Gas frac wells in database: 28 (all in Nac. Co.)
- Total Production fee based wells in database: 200 (103- Nac. Co., 97- Ang. Co.)
- Total District wells recorded in database: 2500 (this includes 472 plugged wells)

Activities:

No variances granted this month

- The week long Forest Awareness Tour scheduled in March was cancelled due to weather
- Met with Representative Clardy this month, had very productive meeting on issues
- The GMA-11 had a meeting on March 22. The next GMA-11 meeting is April 28, 2016
- Spent a lot of effort on DFC process and Rig Supply well issues
- GM was off several days due to family sickness issues this month
- Report on Michael Fleetwood situation
- New well inspections conducted:

Nacogdoches County

Exempt
Bryan Glymph

Angelina County

Exempt
Johnny Bedford
Michael Jackson
Lenn Reynolds

6. Unfinished Business

None.

7. New Business

a. Discuss and possibly adopt Proposed District Rules Amendment.

Jimmy Mize moved to change Rule 4 on Page 11 of the PGCD rules to increase rate per 1,000 gallons from 2 cents to 2.5 cents effective on

October 1, 2016. Keith Weathers seconded the motion, and the motion passed unanimously.

b. Presentation by Bill Hutchison on DFC process.

c. Discuss and possibly set District's preliminary DFC.

Jimmy Mize moved to accept proposed DFC's in the "GMA-11 Technical Memorandum 16-02 Draft 2" (attached to these minutes) as submitted for the District, and to approve the General Manager to thus support the Memorandum at the April 28, 2016 GMA-11 meeting. Kelley Holcomb seconded the motion, and it was approved.

d. Review and take action on 1st quarter investment report.

Jimmy Mize moved that the investment report be approved, and Keith Weathers seconded his motion. The motion was approved unanimously.

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

David Alders announced the next meeting will be held on July 13, 2016, at 1:30 at Kurth Lodge, Angelina County, Texas.

8. Adjourn:

The meeting was adjourned by David Alders at 3:08 p.m.

Keith Wright, President

Gloria Montes, Secretary