

**MINUTES OF A REGULAR MEETING OF THE PINEYWOODS
GROUNDWATER CONSERVATION DISTRICT
HELD ON THE 7th DAY OF December, 2017**

On the 7th day of December, 2017 at 1:46 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
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also present.

1. Call to Order:

With a quorum of Board members present, the meeting was called to order at 1:46 p.m. by Vice-President David Alders, and David Alders also gave the invocation.

2. Approval of the minutes of the meeting of October 19, 2017:

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.

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

Current balance through September 30 was \$26,224.95. A quarterly report to date was presented along with a ledger printout, copies of bills,

budget report, Balance Sheet, and A/R report. Accounts that were past due were discussed.

4. General Manager's District Report:

1. Pending Completion: We have 4 exempt wells in progress, 0 non-exempt well in progress, 0 O&G rig supply wells, and 0 frac wells registered. We have received 3 new exempt well and 0 new non-exempt well, 1 new O&G rig supply and 0 frac wells since the last report.
2. Completed Wells:
 - Total Exempt wells in database: 1034 (484 in Nac. Co., 550 in Ang Co.)
 - Total Non-Exempt Ag wells in database: 287 (211 in Nac. Co., 76 Ang. Co.)
 - Total Oil & Gas rig supply wells in database: 525 (480 in Nac. Co., 45 in Ang. Co.)
 - Total Oil & Gas frac wells in database: 26 (all in Nac. Co.)
 - Total Production fee based wells in database: 199 (102- Nac. Co., 97- Ang. Co.)
 - Total District wells recorded in database: 2619 (this includes 548 plugged wells)
3. Activities:
 - No variances granted this month.
 - Prepare and distribute news release and newsletter
 - 7 rig supply wells plugged
 - Present program at Ag in the Classroom - 530 4th graders
 - Made adjustment to employee health insurance policy
 - Conducted Staff evaluation
 - Chireno area land farming permit update
 - TAGD Mobile Leadership Training- Oct 26th Conroe, Texas
 - Researching Interlocal Agreement and Resolution to join cooperative purchasing network
 - Renewed Memorandum of Understanding with City of Nacogdoches for office space

 - New well inspections conducted:

Nacogdoches County

Exempt

Noel Huethers

Angelina County

Exempt

Dusty Means

Martha Huffman

Rig Supply

BP America

5. Unfinished Business

None.

6. New Business

- a. **Set permit levels for City of Nacogdoches wells #13, 14, 16.**

Jackie Risner explained the status of the three wells and recommended that the permit levels be set at 20 million gallons per year. Kelley Holcomb moved that the permit levels be set to 20 million gallons, and Jimmy Mize seconded the motion. The motion was unanimously approved.

b. Consider TWCARMF staff and Directors additional liability coverage.

Jackie Risner reviewed TWCARMF's proposed additional coverage for "legal defense for breach of contract" and for "punitive damages." The Board also discussed the possibility of adding other liability coverage in the future. Jimmy Mize moved that the District add these two additional liability coverages, and Keith Weathers seconded the motion. The motion was unanimously approved.

c. Approve 2018 Budget.

Jimmy Mize presented the proposed 2018 Budget that the Budget Committee recommended, and he moved that the committee's recommended budget be approved with the addition of \$323 to the Liability Insurance expenses and \$323 to Production Income. Keith Weathers seconded the motion, and it was approved unanimously.

d. Consider use of refund of DFC consultation fee.

Kelley Holcomb moved that the \$1,460.14 refund from GMA-11 for unused DFC consultation fees be given to Rusk GCD to help cover legal fees incurred during the DFC process. Jimmy Mize seconded the motion, and it 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 April 4, 2018, at 1:30 at Kurth Lodge, Angelina County, Texas.

8. Adjourn:

The meeting was adjourned by Vice-President Alders at 2:40 p.m.

Keith Wright, President

Gloria Montes, Secretary