

**MINUTES OF A REGULAR MEETING OF THE PINEYWOODS
GROUNDWATER CONSERVATION DISTRICT
HELD ON THE 8th DAY OF DECEMBER, 2016**

On the 8th day of December, 2016 at 1:37 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
David Alders	Vice-President
Gloria Montes	Secretary
Kelley Holcomb	Member

being present, and

Jimmy Mize	Treasurer
Keith Weathers	Member
John Derrick	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 1:37 p.m. by President Keith Wright, and the invocation was given by David Alders.

2. Approval of the minutes of the meeting of October 13, 2016:

The Minutes were reviewed by Board members. A motion was made by David Alders 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 November 30, 2016 was \$20,174.26. 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, and it was recommended that letters be written to Board presidents of those entities that are habitually late.

4. General Manager's District Report:

1. Pending Completion: We have 9 exempt wells in progress, 4 non-exempt wells in progress, 0 new O&G rig supply wells, and 0 new frac wells registered. We have received 10 new exempt wells and 4 new non-exempt wells, 0 new O&G rig supply and 0 frac wells since the last report.

2. Completed Wells:

- Total Exempt wells in database: 993 (470 in Nac. Co., 523 in Ang Co.)
- Total Non-Exempt Ag wells in database: 284 (208 in Nac. Co., 76 Ang. Co.)
- Total Oil & Gas rig supply wells in database: 525 (483 in Nac. Co., 42 in Ang. Co.)
- Total Oil & Gas frac wells in database: 25 (all in Nac. Co.)
- Total Production fee based wells in database: 199 (102- Nac. Co., 97- Ang. Co.)
- Total District wells recorded in database: 2558 (this includes 532 plugged wells)

3. Activities:

- No variances granted this month
- A GMA-11 meeting was held Nov 9 to review the Explanatory Report for DFC's
- January 11, 2017 a GMA-11 meeting is scheduled to approve the draft Explanatory Report
- The staff prepared a draft budget proposal and met with the Budget Committee on Nov 3rd
- Preparing news release and newsletter
- GM took leave Nov 14-18 and Nov 21
- Preparing Annual Report and Annual Static Levels Report for 2016
- Rig supply wells plugged this month-0
- New well inspections conducted:

Nacogdoches County

Exempt

Charles Blansett
Corman Oil and Ranch
Charles Page

Non Exempt

Ricky Lout

Angelina County

Exempt

Jay Selle
Norfleet Henderson
Paige Merchant
Terence Hopkins
Jim Watkins
Bob Echols
Hulen Squyres

5. Unfinished Business

None.

6. New Business

a. Conduct an annual review of the District's Investment Policy.

The Investment Policy was reviewed by the members present, and Jackie Risner recommended that we keep the same policy. Kelley Holcomb moved that the current policy be approved with no changes. Gloria Montes seconded the motion, and it passed unanimously.

b. Discuss and possibly adopt the 2017 PGCD Budget.

Kelley Holcomb moved that the budget be approved as amended, and David Alders seconded his motion. The motion was approved unanimously.

c. Discuss Explanatory Report on DFC's.

Jackie Risner advised the Board that Draft #4 of the Explanatory Report is currently on our website and will probably be the last draft. The GMA 11 will meet on January 11, 2017, to potentially approve it. He also stated that each of the GCD's in GMA 11 will be reimbursed for some of the fees we paid for consulting.

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 April 6, 2017, at 1:30 at Kurth Lodge, Angelina County, Texas.

8. Adjourn:

The meeting was adjourned by President Wright at 2:11 p.m.

Keith Wright, President

Gloria Montes, Secretary