

**MINUTES OF A REGULAR MEETING OF THE PINEYWOODS  
GROUNDWATER CONSERVATION DISTRICT  
HELD ON THE 13<sup>TH</sup> DAY OF JANUARY 2010**

On the 13<sup>th</sup> day of January, 2011 at 2:00 p.m. in the Nacogdoches City Commission Chambers, Room 119, in the Nacogdoches City Hall at 202 E. Pilar Street, Nacogdoches, 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 there of, to wit:

Keith Wright	President
Gloria Montes	Secretary
Kelley Holcomb	Member
Jimmy Mize	Member

being present, and

David Alders	Vice President
Keith Weathers	Treasurer/Finance Officer
Pat Miller	Member

being absent, and

David Alford	General Manager
Lynn Thomas	Administrative Assistant

also present.

**1. Call to Order:**

With a quorum of board members present, the meeting was called to order at 2:09 p.m. and the invocation was given by President Keith Wright.

**2. Approval of the minutes of the meeting of December 9, 2010:**

After board review a motion was made to approve the minutes by Jimmy Mize and seconded by Gloria Montes.

The motion passed unanimously.

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

Current ledger balance through January 11, 2011 is \$25,105.63. A quarterly report to date was reviewed along with a ledger printout, copies of bills, budget report, and A/R report. The board reviewed and discussed the financials of the District.

#### **4. General Manager's Report**

1. **Pending Completion:** We have 8 exempt wells in progress, 4 non-exempt well in progress, 4 new O&G rig supply wells, and 2 new oil & gas frac wells registered. I have inspected 5 new exempt well and 1 new non-exempt well since the last meeting.

##### **Completed Wells:**

- **Total Exempt wells in database: 523[250- Nacogdoches Co., 273- Angelina Co.]**
  - **Total Non-Exempt Ag wells in database: 185 [138- Nacogdoches Co., 47 Angelina Co.]**
  - **Total Oil & Gas supply wells in database: 747[695- Nacogdoches Co. (48 Frac wells), 52- Angelina Co.]**
  - **Total Production fee based wells in database: 177**
  - **Total District wells recorded in databases: 1807** [this includes 175 plugged wells]
2. GMA-11 representatives met January 12, 2011 and discussed the exempt usage presented by the TWDB.
  3. Monty Pipes was in the office January 5 & 6, 2011 working on our annual audit. We should have the report by the next meeting in February.
  4. Open Records Request.

#### **5. Unfinished Business**

None

#### **6. New Business**

##### **a. Open Public Hearing for comments to amend the District's rules.**

President Keith Wright opened the meeting to the public at 2:24 pm, at which time the public was invited to comment. No public comment was made, thus the meeting closed at 2:30 pm.

##### **b. Discuss and possibly take action to amend the District's rules.**

A motion for was made by Jimmy Mize and seconded by Kelley Holcomb to amend the District's rules, as proposed, (attachment A).

The motion passed unanimously.

##### **c. Reconcile 2010 Budget.**

A motion was made by Kelley Holcomb and seconded by Jimmy Mize to reconcile the budget for fiscal year 2010.

The motion passed unanimously

**d. Annual Management Plan report.**

The General Manager delivered the annual Management Plan report to the Board. A motion was made by Gloria Montes and seconded by Jimmy Mize to approve the report.

The motion passed unanimously.

**e. Elect Officers for 2011.**

A motion was made by Jimmy Mize and seconded by Kelley Holcomb to keep the same Officers in place as the previous year.

Keith Wright – President, David Alders, Vice-President, Keith Weathers-Treasurer, Gloria Montes-Secretary.

The motion passed unanimously.

**f. Quarterly Investment Report – Financial Officer.**

The General Manager reviewed the investments of the District in the absence of the Treasurer.

No action taken.

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

President Keith Wright announced the next meeting date and time to be February 17, 2011 at 2:00 pm, at Kurth Lodge, Angelina County.

**8. Adjourn:**

The meeting was adjourned by the President, Keith Wright at 2:45 p.m.

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Keith Wright, President

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Gloria Montes, Secretary

## Attachment A:

### PGCD Proposed Rule Changes

January, 2011

(additions)

- 1.1 (y)** "Open Loop Geothermal Well" – Groundwater drawn from an aquifer through one well, passed through the heat pump's heat exchanger, and discharged to the same aquifer through a second well at a distance from the first.
- 1.1 (z)** "Closed Loop Geothermal Well"- TDLR Chapter 76.10 (10), "A vertical closed system well used to circulate water, and other fluids or gases through the earth as a heat source or heat sink".
- 1.1 (aa)** "Brackish, Salt or Brine water" – water with a chloride concentration greater than 300 ppm (30 TAC §290.105(b)).
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**3.9** Except as provided below, a permit is not required for a Monitor Well or a Remediation Well. A copy of the Driller's Report must be filed with the District within ~~(30)~~ (60) sixty days. If the use of Monitor Well or Remediation Well is changed to produce non-contaminated water, it then becomes subject to the permitting or registration requirements of these Rules depending upon use and volume. (amendment)

**3.10** **GEOHERMAL LOOPS** (addition)

- (a) Application and fee must be submitted to the Pinewoods Groundwater Conservation District (PGCD) office for approval. The District will charge a one-time administrative fee of \$50 for the drilling application for the borehole and /or a series of boreholes. A drilling log shall be filed with the State of Texas and PGCD. A file will be maintained in the PGCD district offices of the drilling and equipping.
- (b) The closed loop geothermal system shall be designed and installed by a licensed installer. The design shall be submitted to PGCD prior to inspection. The installer shall notify the district prior to installation.
- (c) A licensed water well driller shall drill the boreholes. The driller shall notify the district prior to drilling.
- (d) A district representative shall be allowed on the property to inspect the drilling of the borehole, installation and sealing of the closed loop piping, if the district determines it is necessary.
- (e) Construction of the borehole will follow TDLR regulation described in Technical Standards Chapter 76.1000 (b) (5) of the TDLR rules: "The annular space of a closed

loop geothermal well used to circulate water or other fluids shall be backfilled to the total depth with impervious bentonite or similar material, closed loop injection well where there is no water or only one zone of water is encountered you may use sand, gravel or drill cuttings to back fill up to ten (10) feet from the surface. The top ten (10) feet shall be filled with impervious bentonite or similar materials and meets the standards pursuant to Texas Commission on Environmental Quality 30 TAC, Chapter 331.”

- (f) Spacing: Any borehole shall be located a minimum horizontal distance of fifty (50) feet from any watertight sewage and liquid-waste collection facility, and a minimum horizontal distance of fifty (50) feet from the nearest property line.
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**3.11** An open loop geothermal well system is prohibited within the Pineywoods Groundwater Conservation District. (addition)

**RULE 4 – FEES AND REPORTS** (amendment)

In accordance with HB 2572 and Section 36.205 of the Texas Water Code, the Board adopts a production fee of \$0.02 per 1000 gallons for all nonexempt wells except wells used for Domestic use or providing water to livestock or poultry which are not capable of producing more than 100,000 gallons per day. The fee is payable on water produced on or after April 1, 2002. Operators of nonexempt wells shall provide payment to the District each quarter. Payment shall be due within thirty (30) days of the last day of March, June, September, and December with their quarterly reports. Operators shall provide monthly or quarterly production records to document payment amount. The payment shall be accompanied by the report form specified by the Board or made when an invoice is received from the District.

**5.4** (amendment)

- e) Notice of any application to the ~~Texas Natural Resource Conservation Commission~~ responsible State Agency to obtain or modify a Certificate of Convenience and Necessity to provide water or wastewater service with water obtained pursuant to the requested permit;

**6.0** (addition)

- d) All completed well reports shall include the gallons per minute (gpm) from a pump test completed on the well, as equipped, before an operating permit will be issued. If a pump is not installed and the well is capped, no permit shall be issued until the pumping capacity can be determined when a pump is installed.