

**MINUTES OF A REGULAR MEETING OF THE PINEYWOODS  
GROUNDWATER CONSERVATION DISTRICT  
HELD ON THE 12<sup>th</sup> DAY OF FEBRUARY, 2009**

On the 12<sup>th</sup> day of February, 2009 at 3:00 p.m. at the City of Lufkin, Room 102, Lufkin City Hall, Lufkin, 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:

David Alders	Vice-President
Keith Weathers	Treasurer/Finance Officer
Gloria Montes	Secretary
Jimmy Mize	Member
Kelley Holcomb	Member
Pat Miller	Member

being present, and

Keith Wright	President
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being absent, and

David Alford	General Manager
Lynn Thomas	Administrative Assistant
Tim Karczewski	Attorney

also present.

**1. Call to Order:**

With a quorum of board members present, the meeting was called to order at 3:05 p.m. by Vice-President David Alders and the invocation was given by Mr. Alders.

**2. Approval of the minutes of the meeting of January 8, 2009:**

The Minutes were reviewed by Board members, and a motion was made to approve the minutes by Keith Weathers and seconded by Jimmy Mize.

The motion passed unanimously.

Vice-President David Alders requested that item 8d be moved to item 3, allowing Steve Smithers case to be heard first. The remaining items under New Business followed.

## **8. New Business**

### **d. Discuss and possibly take action to review and apply penalties to wells drilled by Steve Smithers that were not reported to the District prior to drilling.**

Attorney Tim Karczewski briefly explained the case to the Board at which time Vice-President Alders invited Driller Steve Smithers to make comment. Mr. Smithers made comment as to why he had not registered the wells, citing various reasons. Vice-President Alders invited Mr. Smithers to stay for the penalty phase, but Mr. Smithers declined and left the meeting. The Board reviewed the case and a motion was made by Keith Weathers and seconded by Pat Miller requesting the attorney to negotiate a settlement of the fines not to exceed one half the total penalty of \$10,790 if paid within 45 days or on a one year payout schedule of \$500 per month.

The motion passed unanimously

### **e. Discuss and possibly take action to pass a resolution for extending the deadline that the Desired Future Conditions for the GMA is due to the TWDB.**

The Board discussed the resolution that Attorney Tim Karczewski had drafted for a resolution in support of legislation extending the deadline of September 1, 2010, for the desired future conditions. A motion was made by Jimmy Mize and seconded by Keith Weathers in support of the legislation (Attachment A).

The motion passed unanimously.

### **a. Discuss and possibly take action to appoint Tim Karczewski the attorney for the District.**

The Board discussed the appointment and requested that a formal letter of engagement between the District and Tim Karczewski be administered. A motion was made to accept the appointment subject to the letter of engagement by Kelley Holcomb and seconded by Gloria Montes.

The motion passed unanimously

### **b. Present and discuss draft Rule changes with Tim Karczewski.**

The Board discussed adopting a rule change for minimum production of wells as outlined in the rule change drafts by Attorney Tim Karczewski. A motion was made by Jimmy Mize and seconded by Pat Miller to adopt a

rule change that will allow exception to production fees if the annual production was less than 1,250,000 gallons per year. Quarterly reports would still be required (Attachment B).

The motion passed unanimously.

**c. Discuss and possibly take action concerning any violations of the rules and deficiencies of any constituent water supply entity and enforcement options.**

No action was taken.

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

Current balance through February 11, 2009 is \$48,072.16. 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. A request was made by Vice-President Alders to get certificate of deposit quotes from local banking institutions so that the district can purchase additional CD's.

**4. Finance Officer's investment report:**

The Board discussed the investments of the District.

**5. Provide for the payment of any outstanding bills:**

No bills requiring approval were presented.

**6. General Manager's Report**

- 1. Pending Completion:** We have 5 exempt wells in progress, 8 non-exempt wells in progress and 10 new O&G rig supply wells registered. I have inspected 2 new exempt wells and 1 new non-exempt well since the last meeting.

**Completed Wells:**

- **Total Exempt wells in database: 428[195- Nacogdoches Co., 233 - Angelina Co.]**
- **Total Non-Exempt Ag wells in database: 168 [124- Nacogdoches Co., 44 Angelina Co.]**
- **Total Oil & Gas supply wells in database: 606[558- Nacogdoches Co., 48- Angelina Co.]**
- **Total Production fee based utilities in database: 178**
- **Total District wells recorded in databases: 1444 [this includes 64 plugged wells]**

2. I presented a PowerPoint talk at the Geographic Conference hosted by the Columbia Center on mapping uses and issues by groundwater conservation districts.
3. We have registered the Oaths of Office for the new members with the Secretary of State.
4. I attended the RWS meeting at Melrose and answered questions on February 2<sup>nd</sup>.
5. I attended the TAGD meeting in Austin January 27 – 28.
6. I believe we should look into a change in our enabling legislation to change the oil and gas rig supply exemptions. This is being looked into by other districts.
7. I have been appointed to the Nacogdoches County Historical Commission.
8. Filed a public information request with the Political Science Department at Texas State University that requested our budgets for 2006 through 2008 and rules violations for those periods also.
9. I followed up on a complaint of sewer running over a well site.
10. We are processing 34 more permit renewals.

## **7. Unfinished Business**

No unfinished business.

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

Vice-President David Alders announced the next regular scheduled meeting will be on Thursday, March 12, 2009 at 3:00 p.m., Nacogdoches City Hall - Nacogdoches, Texas.

## **10. Adjourn:**

The meeting was adjourned by Vice-President David Alders at 4:55 p.m.

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Keith Wright, President

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Gloria Montes, Secretary

**Attachment A**

**RESOLUTION OF  
THE BOARD OF DIRECTORS  
OF THE  
PINEYWOODS GROUNDWATER CONSERVATION DISTRICT**

To: Texas State Senator, Robert Nichols  
To: Texas State Representative, Wayne Christian  
To: Texas State Representative, Jim McReynolds

Pursuant to House Bill 1763 as passed during the 79<sup>th</sup> session of the Texas Legislature, the Pineywoods Groundwater Conservation District, as well as all other groundwater districts within the state, are required to establish Desired Future Conditions for the various aquifers within their respective jurisdictions by September 1, 2010.

**WHEREAS**, the Texas Water Development Board will use the Desired Future Conditions as established by the various groundwater district, to determine how much Managed Available Groundwater there is in each of the geographic regions of the state.

**WHEREAS**, the determination of Desired Future Conditions is extremely important to the natural resources of the state of Texas and its various geographic regions.

**WHEREAS**, the determination of Desired Future Conditions is extremely important to the economy of the state of Texas and its various geographic regions.

**WHEREAS**, the determination of Desired Future Conditions is extremely complicated from a scientific perspective.

**WHEREAS**, the determination of Desired Future Conditions is extremely burdensome to the Pineywoods Groundwater Conservation District from a financial perspective.

**BE IT RESOLVED THAT**, due to the great importance of the determination of Desired Future Conditions to the state of Texas, we the Board of Directors of the Pineywoods Groundwater Conservation, request that you support any legislation that might be introduced during the 81<sup>st</sup> Legislative session that would extend the deadline for the establishment of Desired Future Conditions beyond the September 1, 2010.

Approved by a majority vote on this the 12<sup>th</sup> day of February, 2009.

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Board President

Attest: \_\_\_\_\_  
Secretary

## **Attachment B**

### Deminimis Production Wells

- 4.5 Owners of wells subject to the productions fees described above are excepted from paying production fees if the annual production from the well is less than 1,250,000 gallons per year. Owners of wells excepted from paying production fee under this provision must still report production from the well quarterly; such reports must include all production for the previous 3 calendar months and be received by the District within 30 days of the last day of the end of each quarter of the calendar year.