

**MINUTES OF A REGULAR MEETING OF THE PINEYWOODS
GROUNDWATER CONSERVATION DISTRICT
HELD ON THE 13th DAY OF JUNE, 2013**

On the 13th day of June 2013 at 2:00 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
Gloria Montes	Secretary
Keith Weathers	Finance Officer
Jimmy Mize	Treasurer
Kelley Holcomb	Member

being present, and

Keith Wright	President
Ty Thornton	Member

being absent, and

Jackie Risner	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 2:10 p.m. by Vice-President Alders and the invocation was given by Vice-President Alders.

2. Approval of the minutes of the meeting of April 19, 2013:

The Minutes were reviewed by Board members and approved by general consent.

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

Current balance through June 10, 2013 is \$72,198.38. A quarterly report to date was presented along with a ledger printout, copies of bills, budget report, and A/R report. The Board also discussed the past due balance for the Aspen Power Plant. It was noted that the undue balance of \$553.74 should be sent to the bankruptcy court for collection.

4. General Manager's District Report:

- 1. Pending Completion:** We have 18 exempt wells in progress, 9 non-exempt well in progress, 0 new O&G rig supply wells, and 0 new O&G frac well registered. I have inspected 32 new exempt wells and 8 new non-exempt wells (0 frac well) since the last meeting.

Completed Wells:

- **Total Exempt wells in database: 722 [334- Nac. Co., 360- Ang. Co.]**
- **Total Non-Exempt Ag wells in database: 272 [200 Nac. Co., 69Ang. Co.]**
- **Total Oil & Gas rig supply wells in database: 728 [677 Nac. Co., 53 Ang.Co.]**
- **Total Oil & Gas frac wells in database: 43 [all in Nac. Co.]**
- **Total Production fee based wells in database: 194 [98 -Nac. Co., 95 –Ang. Co.]**
- **Total District wells recorded in databases: 2241** [this includes 282 plugged wells]

Activities

- Office activities, make changes to computer system, review files etc
- Spend two days with David Alford- 1 in office, 1 in field training
- Update on Carl Dyes well situation
- Made contact with Poultry Live Production Managers at Pilgrims and Tyson
- Did TV story on KTRE on well issues
- Submit bid requests for district truck to 7 local dealers and 3 buyboard dealers
- Attended TAGD quarterly meeting- Legislative update in Austin May 28-30
- Attended 6 hr Public Funds Investment Act Training
- Met some drillers and county officials
- Met with Ag agents Jamie Sugg and Cary Sims on cooperative efforts
- Financial audit conducted June 6-7

- State audit notice to be conducted soon
- New 5 yr Management Plan due end of 2013

5. Unfinished Business

None.

6. New Business

a. Discuss and possibly take action on new vehicle bids.

After much discussion on vehicle options, Jimmy Mize made a motion to accept the low bid from Gound Chevrolet for the Chevrolet Silverado at a maximum price (all inclusive) of \$24,487.10, to be paid in full from PGCD cash balances. Kelley Holcomb seconded the motion.

The motion passed unanimously.

b. Approve Management Plan Goals and Achievements Annual Report for 2012.

Kelley Holcomb made a motion to approve the Annual Report for 2012 (attached), which was seconded by Jimmy Mize.

The motion passed unanimously.

c. Discuss and approve Quarterly Financial and Investment Report.

The Board reviewed the current investments and Kelley Holcomb asked that the new General Manager review the financial policies and revise the investment report which he feels does not meet standards. Keith Weathers made a motion to approve the report and Gloria Montes seconded the motion.

The motion passed unanimously.

d. Discuss and possibly take action on phone reimbursement for Jackie.

The Board asked that the item be tabled until the next meeting so that there would be a cell phone statement detailing the charges being reimbursed.

The item was tabled.

e. Discuss and possibly take action on new investment plan.

The General Manager presented the Board of Directors a financial investment plan from Wells Fargo. The Board discussed the options and decided not to enter a plan at this time.

No action was taken

f. Discuss and take action on updating bank account authorizations/access.

Jimmy Mize made a motion that would allow Jackie Risner to have informational access to both First Bank and Trust operational account and Texas Bank for the CDs/investment accounts. The Board also authorized the following Board members for signatory authorizations at both banks.

President Keith Wright
Vice-President David Alders
Secretary Gloria Montes
Treasurer Jimmy Mize

The motion was seconded by Kelley Holcomb.

The motion passed unanimously.

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

Vice-President Alders announced the next meeting will be held on August 8, 2013, 2:00 pm, at Kurth Lodge, Angelina County, Texas.

8. Adjourn:

The meeting was adjourned by Vice-President Alders at 4:00 pm.

Keith Wright, President

Gloria Montes, Secretary

**Pineywoods Groundwater Conservation District
Goals and Achievements
Annual Report
2012**

Administrative

Goal: It is the Goal of the District that its activities be consistent with sound business practices; that the interest of the public shall always be considered in conducting District business; that impropriety or the appearance of impropriety shall be avoided to ensure and maintain public confidence in the District; and that the Board shall control and manage the affairs of the District lawfully, fairly, impartially, and in accordance with the stated purposes of the District.

Objective: Adopt rules, regulations, policies, and procedures as needed and insure that the Management and staff have a clear understanding of their duties in accordance with the administrative goals of the District.

Performance Standard: Annually verify that the Administrative duties as set forth are carried out as stated.

Date(s) Accomplished: December 26, 2012

Comments:

It is management's determination that the District has managed its affairs lawfully, fairly and impartially.

Collection of Data

Goal: Provide prompt and timely processing of all applications for water well permits.

Objective: Complete administrative review process, including staff review and schedule for Board consideration within 30 to 60 days of application date.

Performance Standard: Annually compare all water well permit applications with the Board Meeting Minutes to determine if they were considered by the Board within 60 days of application date, provided they were administratively complete and had been recommended for approval.

Date(s) Accomplished: December 26, 2012

Comments:

All applications were processed in less than 30 days after they were administratively complete.

Well Log and Registration

Goal: Maintain a well completion/equipment information database to include each permitted well completed.

Objective: Review Well Log and Registration information for accuracy and enter information into databases within 30 working days of receipt.

Date(s) Accomplished: December 26, 2012

Comments:

All databases are up to date and new data was added within 30 days or less.

Water Level Observation Wells

Goal: Maintain the most accurate and representative database of water level elevation information possible within the equipment, staff and financial capabilities of the District.

Objective: Annually obtain a static water level measurement from at least eighty percent of the wells, review static water level tabulations for accuracy (visit observation wells if necessary to resolve any inaccuracy) and enter observation well tabulations in the water level database.

Performance Standard: Annually compare the number of water level observation well measurements obtained, tabulated, and entered into the database with the total number of water level observation wells.

Date(s) Accomplished: December 26, 2012

Comments:

All static levels received from water supply entities were reviewed, compared and graphed. Water levels from the TWDB databases are also reviewed and compared with the previous year.

Use of Water Quantity Data

Goal: Provide accurate and timely depletion information of the District.

Objective: Prepare necessary information by December 31 each year.

Performance Standard: Annually review data for completeness.

Date(s) Accomplished: December 26, 2012

Comments:

We began collecting data in 2004. GAM runs were developed for the District in 2004, 2006, 2007 and 2010. A review of the TWDB on-line data is reviewed periodically to insure that the most up to date information is available.

Information Reports

Goal: Develop readily available up-to-date water quantity reports for the general public.

Objective: Update current water quantity reports within thirty days after new data is tabulated.

Performance Standard: Annually check to see if water quantity reports are updated and are readily available to the general public.

Date(s) Accomplished: December 26, 2012

Comments:

All current data is reported in the quarterly newsletters. The newsletters are posted on the District website for all interested persons and mailed to all people interested in receiving it. The District website links to the TWDB

website where current data is stored for all areas of the State.

Responding to Other Requests

Goal: Respond to all requests for information.

Objective: Within 10 days from the time a specific request is made, provide the requested information or provide an estimate of time needed to develop the information.

Performance Standard: Annually compare date of request with date information or estimate of time to develop information is provided.

Date(s) Accomplished: December 27, 2012

Comments:

All requests for information were reviewed and a response was given in 10 days or less. Most of the requests for information had responses the same day.

Collection of Water Quality Data

Goal: Maintain a water quality observation well network to provide adequate information to determine any change in the water quality within the District and seek remedial or corrective action if warranted. To have a representative sampling of the counties in the District.

Objective: 1) Collect and enter results in the District water quality database of the water quality observation wells annually. 2) Annually review current water well analysis with previous analyses to determine any significant change, make additional field visits to all wells which indicate a significant change, prepare a remediation plan for wells if a source of contamination is identified and present it to the Board for consideration.

Performance Standard: 1) Annually check the number of water quality well samples collected, analyzed, verified, and entered in the database. 2) Annually determine if any significant change was detected from comparison of analyses from current year to previous years' analysis. A) If changes were observed, check the report and remediation proposal. B) If proposal was presented to Board, review action taken.

Date(s) Accomplished: December 27, 2012

Comments:

The TWDB well databases for the District are reviewed annually along with new wells registered with the District. We compare the data and review it for changes in quality. There were no significant changes noted from the previous year.

Management and Protection of the Groundwater Supply

Goals: Enforce the Rules of the District to conserve and protect the quantity and quality of the resource to the best of the District's ability through the powers and duties provided in Chapter 36 of the Texas Water Code.

Objective: Ensure that all rules of the District are enforced fairly and equitably with the District, through the use of hearings before the Board of Directors and/or any other measures available to the District in rendering a decision if a dispute arises in regard to rules, procedures, policies, services, and any other activity of carrying out the purpose of the District.

Performance Standard: Annually review the Minutes of Board Meetings to determine if decisions in regard to the enforcement of, or exceptions to, the Rules of the District were rendered in accordance with the

provisions of the Rules of the District and Chapter 36 of the Texas Water Code.

Date(s) Accomplished: December 27, 2012

Comments:

Enforcement action was taken and penalties applied against several drilling companies, oil companies and other entities during the year to enforce the District's rules and for protection of the groundwater supply. All actions were in accordance with the provisions of the Rules of the District and Chapter 36 of the Texas Water Code.

Groundwater Quality Protection Measures

Goals: Take appropriate action within the powers of the District to protect the quality of the groundwater, and keep the public educated to help prevent contamination.

Objective: Maintain a constant awareness of activities which may be or become a threat to the quality of groundwater and be prepared to adopt rules, resolutions, orders and/or directives to address the issue.

Performance Standard: Annually review the Minutes of Board Meetings to determine if all quality issues considered by the Board were addressed.

Date(s) Accomplished: December 27, 2012

Comments:

A constant review of all well reports and rig supply well reports is conducted in order to maintain a constant awareness of field operations in drilling of water wells. All water quality issues within the District's ability were addressed accordingly.

Waste

Goals: To prevent the waste of groundwater in the District and promote its efficient use in order to maintain ample water supplies for the future.

Objective: Determine waste as defined in the Rules of the District and the Water Code and respond to reports of waste within 4 days.

Performance Standard: Annually review all reported sources of waste, and if corrective actions were taken when warranted.

Date(s) Accomplished: December 27, 2012

Comments:

There were no reports of waste reported to the District in 2012.

Drought Conditions

Goals: The District will prevent any waste of groundwater by any public or private source by promoting the most efficient use of groundwater during drought conditions whether the conditions are mild, moderate or severe.

Objective: The District shall call for the most efficient use of groundwater by all users in the District. To maintain sufficient groundwater aquifer resources during periods of drought and for future resources by preventing waste and by regulation of users, if necessary, to prevent depletion of the aquifers. To work closely with

groundwater users and provide assistance where it is possible to control customer usage as is outlined in their Drought Contingency Plans.

Performance Standard: Annually review the Texas Palmer Drought Index and the Texas Drought Preparedness Report, and monitor production figures quarterly. Report to the Board of Directors any recommendations and make necessary changes, as needed.

Date(s) Accomplished: December 27, 2012

Comments:

The Texas Palmer Drought Index was reviewed periodically during the year along with quarterly production reports. The district monitors all users for implementation of drought planning. There were no changes recommended in 2012.

Desired Future Conditions

Goals: To conserve and manage groundwater resources in order to provide sufficient water resources for domestic, industrial and public water supply use to meet the needs of the future.

Management Objective: The District will issue permits with annual pumping limits and will maintain a database to limit the total annual withdrawal by permit to be representative of the Modeled Available Groundwater (MAG) volume without restricting industrial or domestic growth.

Performance Standard: The District will frequently monitor the total permitted allowances to determine if the permitted volume is within or representative of the Modeled Available Groundwater allowable.

Date(s) Accomplished: December 28, 2012

Comments:

All permits issued were added to the database and tabulated with the existing permits. The total volume permitted is well under the MAG. There is an ample amount of permitted groundwater available in the District for industrial expansion and population growth.

Water Conservation Programs

Goals: Prevent unnecessary waste of the groundwater and encourage conservation.

Objective: Maintain a constant review of all projects to ensure that they are using the best available technology. Publish a newsletter at least quarterly and include some educational information to promote conservation. Provide public education at any opportunity to promote conservation.

Performance Standard: Annually review all projects to determine if they are using the best available technology and if educational materials are benefiting the conservation program.

Date(s) Accomplished: December 28, 2012

Comments:

Newsletters are published periodically with conservation and waste prevention information included. Conservation pamphlets are available through the District office. Conservation information is mailed to new well owners. Conservation book covers are provided for the local schools each year for students.

Information

Goals: Provide current information to the residents of the District about water conservation and waste prevention.

Objective: Publish current information and/or reports in the newsletter and other local news media as they become available.

Performance Standard: Annually verify that each edition of the newsletter contains current information and/or reports about water conservation and waste prevention.

Date(s) Accomplished: December 28, 2012

Comments:

Each newsletter had current information about water conservation and waste prevention. Information brochures and papers are available upon request and are issued to well owners when needed. The District's website has links to information sites and other water links for kids and information.

Education

Goals: Inform people within the District and outside the District about the benefits, goals, programs, duties and responsibilities of the District.

Objective: -Same-

Performance Standard: Annually review programs the District has provided or helped to provide which inform people about the goals, programs, duties and responsibilities of the District, and determine if more is needed and can be done to promote the District and its benefits.

Date(s) Accomplished: December 28, 2012

Comments:

The District website has links to educational material for all ages. The District provides material to any schools that request educational materials. There are also videos available to the public from the District that shows the benefits and duties of the District.

Public School Education Programs

Goals: Encourage the cities and rural areas to help provide public school education material to the schools of the District and to provide assistance from the District when available.

Objective: Inform the cities and rural areas of the District about the benefits of providing conservation education to the schools through the newsletters and other correspondence.

Performance Standard: Periodically review school education programs that cities and rural areas have begun.

Date(s) Accomplished: December 28, 2012

Comments:

The District provides material to public schools to encourage education on water and water resources. There are no new programs we are aware of. Book covers are given to the schools annually with water information and conservation information on them. Water information workbooks are given to aid teachers in teaching students about water and water conservation.