

**MINUTES OF A REGULAR MEETING OF THE PINEYWOODS
GROUNDWATER CONSERVATION DISTRICT
HELD ON THE 13th DAY OF August, 2009**

On the 13th day of August, 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:

Keith Wright	President
David Alders	Vice-President
Gloria Montes	Secretary
Kelley Holcomb	Member
Pat Miller	Member
Jimmy Mize	Member

being present, and

Keith Weathers	Treasurer/Finance Officer
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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 3:09 p.m. by President Keith Wright and the invocation was given by Vice President David Alders.

2. Approval of the minutes of the meeting of July 23, 2009:

The Minutes were reviewed by Board members, and with a correction requested on page 2 by David Alders, a motion was made to approve the minutes, with the correction, 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 balance through August 10, 2009 is \$35,738.43. 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 District Report:

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

Completed Wells:

- **Total Exempt wells in database: 461[213- Nacogdoches Co., 248 - Angelina Co.]**
- **Total Non-Exempt Ag wells in database: 172 [129- Nacogdoches Co., 43 Angelina Co.]**
- **Total Oil & Gas supply wells in database: 644[594- Nacogdoches Co., 50- Angelina Co.]**
- **Total Production fee based wells in database: 178**
- **Total District wells recorded in databases: 1535**[this includes 80 plugged wells]

2. I attended the TAGD quarterly meeting in Corpus Christi Monday July 27th to Wednesday July 29th. We received Public Funds training on Monday and meetings Tuesday and Wednesday.

On Tuesday we heard from Jack Hunt, the Vice Chair of the TWDB and CEO of the King Ranch. Mr. Hunt talked about his concerns over SB 1 and junior water rights. He would like to see the junior rights repealed and the property owner's rights protected. He believes the Regional Planning Groups should have priority over GMAs.

We also heard from Bill Hutchison, the Director of Groundwater Resources of the TWDB. He discussed the GAMs and the MAG process. GCDs must issue permits to the MAG and cities issuing bonds need to be considered in regards to the MAGs.

Drew Miller with Kemp Smith LLP discussed petitions to the TWDB appealing the reasonableness of DFCs and the conflicts that may occur between the M.P. and the State Water Plan.

Tuesday afternoon we toured the King Ranch and had a great steak cookout on the ranch.

3. We have sent out static water level requests to the entities.
4. I am waiting on some information from the GMA representatives as to the cost projections for the hydrology study for the GMA-11 area.
5. We are working with ANRA on a complaint of a well for Emmet Luman. His well is reported to be 15 feet from his septic line.

5. Unfinished Business

No unfinished business.

6. New Business

a. Discuss and possibly take action on amending the District Investment Policy.

The General Manager presented the draft policy to the board and President Keith Wright suggested that no action be taken at this time giving the Board time to review and compare the new policy to the existing policy.

No action was taken.

b. Discuss and possibly take action on a variance request from Bill Elliott.

The General Manager reviewed the variance request with the board. The board approved the variance for the spacing waiver on the condition that the City of Nacogdoches acknowledge the well site as far as their utilities and cross connections are concerned. A motion was made to approve conditionally by David Alders and seconded by Jimmy Mize.

The motion passed unanimously

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

President Keith Wright announced the next regular scheduled meeting will be on Thursday, September 10, 2009 at 3:00 p.m. in Nacogdoches City Hall - Nacogdoches, Texas.

8. Adjourn:

The meeting was adjourned by President Keith Wright at 4:08 p.m.

Keith Wright, President

Gloria Montes, Secretary