

**MINUTES OF A REGULAR MEETING OF THE PINEYWOODS  
GROUNDWATER CONSERVATION DISTRICT  
HELD ON THE 12<sup>th</sup> DAY OF JANUARY, 2012**

On the 12<sup>th</sup> day of January 2012 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:

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

being present, and

Pat Miller	Member
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being absent, and

David Alford	General Manager
Tim Karczewski	Counsel

also present.

**1. Call to Order:**

With a quorum of board members present, the meeting was called to order at 2:04 p.m. by President Keith Wright and the invocation was given by David Alders.

**2. Approval of the minutes of the meeting of Nov. 10, 2011:**

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

The motion passed unanimously.

**6. New Business (Moved up by board President)**

**a. Discussion and possibly take action on Lufkin Country Club.**

Representatives from the Lufkin Country Club were present that

Included; Diana Bounstra (General Manager), Jesse Walker (President of board of directors for Lufkin Country Club), and David Lively. Jesse Walker gave out a paper showing the Country Club's knowledge and actions taken by the Country Club to obtain compliance. Jesse Walker said that a meter had been installed in mid December and the well had not been used since the installation. The board discussed the non-compliance and a motion was made by David Alders to penalize the Lufkin Country Club \$500.00 and was seconded by Jimmy Mize.

The motion passed with one dissenting vote from Keith Weathers.

Discussion resumed with item 3.

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

Current balance through January 11 is \$42,251.49. A quarterly report to date was presented along with a ledger printout, copies of bills, budget report, and A/R report. The Board acknowledged that Treasurer Keith Weathers purchased two (2) ten thousand dollar certificates of deposit at Texas Bank.

**4. General Manager's District Report:**

1. **Pending Completion:** We have 19 exempt wells in progress, 13 non-exempt well in progress, 9 new O&G rig supply wells, and 2 new O&G frac wells registered. To be inspected are 11 new exempt wells and 4 new non-exempt wells (2 frac wells) since the last meeting.

**Completed Wells:**

- **Total Exempt wells in database: 611[290- Nacogdoches Co.,321- Angelina Co.]**
- **Total Non-Exempt Ag wells in database: 228 [172 Nacogdoches Co., 56 Angelina Co.]**
- **Total Oil & Gas supply wells in database: 843[787 Nacogdoches Co. (80 Frac wells), 56- Angelina Co.]**
- **Total Production fee based wells in database: 190**
- **Total District wells recorded in databases: 2065** [this includes 193 plugged wells]

2. GMA-11 update.
3. January 26, 2012: TCEQ will host a drought planning meeting at the Nacogdoches County Courthouse annex.

4. January 30, 2012: I will give a presentation on water conservation to the Sierra Group at Liberty Hall in Nacogdoches.

**5. Unfinished Business** (No unfinished business)

**6. New Business**

**b. Discuss and possibly take action on Aspen Power Plant.**

The board discussed the lack of production fee payments by Aspen Power Plant. Aspen Power had contacted the District office and asked to pay \$0.50 on the dollar owed. A motion was made by Kelley Holcomb and seconded by David Alders for the General Manager to send Aspen Power a letter outlining the penalties of non-payment.

The motion passed unanimously.

**c. Discuss and possibly take action on Oak Forrest Farms.**

The General Manager stated that Oak Forrest Farms frack pond payments had been paid in full prior to the board meeting.

No action was taken.

**d. Discuss and possibly take action on increasing the late payment charge from 1% (requires Rule 4.3 change).**

The General Manager described what action would need to be taken to increase the late payment fee, if possible. Tim Karczewski explained that the Prompt Payment Act would limit what a government body could charge. It was decided to review this again when other rule changes were made.

No other action was taken.

**e. Discuss and possibly take action on approving budget for 2012.**

The proposed budget from the Budget Committee was reviewed. A motion was made by Jimmy Mize and seconded by David Alders to accept the budget as presented by the Budget Committee. Jimmy Mize requested the Staff Proposed column be removed from the spreadsheet. (Attachment A)

The motion passed unanimously.

**f. Review spacing waiver for Ken Jones.**

The spacing waiver for Ken Jones was reviewed for the board by the General Manager.

No action was taken.

**g. General Manager Evaluation.**

The board went into Executive Session at 3:17 PM to evaluate the General Manager's work for the year 2011 and came out of Executive Session at 3:50 PM. The board discussed the evaluation with the General Manager.

**h. Discuss and possibly take action to appoint board officers for 2012.**

The board discussed the appointment of board officers for 2012. A motion was made by David Alders and seconded by Gloria Montes to keep the same officers as 2011. (Attachment B)

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 moved held on February 9, 2012 at 2:00 p.m. at Kurth Lodge in Angelina County, Texas.

**8. Adjourn:**

The meeting was adjourned by President Wright at 4:06 pm.

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Keith Wright, President

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Gloria Montes, Secretary