

**MINUTES OF A REGULAR MEETING OF THE PINEYWOODS
GROUNDWATER CONSERVATION DISTRICT
HELD ON THE 14th DAY OF OCTOBER, 2010**

On the 14^h day of October, 2010 at 2:00 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
Pat Miller	Member
Jimmy Mize	Member

being present, and

Keith Wright	President
Kelley Holcomb	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 2:07 p.m. by Vice-President David Alders and the invocation was given by Vice-President David Alders.

2. Approval of the minutes of the meeting of September 9, 2010:

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.

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

Current balance through October 11, 2010 is \$15,730.84 A quarterly report to date was presented along with a ledger printout, copies of bills, budget report, and A/R report.

4. General Manager's District Report:

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

Completed Wells:

- **Total Exempt wells in database: 514**[242- Nacogdoches Co., 272- Angelina Co.]
 - **Total Non-Exempt Ag wells in database: 184** [137- Nacogdoches Co., 47 Angelina Co.]
 - **Total Oil & Gas supply wells in database: 741**[690- Nacogdoches Co. (44 Frac wells), 51- Angelina Co.]
 - **Total Production fee based wells in database: 176**
 - **Total District wells recorded in databases: 1748** [this includes 133 plugged wells]
2. The TAGD meeting was September 28-29th in Austin. We heard from Representative Doug Miller of the House Natural Resources Committee who talked about the legislature dealing with exempt use wells being included with the MAGs and the TWDB working on the MAGs. Representative Harvey Hilderbran, Chairman, House Select Committee on Special Purpose Districts who talked about redistricting and is supportive of GCDs. Joe Fitzsimmons of the Texas Wildlife Association talked about the groundwater ownership by landowners.
 3. Review proposed legislation for the 82nd Legislature.
 4. I have been assisting Tetra Tech Co. in locating wells in Angelina County using our maps. Tetra Tech is contracted to the TCEQ and doing a study on Public Water Supply distribution systems.
 5. We will be seeing the impact on the aquifers when we get all of the frac well reports in. So far, we have had over 48 million gallons reported for the last quarter, with only about 1/3 reporting so far.

5. Unfinished Business

a. Discuss finalizing Rules and By-Laws amendments.

After reviewing the proposed Rule changes the Board requested that the language be changed under Section 3.11 to read: An open loop geothermal *well system* is prohibited within the Pineywoods Groundwater Conservation District. The Board made a motion to propose the rule changes and schedule a public hearing for January 2011. The motion was made by Keith Weathers and seconded by Jimmy Mize.

The motion passed unanimously.

The By-laws amendments were approved with one change to section 5.06. Retirees: Upon retirement, an employee will be given a chance to

join the pool of health benefits if desired, *at the retiree's expense*. A motion was made by Jimmy Mize and seconded by Gloria Montes to approve the bylaws amendments with the noted change.

The motion was approved unanimously.

6. New Business

a. Discuss and possibly take action on a spacing waiver for Joe Pitman.

After reviewing the spacing waiver request, a motion was made by Jimmy Mize and seconded by Keith Weathers to approve the waiver.

The motion passed unanimously.

b. Appoint a Budget Committee for year 2011.

The Board recommended appointing the same members from year 2010, Keith Weathers, Gloria Montes, and Jimmy Mize.

c. Finance Officer's quarterly report.

Finance Officer Keith Weathers gave a current report of the District's investments. A total of \$20,637.68 is invested in certificates of deposits.

d. Review and possibly take action on TML Continuation of Coverage agreement.

The Board instructed the General Manager to review additional health insurance options including other insurance agencies and/or additional options with the current policy. Jimmy Mize made a motion to continue coverage for employee life, AD & D, and employee health options on the current policy with the option to change policies mid-term if necessary. The motion was seconded by Keith Weathers.

The motion passed unanimously.

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

Due to a Federal Holiday on the next regularly scheduled meeting date, Vice-President David Alders announced the next scheduled meeting will be held on the third Thursday, November 18, 2010 at 2:00 p.m. at Kurth Lodge, Angelina County, Texas.

8. Adjourn:

The meeting was adjourned by Vice-President David Alders at 3:02 p.m.

Keith Wright, President

Gloria Montes, Secretary