

## Middle Pecos Groundwater Conservation District

Minutes of January 20, 2009

On this the 20<sup>th</sup> day of January, 2009, a Regular Session of the Middle Pecos Groundwater Conservation District, of Pecos County, Texas, met in the Courtroom of the Pecos County Courthouse, Fort Stockton, Texas located at 103 West Callaghan with the following members present, to-wit:

Glenn Honaker	President, Precinct 1
John Dorris	Vice President, Precinct 3
Brad Newton	Secretary/Treasurer, Fort Stockton
Jack McIntyre	Precinct 1
Merrell Daggett	Precinct 2
Lynn Holland	Precinct 3
Alvaro Mandujano, Jr.	Precinct 4
Bart Reid	Precinct 4
Houston McKenzie	At Large

Directors not present: Evans Turpin and M. R. Gonzalez

Others Present: Paul Weatherby/General Manager, Melissa Mills/Office Manager, Bob Varmette/Fort Stockton Pioneer, Dr. Jim Duke, Joyce Huckabay/Sandridge, and Delvin Thurman/Smith and Rives, CPA.

**Call to Order.** The Public Hearings were called to order at 1:12 pm by President Glenn Honaker.

President Glenn Honaker began the public hearings by reading aloud the permit hearing process and rules that would be followed.

**I Open for Public Comment (Limit 5 minutes per person).** None

**II Consider and/or act upon Sandridge Energy's permit application**

Sandridge has requested 70 acre feet of water per year for industrial use from the water well #2 located on/at the Puckett Ranches. Discussions regarding the fragile water table in that area of the county and noting that Sandridge was fully aware that if the water table began dropping to the point of interfering with neighboring water wells they may have the 70 acre feet re-evaluated. Joyce Huckabay with Sandridge was on hand to answer questions, which she did.

Lynn Holland made a motion to approve the production permit for 70 acre feet of water per year from the water well #2 located on/at the Puckett Ranches. Seconded by Alvaro Mandujano, Jr. Motion carried unanimously.

**III Consider and/or act upon Arlie Weatherman's permit application (Sec. 114, Blk 10)**

Arlie Weatherman has requested 56 acre feet of water per year for irrigation purposes from a well located on/at Section 114, Block 10 in Fort Stockton, Pecos County, Texas. Mr. Weatherby reported that the well pumps from the Pecos Valley aquifer, and is located near the Pecos County airport at a non-producing orchard, and there are 244 trees on 8 acres. (Houston McKenzie stepped away from the meeting as discussions took place, and was not present during the vote.)

Alvaro Mandujano, Jr. made a motion to approve the production permit for 56 acre feet per year. Seconded by John Dorris. Motion carried.

**IV Consider and/or act upon Arlie Weatherman's permit application (790 W. 53<sup>rd</sup>) Fort Stockton**

Arlie Weatherman has requested 20 acre feet of water per year for irrigation purposes from a well located on/at 790 West 53<sup>rd</sup> Lane in Fort Stockton, Pecos County, Texas. There is one well on 85 acres of land, and the water may be from the Pecos Valley aquifer. The well depth is 450' and the static water level is at 380'.

John Dorris made a motion to approve the production permit for 20 acre feet per year. Seconded by Bart Reid. Motion carried.

**V Adjourn.** A motion to adjourn the Public Hearing was made by Lynn Holland at 1:50 pm. Seconded by John Dorris. Motion carried.

A recess was called at 1:50 pm.

**Call to Order.** The Regular Board Meeting was called to order at 1:58 pm by President Glenn Honaker. All 9 board members as previously stated are in attendance.

**I. Consider and/or act upon minutes of December 16, 2008.** Merrell Daggett made a motion to approve the minutes, seconded by John Dorris and the motion carried unanimously.

**II. Comments from Public and Media (limit 5 minutes per person).** There were no comments from the public.

**III Consider and/or act upon Accounts Payable, Treasurer's Report and Line Item Transfers**

Bart Reid made a motion to approve the account payable, line item transfer and Treasurer's report which was seconded by Merrell Daggett. Motion carried unanimously

An additional motion made by Lynn Holland and seconded by Alvaro Mandujano, Jr. to approve bills received from Texas Association of Counties for Workmans Compensation; and a bill from Lloyd Gosselink, Attorneys at Law that required an additional signature. Motion carried unanimously.

A third bill from Turner Collie Braden, Inc. (Invoice#10032281) required discussion. After discussions, a motion was made by John Dorris and seconded by Merrell Daggett to pay Turner Collie Braden, Inc. the unpaid balance of \$1,483.94 under duress. Paul Weatherby will talk with Turner Collie Braden, Inc./Randy Williams and restate that we will not pay future bills unless they are itemized properly and will not pay for administrative costs. Vote on Motion: 8 in Favor, with Houston McKenzie Not In Favor.

#### **IV Consider and/or act upon Audit for the Fiscal Year 10-01-2007 through 09-30-2008**

Delvin Thurman presented the audit performed by Smith and Rives, CPA. Once again the MPGCD has received the highest opinion granted. All questions and comments were attended to by Mr. Thurman as he presented the audit. Bart Reid made a motion to accept the audit for the fiscal year 10-01-2007 through 09-30-2008. The motion was seconded by John Dorris, and the motion carried unanimously.

#### **V Consider and/or act upon 2009 Regular Board Meeting Dates and 2009 Holiday Schedule**

John Dorris made a motion to continue to have the regular board meetings on the 3<sup>rd</sup> Tuesday each month at the Pecos County Court House @ 1pm. The holiday schedule will be the same as Pecos County once again. Motion seconded by Houston McKenzie. Motion passes unanimously.

#### **VI Consider and/or act upon Insurance Reimbursement to Paul Weatherby**

Background information: It was discovered during a previous audit that Mr. Weatherby did not have Family Dental coverage through the county, but had \$21.21 deducted from each of his payroll checks since he started to work in June 2005 in error. It was believed by the District that Mr. Weatherby had family dental coverage through his employment for an employee cost of \$21.21. (Mr. Weatherby did start his family coverage recently on July 1, 2008). As a result, the District owes Mr. Weatherby a total of \$805.93.

Lynn Holland made a motion to reimburse Mr. Weatherby the total of \$805.93. Motion seconded by Alvaro Mandujano, Jr. Motion passes unanimously.

#### **VII Consider and/or act upon Progress Reports: Well Registrations, Production Permits, Drilling Permits, Data Loggers, Water Analysis, Imperial Artesian Well, Banks Environmental Data, Woodward Well, Sandridge Tax Abatement**

- Mr. Weatherby reported that we are still receiving well registrations. There are no production permits filed at this time. Data loggers are being installed for our own information, not as a monitor for Sandridge pumping. We are awaiting the first installment of \$25,000 from the Sandridge tax abatement agreement before we start buying the equipment needed to monitor for Sandridge. There haven't been many water analyses taken this month.
- The artesian well in Imperial is proving to be a challenge to re-enter and prepare the well for plugging.
- Banks Environmental Data – We have found out that we have about as many wells on our books as they have in their data base. They have offered to compare our data to theirs, and will provide information on a per well basis for \$3 per well. At this time we will not employ their service.
- Woodward Well – We are continuing to monitor the well along with the Texas Railroad Commission.
- Sandridge tax abatement – We have not received any money at this time. According to Mike Gershon it should be forth coming.

**VIII General Manager's report on incoming District Correspondence**

- House Bill 43 involves the export of water. We have received an update from our lobbyist Mr. Turner. More information will be available at the next meeting.
- The WTGRA will have a meeting on January 21 in Wall, Texas. I will be going, and HB 43 will be discussed at the meeting.
- The Texas Water Development Board comes to Pecos County every December to take measurements on 35 wells. They have asked if MPGCD can take over measuring the wells, and I have agreed.

**IX Consider and/or act to initiate rulemaking**

See attachment A. Item was considered, no action taken.

**X. Consider and/or act upon Agenda for next meeting**

Change the Per Diem rate from \$50 to \$36.

**XI. Adjourn:** Lynn Holland made a motion to adjourn, seconded by Brad Newton. The motion carried, and the meeting adjourned at 3:21 pm.

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Brad Newton, Secretary/Treasurer

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Glenn Honaker, President

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Date Approved

Exhibit A



816 Congress Avenue, Suite 1900  
Austin, Texas 78701  
Telephone: (512) 332-5300  
Facsimile: (512) 472-0532

[www.lglawfirm.com](http://www.lglawfirm.com)

**CLIENT-ATTORNEY PRIVILEGED**

**OUTLINE OF PROPOSED CHANGES TO THE RULES OF THE  
MIDDLE PECOS GROUNDWATER CONSERVATION DISTRICT**

The following list of proposed changes is intended to bring the current rules into compliance with changes in statutory and case law, to delete obsolete procedures, and simplify and make the rules more practical and easier to review and comply with:

1. Change the current 30-day notice of permit hearing requirement to a 10-day notice, as allowed by statute
2. Remove the requirement for issuing notice of the filing of a permit application
3. Simplify the protest process-delete the 15-day deadline and allow protestants to show up at hearing
4. Add the statutorily mandated criteria for determining when a party is qualified to protest an application
5. Authorize the District to adopt emergency rules if needed
6. Recognize and provide implementing rules for time when "Managed Available Groundwater" is applicable
7. Update the Definitions section
8. Delete the Financial Policies and Procedures section these procedures can remain in the policies
9. Update Historic and Existing Use permit amendment and transfer provisions to comply with recent case law
10. Remove Historic and Existing Use permit application procedures, but recognize the existence of these permits
11. Add procedure explaining the statutory procedures for seeking administrative relief from a District permitting decision
12. Allow the Board President to issue temporary orders to prohibit waste and pollution
13. Adopt statute requiring rulemaking hearings registration
14. Provide for a civil penalty fee schedule