

Middle Pecos Groundwater Conservation District

Minutes of June 17, 2008

On this the 17th day of June, 2008, 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
M. R. Gonzalez	Precinct 2
Merrell Daggett	Precinct 2
Lynn Holland	Precinct 3
Alvaro Mandujano, Jr.	Precinct 4
Bart Reid	Precinct 4
S. Evans Turpin	Iraan
Houston McKenzie	At Large

Others Present: Paul Weatherby/General Manager, Melissa Mills/Office Manager, Bob Varmette/Fort Stockton Pioneer, Bill Johnson, Dr. Jim Duke, Jeff Williams, Steven H.Hoelscher, Raymond Casas, Ron Mayfield, Zan Matthies and Delvin Thurman.

Call to Order. The meeting was called to order at 1:00 pm by President Glenn Honaker.

I. Consider and/or act upon minutes of May 20, 2008. Upon review of the minutes, Merrell Daggett made a motion to approve the minutes which was seconded by Brad Newton and the motion carried.

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

III. Consider and/or act upon the Account Payable, Treasurer's Report and Line Item Transfers.

M. R. Gonzalez made a motion to approve the account payable, treasurer's report and line item transfers which was seconded by Lynn Holland. Passed unanimously.

IV. Consider and/or act upon Drilling/Production Permit for Fort Stockton I.S.D.

This item is considered following item V.

V. Consider and/or act upon budget item for Turner Collie Braden, Inc.

President Honaker read aloud a *Letter of Additional Authorization* submitted by Turner Collie Braden, Inc. (TCB) requesting MPGCD to modify/amend an agreement from 11-20-2003, which was amended 12-06-2004 and again on 4-26-2007. The letter requests that MPGCD increase our budget amount for services that may be rendered by TCB, Inc. for general technical and groundwater management consulting services from \$35,000 to \$50,000. Such additional services will be identified in written communications between TCB and the District and agreed to by both parties prior to implementation.

Mr. Weatherby has talked to Randy Williams and asked why the budgeted amount requested by TCB has been increased to \$50,000. Mr. Williams reported that the accountants for TCB had suggested the increase. Mr. Weatherby asked if we would still be considered a client of TCB if the amount on the letter was changed by MPGCD from \$50,000 to \$35,000, and Mr. Williams said we would remain a client. Board discussions resulted in a consensus that our budgeted amount of \$35,000 will remain unchanged. Services that may go beyond the \$35,000 will be considered at such time.

Bart Reid made a motion to retain our budgeted amount at the current \$35,000 and to amend the *Letter of Additional Authorization* reflecting such. Motion seconded by Lynn Holland. The motion carried unanimously.

President Honaker made the changes to the letter and signed the agreement on behalf of MPGCD as authorized.

Recess at 1:24 p.m. Reconvene at 1:35 p.m.

IV. Consider and/or act upon Drilling/Production Permit for Fort Stockton I.S.D.

An application for a drilling/production permit has been received from the Fort Stockton I.S.D. for irrigation purposes. The water would be used to water the fields at Fort Stockton High School at night. Currently there is a problem with having enough time to water all the fields at night. The new well will be located behind the WRTTC building on school property. Mr. Weatherby recommended that the well be approved. John Dorris made a motion to approve the Drilling/Production not to exceed 6 acre feet and Alvaro Mandujano, Jr. seconded the motion. Motion carried unanimously.

Further discussions: Mr. Weatherby brought it to the boards attention that the city has an ordinance, number 81-111, which prohibits the drilling of water wells within the city limits of the city of Fort Stockton. The ordinance also prohibits water being piped from county property into the city limits. This issue will need to be taken up between the owner of the well and the City of Fort Stockton. The MPGCD can grant approval of the Drilling/Production permit as the request is in total compliance with our rules. Mr. Mayfield assured everyone that the school district would not violate any city rules and Fort Stockton I.S.D. would talk to the city and follow proper procedures to request a variance for permission to use the well for the school fields.

VI. Consider and/or act upon artesian well in Northern Pecos County

Mr. Weatherby updated the board on the Holladay well in Imperial, Texas as follows:

The Holladay well in Imperial is at a critical stage and is about to spill onto Highway 1053. Texas Department of Transportation (TDOT) has spent approximately \$250,000 on resurfacing and leveling the highway, and on some tests that were run. The highway is again sinking at a rate of 1 ½" per month – even since the resurfacing and leveling.

On May 20, 2008 Mr. Weatherby went to Imperial to meet with the Pecos County Judge, TDOT, and numerous other officials. We were required to complete a Hazard Mitigation Team Report because MPGCD has been given permission by the land owners to be the lead agency. We were asked to be the lead agency because we have authority over that particular block of land. MPGCD sent each of the 5 landowners a letter advising them of the emergency situation.

The Hazard Mitigation Team Report gave Pecos County permission to use county equipment to build a dike on private property. Alfred Gomez is the Pecos County Health and Sanitation emergency coordinator and Judge Joe Schuster reviews the work that is done.

TDOT is providing rap, ground up asphalt, to build a pad for the unit. TDOT has committed \$200,000 out of their operating fund to use for plugging the well. The RC&D has up to \$20,000 available to help plug the well. Mr. Weatherby believes the MPGCD should contribute \$2,000 more or less.

Normally landowners are responsible to plug the well, but due to the emergency situation with the highway sinking at a rate of 1 ½" per month, this well fell into a public hazard category which requires emergency measures. A bill can be sent to the land owner(s). There is also an indigence statement that land owners can sign.

Board concerns were brought up that plugging the well at no expense to the land owner could set precedence and could result in an increase in property value for the land owner. It was pointed out that not every well will be a public hazard – and that MPGCD has a budget item allowing for plugging and capping of wells. No action required as this is an update.

VII. Consider and/or act upon auditor for fiscal year ending 9-30-2007

Mr. Delmon Thurman from the firm of Smith and Rives, P.C. from Monahans, Texas was present to introduce his firm to the Board of Directors. For the past several years MPGCD audits have been extremely late, and the Board feels like it time for a change. Smith and Rives, P.C. presented a letter of understanding outlining the services to be provided. The fee will range from \$3,500 to \$4,900.

Bart Reid made a motion to hire the accounting firm of Smith and Rives, P.C. to audit MPGCD for the year ending September 30, 2007. The motion was seconded by M. R. Gonzalez, and the motion carried. The letter of understanding was signed by Glenn Honaker, and Mr. Thurman took the signed document for their records.

VIII. Consider and/or act upon Progress Reports, Well Registrations, Production Permits, Drilling Permits, Data Loggers, Water Analysis

Well Registrations: There are 2,687 well registrations, 1,847 are exempt, 840 are non-exempt. New registrations are being received weekly.

IX. Consider and/or act upon Groundwater District(s) Correspondence

Sandridge Midstream, Inc

A packet received from the County Judge's office pertains to a proposed tax abatement and designation from reinvestment zone for Sandridge Midstream, Inc. Sandridge Midstream, Inc. is proposing to build an \$800 million gas plant to be constructed on the Sanderson Highway at the intersection of Puckett Road. They will need approximately 600 gpm for startup, and 250 gpm to maintain the plant. Currently the amount of water found is 7 gpm. Mr. Weatherby is working with them. No action is required from MPGCD today.

Interlocal Agreement

Per our attorney, an Interlocal Cooperation Agreement Between Middle Pecos Groundwater Conservation District (MPGCD) and Brewster County Groundwater Conservation District (BCGCD) is needed in order for MPGCD to have permission to monitor the in-flow/recharge of our aquifer since the recharge area is in Brewster County. The agreement will be for a 2 year period. MPGCD will furnish the equipment (data loggers) and BCGCD will monitor the data loggers and submit the data to MPGCD. If the agreement is approved by our board, then Mr. Weatherby will get on the next agenda for the BCGCD meeting and present the agreement to their Board of Directors.

Motion to approve the Interlocal Cooperation Agreement Between Middle Pecos Groundwater Conservation District and Brewster County Groundwater Conservation District as it pertains to monitoring water levels in our recharge area was made by John Dorris, and seconded by Evans Turpin. The motion carried unanimously.

Reeves County

Alan Zeman with the Reeves County Water Improvement District #2 in Pecos, Texas is coordinating an informal meeting of county judges, county commissioners, city council, the mayor of Pecos, and judges from 3 or 4 surrounding counties. The purpose of the meeting is to discuss forming a Groundwater Conservation District in Reeves County. He has requested that Mr. Weatherby attend the meeting.

Artesian Water Wells in Northern Pecos County

A situation exists in Northern Pecos County with 17 up to 40 wells that have sealed themselves over or may be seeping a little and may or may not be active. The railroad commission has a list of these wells. The only one causing a public hazard is being dealt with at this time.

It was discussed that MPGCD does not have the time or personnel to become a police force. The duties of the MPGCD are to investigate complaints and take action if necessary. Also mentioned, that it would be beneficial to study the aquifer in Northern Pecos County.

A letter that was drafted by Director Brad Newton was presented to the Board. The letter to Congressman Ciro Rodriguez requested assistance and support from federal resources to help identify the free flowing artesian wells and the potential threat they pose to our underground aquifers. The decision of the Board was to have our legal council review this issue before proceeding. The item was tabled.

CWI

Dr. Jim Duke spoke on behalf of Thornhill and Associates, and explained that the report will be Fed Ex'd next week. There will be a written report along with all data and modeling that will be in a digital format. CWI will be on the agenda for the next regular meeting on July 15, 2008.

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

Diamondback Alliance will have a drilling permit application to consider, the artesian well issue in Northern Pecos County will be reviewed once again, and CWI will be on the agenda.

XI. Adjournment: Lynn Holland made a motion to adjourn, seconded by Evans Turpin.. The motion carried, and the meeting adjourned at 2:38 pm.

Brad Newton, Secretary/Treasurer

John Dorris, Vice President

Date Approved