

Middle Pecos Groundwater Conservation District

Minutes of September 15, 2009

On this the 15th day of September, 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
M. R. Gonzalez	Secretary/Treasurer, Precinct 2
Jack McIntyre	Precinct 1
Merrell Daggett	Precinct 2
Lynn Holland	Precinct 3
Alvaro Mandujano, Jr.	Precinct 4
Ronnie Cooper	Appointed/Precinct 4
Vanessa Cardwell	City of Fort Stockton
S. Evans Turpin	City of Iraan
Houston McKenzie	At Large

Note: Merrell Daggett arrived at approximately 4:30 at the beginning of agenda item #IX. Alvaro Mandujano, Jr. left the meeting after the vote on agenda item #IX.

Others Present: Paul Weatherby/General Manager, Melissa Mills/Office Manager, Bill Johnson/MPGCD Field Technician, Bob Varmette/Fort Stockton Pioneer, Jeff Williams, Dr. Jim Duke, Bruce Scrafford/Fort Stockton Holding Attorney, Robert Rendall/ Fort Stockton Holding Attorney, Weldon Blackwelder, Greg Stanton/USGS, George Ozuna/USGS, Alyson McDonald, Shirley Smetak, Refugio Rangel/Pecos County WCID#1 General Manager, Patrick Bliznak, Michael Thornhill/Fort Stockton Holdings, Hydrogeologist, Brandon Ferguson, Darrell Peckham/Fort Stockton Holdings, Hydrogeologist, Nan Owens, Gary Drgac and Charles (Randy) Williams/MPGCD Hydrogeologist.

Call to Order. The meeting was called to order at 1:20 pm by President Glenn Honaker. Quorum is present.

I Consider and/or act upon minutes August 18, 2009

A correction is to be made to show that Lynn Holland is the Board Member present for Precinct 3, and Evans Turpin was present and represents the City of Iraan. John Dorris moved, Evans Turpin seconded that the minutes of August 18, 2009 with the corrections noted be approved, and the motion passed unanimously.

II Comments from Public and Media (limit 5 minutes per person)

There were no public comments

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

Lynn Holland made a motion to approve the accounts payable, Treasurer’s Report and the Line Item Transfers. Seconded by John Dorris. Motion passed unanimously.

IV Consider and/or act upon USGS Presentation for Independent Water Study

George Ozuna and Greg Stanton, USGS representatives, presented a draft proposal for a regional groundwater availability study of the Edwards-Trinity aquifer in parts of Pecos, Brewster, Jeff Davis and Reeves Counties in West Texas.

Pecos County Judge Joe Shuster has requested a comprehensive groundwater study regarding potential significant quantities of groundwater withdrawals from west-central Pecos County. The suggested scientific objectives of the study include topics of aquifer recharge and discharge, aquifer limits, aquifer parameters, and aquifer dynamics. The U.S. Geological Survey (USGS) proposes a three-phase approach to evaluate various components of each objective. This three-phase approach includes: 1) compilation and organization of existing data, preliminary data collection of geophysical and geochemical surveys, and preliminary aquifer framework into a groundwater flow model, 2) Evaluation of recharge areas, expanded data collection of geophysical and geochemical surveys, and initial groundwater-flow model simulations, and 3) Completion of data interpretation and groundwater flow model with scenarios.

	Total Cost per Phase	Cooperator Cost per Phase	USGS Contribution Cost per Phase	Estimated Time to Complete each Phase
Phase I	\$596,000	\$407,000	\$189,000	16 months
Phase II	\$464,000	\$328,000	\$136,000	1 year
Phase III	\$269,000	\$196,000	\$73,000	1 Year
Totals:	\$1,329,000	\$931,000	\$398,000	3 years, 4 months

The cost of the project will be partially funded by USGS, and the remainder will be on a cost-share basis that is yet to be determined by several entities in Pecos County.

Manager Paul Weatherby was asked for his recommendation by the Board. Mr. Weatherby recommended that although other agencies can also do the work, he recommended USGS, because they have a lot of information already that has been collected over many years, and because they are viewed as having a neutral objective view point. No action taken at this time.

V Consider and/or act upon Accepting Resignation of Bart Reid

With great appreciation for the 8 ½ years of service Bart Reid has served on the MPGCD Board of Directors, Lynn Holland made a motion to accept his resignation, which was seconded by Alvaro Mandujano, Jr., and the motion passed unanimously.

VI Consider and/or act upon Appointment of New Director for Precinct 4

Ronald (Ronnie) Cooper stepped forward as the only candidate for appointment for the vacant position for Precinct 4. Mr. Cooper is a resident of Imperial, Texas. His term expires in May 2010, as he fills the unexpired term of Bart Reid.

Lynn Holland made a motion to appoint Ronald Cooper as the new director for Precinct 4. The motion was seconded by Evans Turpin. Carried unanimously.

The *Statement of Elected Officer* and the *Oath of Office* were administered by Pam Harris.

A recess was called at 2:30 pm.

Reconvened at 2:52

VII Consider and/or take action concerning Fort Stockton Holdings L. P. Motion for Rehearing in the Matter of District's Rule Amendments Adopted August 18, 2009

The board adjourned into an executive/closed session pursuant to section 551.071 of the Texas Government Code, the Board will consult with its attorney regarding status of agenda item #7. Any action on this matter will be taken in open session. The time is 2:53 pm.

The Board reconvened in Open session at 3:35 pm.

President Honaker announced that the Board discussed in executive/closed session the request from *Fort Stockton Holdings L. P. Motion for Rehearing in the Matter of District's Rule Amendments Adopted August 18, 2009*. President Honaker asked Manager Paul Weatherby for his recommendation.

Mr. Weatherby recommends that the motion for a rehearing be denied in its entirety. He explained that the rule amendments have been thoroughly considered and reconsidered by the Board of Directors and MPGCD attorney Mike Gershon. The amendments are based upon legislative sessions and as a result of case law, etc.

Evans Turpin made a motion to deny the motion for a rehearing. Motion seconded by John Dorris. The vote was 9 to 1, with one desecrating vote cast by Houston McKenzie. The motion passed.

VIII Consider and/or adopt 2009/2010 Budget and Resolution

Mr. Weatherby presented the proposed budget for 2009/2010. He noted that an additional amount needs to be added as follows: \$1,400 to Insurance Expense for the new vehicle, and \$1,000 to the Employee Health Insurance. There were discussions about buying a new vehicle, and it was decided to leave it in the budget.

There were discussions about how much to budget for the USGS Independent Water Study – in the proposed budget presented, nothing has been included for the water study.

The board adjourned into executive/closed session pursuant to section 551.074 of the Texas Government Code, regarding personnel. Any action on this matter will be taken in open session. The time is 3:49 pm.

Reconvened at 4:10 pm.

Pecos County Judge Joe Shuster was asked to speak to the board regarding any amount that the county may be contributing toward the USGS Independent Water Study. He reported that the county has budgeted \$100,000 in the budget for the fiscal year beginning January 1, 2010. The City of Fort Stockton and Pecos County WCID#1 will possibly be contributing to the study cost and the amount of their contributions are unknown.

Discussions among the board members ranged from raising the tax rate to .01¢ or more to accepting the .0085 tax rate; there were varying opinions on the amount that needed to be budgeted for the USGS project.

Houston McKenzie made a motion to amend the proposed budget by adding \$75,000 for the USGS Independent Water Study and approve the budget as amended. There was not a second to the motion as he withdrew his motion after more discussions. He made a motion to accept the proposed budget as presented for \$398,371 in expenses; the budget has an excess of expenditures over revenues of \$33,097, motion seconded by M. R. Gonzalez. The vote was 9 to 1, with Vanessa Cardwell as the dissenting vote. The 2009/2010 budget has been approved.

A motion to sign the resolution approving the 2009/2010 budget was made by John Dorris and seconded by Alvaro Mandujano, Jr., motion passed with a vote of 9 to 1, with Vanessa Cardwell as the dissenting vote.

IX Consider and/or act upon adopting 2009 Tax Rate and Sign Ratification

Houston McKenzie made a motion to adopt a resolution to set property taxes to be increased by the adoption of a tax rate of .0085 which is effectively a 23.19% increase in the tax rate.

Discussion was called for by Vanessa Cardwell; after discussions, Houston McKenzie called for the question.

M. R. Gonzalez seconded the motion made by Houston McKenzie. The vote was 8 For, 3 Against. Dissenting votes cast by J. Dorris, V. Cardwell, and M. Daggett. Motion passed.

X Consider and/or act upon Progress Reports: Well Registrations, Production Permits, Drilling Permits, Data Loggers, Water Analysis, District's development of Desired Future Conditions and Management Plan

Manager Weatherby reported that:

- Well registrations are still coming in,
- There are production permits in the process of being submitted,
- There are not any drilling permits at this time; and SandRidge Energy is not sure of their next plan of action,
- The Desired Future Conditions and Management Plan are still in process.

XI General Manager's report on incoming Groundwater District Correspondence

- There will be a quarterly Texas Alliance of Groundwater Districts (TAGD) meeting in Arlington, TX on September 29 & 30, 2009 and Mr. Weatherby plans on attending, all board members are invited.
- There will be a Groundwater Management Area 7 meeting on October 14, 2009 in Fredericksburg, TX and Board Members are welcome to attend with Mr. Weatherby.
- An email from attorney Mike Gershon: Senator Kip Averitt has requested an Attorney General's opinion regarding overlapping jurisdiction between MPGCD and Jeff Davis UWCD. The letter requests status of land annexed into a groundwater conservation district and later included in the territory of a new groundwater conservation district. The letter states that territory in Brewster County and Pecos County was added to the Jeff Davis Underground Water Conservation District through a petition by the landowner, and then the legislature created the Brewster County Groundwater Conservation District covering all of Brewster County and the Middle Pecos Groundwater Conservation District covering all of Pecos County.

XII Consider and/or act upon Agenda for next meeting

- Amend the 2008/2009 budget
- Production Permit(s) from Pecos County WCID#1

XIII Adjourn XI Merrell Daggett made a motion to adjourn, seconded by John Dorris. The motion carried, and the meeting adjourned at 5:01 pm.

M. R. Gonzalez,
Secretary/Treasurer

Glenn Honaker
President

Date Approved