

# Middle Pecos Groundwater Conservation District

Minutes of June 15, 2010

On this the 15<sup>th</sup> day of June, 2010, a Public Hearing and 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
Janet Groth	Precinct 1 (Appointed at this meeting)
Merrell Daggett	Precinct 2
Lynn Holland	Precinct 3
Ronald Cooper	Precinct 4
Vanessa Cardwell	City of Fort Stockton
S. Evans Turpin	City of Iraan
Houston McKenzie	At Large

Quorum Present.

Member Absent: Alvaro Mandujano, Jr., Jack McIntyre and M. R. Gonzalez

Others Present: Paul Weatherby/General Manager, Mike Gershon/MPGCD Attorney, Melissa Mills/Office Manager, Bill Johnson, Bill Dugat III/Special Legal Counsel for MPGCD, Bob Varmette/Fort Stockton Pioneer, Jeff Williams, Dr. Jim Duke, Fort Stockton Holdings-Attorneys/Ed McCarthy, and Robert Rendell; Brock Thompson, Michael Kimler, Steve Sellepack, Chan Patel/Premier Environmental Services-Texas, Conrad Arriola, Chachi Hawkins, Harvey Gray, L. B. Ryan, Ruthie Ryan, Darrell Peckham/FSH Hydrogeologist, Tom Beard and Rafael Castillo, Russ Johnson/City of Fort Stockton Attorney, Conrad Arriola/Brewster County GCD, Gladys Dorris, D A Harral, Bobbye Kincaid, Ann Daggett, Mike Dawson, Weldon Blackwelder, Jerry Puckett, J.P. Moore and Dwain Moore

Public Hearing *Call to Order* at 1:08 PM by President Honaker.

- I **Open for Public Comment.** No public comment.
- II **Continuation of uncontested hearing held May 18, 2010 to consider and/or act upon SandRidge E&P amended production permit application**

President Glenn Honaker presided over the hearing.

SandRidge E&P ("SandRidge") has filed an AMENDED application for production to withdraw and beneficially use up to 864.04 ac ft per year. SandRidge intends to use this water for Industrial Use in support of SandRidge's operations at their Century Plant located approximately two miles east of the intersection of State highway 285 and Puckett Road in Pecos County. This production request is an increase of 235 ac ft per year from the previously approved production permits on March 16, 2010, of 629.04 ac ft per year allowed for CPWW # 4, CPWW # 5, and CPWW #2, due to the addition of two production wells; Moore Ranch CPWW # 11 and Harral Ranch CPWW # 12, to the system permit.

Micheal Kimler, Chan Patel and Steve Selepak were present on behalf of SandRidge E&P and each of them were sworn in to give testimony during the hearing.

Chan Patel gave a power point presentation titled "A Summary of the Approach Taken to Attain Groundwater Resources for Cooling Towers - Century Plant, SandRidge E&P".

Board discussions revealed concerns about the possibilities of the pumping affecting the nearby landowners, which resulted with a consensus to draft and insert language into the permit application agreement that would protect nearby landowners from adverse impacts. The modification to the permit will be drafted by MPGCD attorney Mike Gershon. A sample: *In the event that current wells of nearby landowners is adversely impacted by the groundwater production authorized by this permit, the permit holder agrees to reduce withdrawals from its well #5 and make other adjustments to avoid those adverse impacts.* Mr. Gershon told the Board that formal action today on the matter would be appropriate if the Board so chooses to do so, and the motion would need to include the modification to the original permit.

Manager Weatherby reported that via email and phone conversations with Randy Williams/MPGCD Hydrogeologist, that Mr. Williams had no issues with the permit, including the drawdowns, the use, and etcetera.

D A Harral, representing himself, was sworn in to make a statement. He reported that the Moore's, Robbins', McKenzie's and the Harrals' formed an informal cooperative to deal with SandRidge and provide them with water on a prorated basis if possible to provide a security against over pumping in any one area, and in effect not adversely affecting any of the wells in the area of pumping drawdowns. The language that the Board wants inserted into your permit agreement is also inserted into our agreements in a similar fashion. We have language in our agreements that they (SandRidge) have to abide by all your policies and rules, every where we can think of. We are trying to do this in a fair and right way.

Manager Paul Weatherby, once sworn in, recommended that the amended production permit be approved along with the special additions.

Being no additional testimony, Lynn Holland made a motion to approve the amended application for an increased production of 235 ac ft per year to withdraw and beneficially use up to 864.04 ac ft per year for the well system that includes CPWW#4, CPWW#5, CPWW#2, CPWW#11, and CPWW#12 from the Edwards-Trinity aquifer along with the addition of the special conditions as drafted by our legal counsel. The motion was seconded by Evans Turpin. Motion carried unanimously.

**III Continuation of contested hearing on Fort Stockton Holdings, L.P.'s amended production permit application requesting authority to export to consider and/or act on the following:**

**A Brewster County Groundwater Conservation District's Request for Reconsideration of Party Status**

President Glenn Honaker conducted the hearing. As you recall last month they requested reconsideration of party status, we had a quorum of the Board available but in our vote there was not a majority of the Board, so there was not any action taken at that time. Now this request is before us again. At this time....

I am Bill Dugat, and the Board basically has three kinds of choices you can make here. You can take the motion and deny it. You could grant the motion and take additional evidence from the Groundwater District as to why they feel they have a justiciable interest to be a party in this proceeding. Or, you could grant the motion without taking any additional evidence.

The District (Brewster County GCD) filed a request for reconsideration on May 5<sup>th</sup>, if you took no action – I guess would be a fourth choice, the motion would be over ruled by the statute by operation of law 91 days after it was filed.

The statute says that if you grant a motion for a rehearing, that you have to have the hearing with in 45 days. I believe that if the parties are here, and do not object, that you could take evidence today, if you didn't have objection from the Groundwater District or the applicant or any of the other parties that are present. Otherwise you would need to schedule that for your next Board Meeting.

So the question is, is there sufficient information or interest in the Boards' mind that you want to reconsider this decision? Has there been anything added to the mix from the motion that was filed that gives you an interest in reconsidering your decision, because you denied party status at the April hearing.

Mr. Chairman there are two registration sheets on this matter. One from Mr. McCarthy and one from Mr. Arriola. You can hear argument from the District as to why they want to re hear this motion, but if it's going to be in the form of evidence – I think we should hear from the Board as to whether they want to grant some form of rehearing and hear additional evidence. If the District just wants to make argument as to why it should be reheard, I think you can do that. The problem is it kind of mixed (Glenn said it blends together), Bill: That's right.

Glenn Honaker: I think you're right that anything given today would apply in both instances. So I would think that we should get out of the way of the Board's desire to here more evidence on this. Do I have a motion to that effect?

Bill Dugat: The Board would need to act on granting a motion for a rehearing.

John Dorris made a motion and a second from Merrell Daggett to grant Brewster County GCD a rehearing.

Bill Dugat: We need to decide if that hearing will be today or not. I would like to hear if they want to grant the rehearing, and then we can go from there.

As there were no more discussions- the vote was 7 in Favor: J. Dorris, E. Turpin, R. Cooper, M. Daggett, Lynn Holland, Vanessa Cardwell and Houston McKenzie. 1 Oppose: Glenn Honaker. 3 absent: A. Mandujano, Jr., M. R. Gonzalez and Jack McIntyre. Motion carried. We will grant the motion for a rehearing.

Glenn Honaker: Our next question is, with the District representative here today and the Applicant's representatives here, do we want to take your evidence today as to why they should be admitted to party status.

Bill Dugat: Right, and I would be willing to ask the parties if they would be willing to take the evidence today or if they want additional notice for the July meeting? If you hear any objections, you take the evidence today, not on the form of the evidence but whether you can just take it today is what you would ask the parties. There are a number of parties here

Glenn Honaker: Yes. We need to know if there will be any objection from any of the parties named in the application as to taking evidence today, or do you want to go through the process of giving notice and taking Board evidence at our next Board meeting probably in July?

Bill Dugat: Specifically, a non-party has to have 10 days notice of the hearing. There's only one non-party here that you're considering and that's Brewster County GCD. Just to be extremely careful – if there is objection then we want to make sure that we follow the rules. If there is no objection then people waive the notice issue because they are all here prepared to go forward. That's the question that I would ask each of the parties, here is the party list so you can ask each one of them if they object to hearing the evidence today. We are not asking if they object to them being a party.

Glenn Honaker: Do y'all understand the question I am going to ask you? If so, my question to each of you, and I'll go individually, and I would ask that when you do answer that you stand – identify yourself – and speak clearly enough that it will be heard by our recordings.

Is there any opposition to taking evidence from Brewster County Groundwater Conservation District today as to party status?

- Representative Conrad Arriola, General Manager of the Brewster County GCD – No opposition.
- Fort Stockton Holdings, Ed McCarthy – the applicant

Given the Board's vote, we have no objection to more presentation of evidence. I would like to note for the record that we object to procedure that the Board has followed today because last month this motion was before the Board, a motion was made, and a vote was taken, and by inability to get a majority – I believe the motion failed. So I believe the Board has acted on the motion for reconsideration. And now today is being granted a second opportunity for a motion for reconsideration which is neither authorized by its rules nor contemplated. So I would like to note for the record that objection given the Board's decision today and the Board is going to continue with it's position with respect to granting the rehearing, we have no objection to hearing the evidence today and waving the 10 day notice.

Bill Dugat: Would you like me to address that? Glenn Honaker: Yes. Bill Dugat: The Board, there was a motion then a second and the vote was 5 to 2 to grant the rehearing. The statute says that a full majority of the Board is necessary to take action, so it would take 6 votes to do it. So the effect of the motion is there was no action taken. There's a reasonable interpretation that the motion for reconsideration was still alive until it is either over ruled by this Board or over ruled by operation of law. So I think the Board can reconsider or bring it up again until it has been over ruled, and it hasn't because no action was taken by the vote. Certainly the applicant can preserve that issue if it likes, but I believe that's an interpretation that is reasonable.

- Next, Mike Gershon, representing the MPGCD General Manager. No objection to presenting today.
- Russ Johnson, representing the City of Fort Stockton – No objection.
- Tom Beard, representing himself - No objection.
- Harvey Gray representing Pecos County WCID#1 - No objection.
- Charles Meyers, representing Mark Davis – Not in attendance.
- Melanie McKenzie, representing Gregg McKenzie - Not in attendance.
- Dan Percy, Not in attendance.
- L. B. Ryan, representing himself - No objection.

Glenn Honaker: All in attendance have no objection.

Bill Dugat: At this point we need to put the representative from the District under oath and he will be subject to cross examination by any of these parties.

Glenn Honaker: Conrad, would you come to the podium please sir. Do you swear that the testimony that you are about to give is the truth and nothing but the truth so help you God.

Conrad Arriola: I do.

Glenn Honaker: Please lay out the basis why you feel that Brewster County Groundwater Conservation District (BCGCD) should be granted party status.

Conrad Arriola: My name is Conrad Arriola, I am the manager for the BCGCD. I believe in your packet you have a letter from May 5<sup>th</sup> 2010 when we asked this Board for Reconsideration for Party Status prior to proceeding on Fort Stockton Holdings LP application for production and authorization to export water based on the following: We felt as a District at the time that we had concerns about the permit application and one of the main steps we have for taken is to participate in the USGS study that was commissioned by the Board. Also we have participated with the MPGCD with an Interlocal Well Monitoring agreement to study wells on the Edwards/Trinity aquifer over on the East side of the county. One thing that concerns us is the map that I believe you have in front of you from the Thornhill groups map which I believe was commissioned by Fort Stockton Holdings to do a study. This map is Exhibit 51, and it shows here...

Bill Dugat: Wait, one second, I need to make sure that everybody has one. Do the parties have a copy of this?

Ed McCarthy: I do not have a copy.

Copies were distributed

Bill Dugat: Does everybody have a copy, does the applicant have a copy? Do the other interested parties have a copy of it? Mr. Arriola, is it your intention to offer this as an exhibit – as evidence – or are you just using this as a modeling purpose?

Conrad Arriola: This is in our letter on May 5<sup>th</sup> we mentioned this map when we said our groundwater spot is directly connected to Fort Stockton Holdings LP pumping ?? recharge based on their hydrogeological study which the map is a part of. It's been on line and available for a while.

Bill Dugat: Why don't we do this...why don't we mark this as an exhibit and you can talk about it, and then we'll see what the parties think about you using it as an exhibit. Why don't we call it Brewster County GCD exhibit #1. This is being recorded, so we have an audio record of this. Before you go forward explain where you got this.

Conrad Arriola: We got this from, I got a copy of the whole study from the General Manager of – Mr. Weatherby.

Bill Dugat: This is from the applicant's documents?

Conrad Arriola: Yes. This has been available since it was published and under that exact date

Bill Dugat: Just to be sure, I understand you're not familiar with the rules, but we need to have this offered to be a part of the record. So is that your intention for this to be a part of the record?

Conrad Arriola: Yes sir.

Bill Dugat: Does anyone have an objection to this being part of the record? MPGCD Board: No. Does the applicant have an objection to this being part of the record? Ed McCarthy responded that he had no objection. Mr. Dugat: Then we will admit it.

Glenn Honaker: I admit this as part of the record of Brewster County Groundwater Conservation District, exhibit #1.

Bill Dugat: Thank you, you can go ahead now.

Conrad Arriola: As you can see in this map, this is a schematic of recharge into the Belding Area. You can see the regional flow component going in right along the recharge which starts all the way into Jeff Davis County, a little bit of Presidio County, but as you can see it flows East through the city of Alpine, all the way, I guess up 67, into Pecos County and into the Belding area. We are concerned about the permit's excessive extraction, how this would affect the flow into the recharge into the area. As you can see, water has no boundary even though it starts in Brewster County. We don't believe a political boundary should be a basis of not allowing us to be a party to this application.

On the second map, this is the precipitation. As you can see here, it shows you just the precipitation fall, the average of it, and if you go back to the first map, it will show you the basis of the recharge and will give us progression into Pecos County. Any questions?

Bill Dugat: I'm sure there will be people who will question you. Are you through with your presentation?

Conrad Arriola: No. Once again just a visual to show the Board that according to the Thornhill groups study that they view – that they show recharge starting in Brewster County that flows into Pecos County and we think that is a concern with this permit with an excessive extraction of water going out of the region and the impact on Brewster County and the region as a whole.

Glenn Honaker: At this time I will allow the parties to cross examine Brewster County GCD, and we'll let the applicant go last, so I'll start with Mike (Gershon).

Mike Gershon: I'd like to go next to the last.

Glenn Honaker: Ok, you go next to last. When do you want to go Russ?

Russ Johnson, representing the City of Fort Stockton – No questions.

Tom Beard, representing himself - No questions.

Harvey Gray representing Pecos County WCID#1 - No questions.

L. B. Ryan, representing himself - No questions.

Mike Gershon: Mr. Arriola, my name is Mike Gershon and I represent the General Manager, I know we've met before – a few questions. You're familiar with the standards the Board has to look at? First of all you have to establish a personal justiciable interest and the applicants questioning what the nature of that interest is. Let me make sure I understand what your positioning is on that. You represent a groundwater conservation district, correct?

Conrad Arriola: Yes sir.

Mike Gershon: Is it your duty, your legal obligation as I understand it to manage, among other aquifers, is the Edwards/Trinity aquifer within your boundaries?

Conrad Arriola: Yes sir it is.

Mike Gershon: I understand by your map and testimony that it is your opinion that this resource is a shared resource.

Conrad Arriola: Yes sir it is.

Mike Gershon: It is a resource that flows from within your jurisdictional boundaries into the Middle Pecos Groundwater Conservation District boundaries. Is that correct?

Conrad Arriola: Yes sir it is.

Mike Gershon: So, to be clear about your – at least the first part of that test, justiciable interest test, what you are claiming is that it is your duty to manage that aquifer within your jurisdiction:

Conrad Arriola: Yes sir it is.

Mike Gershon: There is this other component, of that test that it requires that it be, - that that duty be within this District, the Middle Pecos GCD regulatory authority. That there be some way that this District can take action in light of your interests, in light of your duty possibility to protect that interest or that duty. And so let me ask you this, is your District participating in the GMA planning process?

Conrad Arriola: Yes sir we are. We are in GMA 4.

Mike Gershon: Are you familiar with which GMA the Middle Pecos GCD is in?

Conrad Arriola: 7 I believe. And 3. I know there are two.

Mike Gershon: That's the same understanding that I have. I think we're right. Are you participating in the GMA 7 process in any way?

Conrad Arriola: No, not in anyway. I haven't yet.

Mike Gershon: Now obviously as a District, as yours is, being located in a different GMA, obviously you don't have a vote with the GMA 7, but it's at least my legal opinion that the General Managers' position, that you have, I mean clearly that you have a right. Clearly we believe

Ed McCarthy: Your Honor, objection. I've allowed Mr. Gershon to ask a bunch of leading questions and things and now he's beginning to testify on behalf of the District and I would like to request that he stick to asking direct questions by not asking leading questions in this instances and certainly not testifying as to whether this District at the Middle Pecos District's duty is with respect to Brewster County District's seeking party status.

Mike Gershon: Could I respond please? The Board is going to want to hear what the General Manager's position is, obviously I am leading into what that position is. Now, if Mr. McCarthy's concern that I'm comprising the ability of this witness to accurately respond to my questions and not be tainted by my questions, maybe that's a fair objection, but I disagree that the predicate that I'm laying with my questions is inappropriate.

Ed McCarthy: To the extent that the Middle Pecos District may be interested in putting on evidence in support of this, I'd like to witness that would be one thing as opposed to testimony by it's attorney. I also view that this particular process, a motion for reconsideration of party status is a motion for reconsideration of the evidence that was presented on the day that party status was determined under the Districts' rules - that was April 20<sup>th</sup>. The proper process for the proceeding should not be to illicit additional testimony or additional evidence, when the obligation of the person seeking party status was determined back in April of this year. So I will continue my objection with respect to your testimony Mr. Gershon and also that the Board properly should only be reconsidering what it considered on April 20<sup>th</sup> and determine what is not sufficient to demonstrate the position of Brewster County GCD becoming a party to the proceedings.

Bill Dugat: Now let him respond to that.

Mike Gershon: There's a distinction between reconsideration and rehearing. My understanding this is a rehearing, not just a reconsideration of testimony that has been taken. So, it is appropriate as a rehearing to allow this additional information for the Board to make its decision if it so chooses to change its decision. I have nothing further to add.

Bill Dugat: Do any of the other parties want to respond to this objection? Mr. Presiding Officer the attorney can not testify so you should limit his questioning to questions. He can ask leading questions because he is cross examining. So I think you can grant the objection on the attorney testifying, but over rule it as far as cross because he can ask leading questions and so far as the Board hearing new evidence at a rehearing, it just granted a rehearing, so I think it is appropriate to hear additional evidence. That would be my recommendation to you.

Glenn Honaker: I concur with your recommendation.

Mike Gershon: Alright, I'll proceed under that instruction. Mr. Arriola, is it possible that the relief requested by Fort Stockton Holdings if granted could impair your District's ability to manage the Edwards/Trinity aquifer?

Conrad Arriola: I believe so.

Mike Gershon: Therefore, is it your opinion that your District could be impacted, could be affected by the application?

Conrad Arriola: I do and also let me state that the Middle Pecos Groundwater District has granted status to a land owner who has land in Pecos County and Brewster County. So, just a reminder about that.

Glenn Honaker: Yes we have, and our jurisdiction is Pecos County. That is why Mr. Bread was granted party status.

Mike Gershon: Is it my understanding that your District has in place a management plan?

Conrad Arriola: Yes sir, we do.

Mike Gershon: Certified or approved now by the Water Development Board?

Conrad Arriola: Yes sir, it was approved, I believe a year and a half ago.

Mike Gershon: Consistent with your management plan and other governing laws, has your District adopted a set of rules?

Conrad Arriola: Yes sir, we have.

Mike Gershon: Are those rules designed to implement your regulatory program?

Conrad Arriola: Yes sir.

Mike Gershon: And that program is designed to manage and protect the Edwards/Trinity aquifer?

Conrad Arriola: That, and all the groundwater resources in the county.

Mike Gershon: In your opinion is it possible that your District may not be able to protect its ability to manage the Edwards/Trinity aquifer solely through the groundwater management area planning process?

Conrad Arriola: Can you repeat the question again?

Mike Gershon: Is it possible that your District may not be able to protect its ability to manage the Edwards/Trinity only through the DFC, Desired Future Conditions settings GMA planning process? Long pause.....This is a pretty obvious question, but kind of the last leg of the test but requires that you demonstrate that your interest is one different from an interest common to members of the public. And so, this Board has got to figure out whether or not your District had the same interest that are common to members of the public. And if so, there's a problem with your attempt to intervene. If not, then we can check that box and at least not have a concern by your ability to protest. Now the applicant has expressed concern that your interests are common, the same as the public, common to the public essentially.

These rules that you've adopted are again, designed to implement your regulatory program, correct?

Conrad Arriola: Yes sir.

Mike Gershon: And your jurisdiction is generally over folks that rely upon and use water, correct?

Conrad Arriola: Yes sir.

Mike Gershon: Your jurisdiction doesn't extend to other members of the public who do not have an interest in groundwater, is that correct?

Conrad Arriola: Yes sir.

Mike Gershon: We have no further questions.

Glenn Honaker: Thank you. Mr. McCarthy.

Ed McCarthy: Thank you Mr. Honaker. Mr. Arriola, I apologize if I mispronounced that,

Paul Weatherby: If y'all need to hear him, he can go to the mike, I mean if you can't hear him.

Ed McCarthy: I will try to speak loudly. Mr. Arriola, I am Ed McCarthy I represent the applicant in this case Fort Stockton Holdings. Now, you are the general manager of the Brewster County Groundwater Conservation District, that's correct?

Conrad Arriola: Yes sir.

Ed McCarthy: Could you please tell me about your educational background at the collegiate level or post collegiate level would be.

Conrad Arriola: I graduated from U T Austin in 2004. I got my Masters from Sul Ross University in '06 I believe.

Ed McCarthy: And what was your degree in at the University of Texas?

Conrad Arriola: Government.

Ed McCarthy: Ok, your degree at Sul Ross?

Conrad Arriola: Public Administration.

Ed McCarthy: Do you have a special training in hydrology?

Conrad Arriola: I do not.

Ed McCarthy: Did you take any courses in hydrology at UT or Sul Ross?

Conrad Arriola: I took a geology class, I believe two, my freshman and sophomore year.

Ed McCarthy: Geology courses?

Conrad Arriola: Yes.

Ed McCarthy: Not Hydrology?

Conrad Arriola: Geology.

Ed McCarthy: OK. Are you a licensed hydrologist?

Conrad Arriola: No sir.

Ed McCarthy: Do you have a license as a professional geologist?

Conrad Arriola: No sir.

Ed McCarthy: Are you an Engineer?

Conrad Arriola: No sir I am not.

Ed McCarthy: Are you a lawyer?

Conrad Arriola: No sir.

Ed McCarthy: Does the Brewster County Groundwater Conservation District hold any permits from the Middle Pecos Groundwater Conservation District?

Conrad Arriola: We do not.

Ed McCarthy: Does the Brewster County Groundwater Conservation District own any groundwater rights or lease any groundwater rights in Pecos County?

Conrad Arriola: No sir.

Ed McCarthy: Does it own any or lease any groundwater rights in Brewster County?

Conrad Arriola: No sir.

Ed McCarthy: Does the Brewster County Groundwater Conservation District own any property in Pecos County?

Conrad Arriola: No sir.

Ed McCarthy: You are participating in an Interlocal agreement with the Middle Pecos Groundwater Conservation District regarding monitor wells, is that correct?

Conrad Arriola: That's correct.

Ed McCarthy: OK. What impact is the application by Fort Stockton Holdings going to have on your ability to carry out the terms and conditions of the Interlocal Agreement with the Middle Pecos District to monitor wells?

Conrad Arriola: To monitor wells, well I guess that is the unknown. That's the unknown right now. And that is why we are seeking party status.

Ed McCarthy: What does the Interlocal Agreement contemplate Mr. Arriola?

Conrad Arriola: It is for well, monitoring wells on the Edwards/Trinity to collect data and measure wells on the North side Northeast side of the county.

Ed McCarthy: When you say county?

Conrad Arriola: Pecos County and or well it's for us it's for Brewster County.

Ed McCarthy: So Brewster County Groundwater Conservation District's obligation under the Interlocal is to monitor wells in Brewster County?

Conrad Arriola: Yes, well the agreement is between this Board and our Board for the General Manager, me and for Mr. Weatherby, to locate wells and to monitors wells on this side of Pecos County – which would be Brewster County. So, the general manager from Pecos County is allowed to come into Brewster County to do that.

Ed McCarthy: OK. Are you telling me that the general manager of the Middle Pecos district is going to do all well monitoring for both districts?

Conrad Arriola: Well right now...we still need to work that out. We've been in contact with each other, first just to locate wells that we want to monitor.

Ed McCarthy: What does it require for you to locate a well then monitor it?

Conrad Arriola: Well, finding landowners who are willing to participate in the program. From there we ask them if it is OK for us to monitor their wells.

Ed McCarthy: OK. If Fort Stockton Holdings is granted this production permit, is there anything to keep the districts from locating these landowner in that case?

Conrad Arriola: No sir.

Ed McCarthy: Is there anything to keep them from asking if they want to voluntarily participate in the program?

Conrad Arriola: No sir.

Ed McCarthy: And you said it was voluntary for well owners to participate?

Conrad Arriola: Yes sir.

Ed McCarthy: So there is no obligation for Fort Stockton Holdings if the permit is granted to participate in the program, is that correct?

Conrad Arriola: No.

Ed McCarthy: So there participation or non-participation in the program has absolutely no impact on the ability to carry out the Interlocal agreement, correct?

Conrad Arriola: Well, yes.

Ed McCarthy: How does it impact the ability to carry out the program?

Conrad Arriola: What we are concerned about is the Interlocal agreement, we want to collect as much data as possible to go forward, and this is the first step in doing that. With the Fort Stockton Holdings permit, I guess we're going to start something and once we collect data, the impact will - if it's authorized in the permit, I can't speak for the future if this permit is going to be authorized or not.

Ed McCarthy: Are you aware that Fort Stockton Holdings.....

Conrad Arriola: And so that the impact will be unknown as of right now.

Ed McCarthy: OK, but because of the program's voluntary if Fort Stockton Holdings said "yes" it would participate in the program, correct?

Conrad Arriola: Sure

Ed McCarthy: OK, and if Fort Stockton Holdings said "no" then it would not be a participant in the Interlocal monitoring program, correct?

Conrad Arriola: Correct.

Ed McCarthy: But the Interlocal monitoring program would go forward as currently contemplated by that document, correct?

Conrad Arriola: Yes sir.

Ed McCarthy: Are you aware that Fort Stockton Holdings already holds permits on more than 40 wells authorizing production of up to an amount equal to the amount equal to the amount its applied for in this permit?

Conrad Arriola: No sir. I wasn't aware.

Ed McCarthy: OK. Has Fort Stockton Holdings application, is it seeking any permits from the Brewster County Groundwater Conservation District?

Conrad Arriola: No sir.

Ed McCarthy: Is any of the land covered in the permit in Brewster County?

Conrad Arriola: No sir.

Ed McCarthy: Does Brewster County Groundwater Conservation District have any jurisdiction over Fort Stockton Holdings application?

Conrad Arriola: No.

Ed McCarthy: Your testimony was that looking at exhibit 51 it shows that water from Brewster County recharges into Pecos County. Is that correct?

Conrad Arriola: That's correct.

Ed McCarthy: And the basis of your opinion is what?

Conrad Arriola: If you look at the map, it shows you, I don't think that Thornhill would make that up. It clearly shows that regional flow going down into, from Brewster County into Pecos County.

Ed McCarthy: OK. That map shows those regional flows are waters from Pecos into – I'm sorry – Brewster County into Pecos County is occurring today. Correct?

Conrad Arriola: Correct.

Ed McCarthy: You testified in response to questions from Mr. Gershon that the Pecos – that the Brewster County district has adopted a management plan. Correct?

Conrad Arriola: That's correct.

Ed McCarthy: That management plan covers what counties?

Conrad Arriola: Brewster County.

Ed McCarthy: And you testified in response to Mr. Gershon's questions that your district has adopted rules regarding management of groundwater. Correct?

Conrad Arriola: That's correct.

Ed McCarthy: What counties do those rules apply to?

Conrad Arriola: Brewster County

Ed McCarthy: Is there anything in Fort Stockton Holdings' application involving Brewster County?

Conrad Arriola: No sir.

Ed McCarthy: Does the Middle Pecos Groundwater Conservation District have any jurisdiction over groundwater in Brewster County?

Conrad Arriola: No sir.

Ed McCarthy: Does the Middle Pecos Groundwater Conservation District have any authority to implement your management plan in Brewster County?

Conrad Arriola: No sir.

Ed McCarthy:

Ed McCarthy: Does the Middle Pecos Groundwater Conservation District have any authority to implement or enforce your rules?

Conrad Arriola: No sir.

Ed McCarthy: Does the Middle Pecos Groundwater Conservation District have any regulatory authority over Brewster County?

Conrad Arriola: No sir.

Ed McCarthy: And you testified that your district is participating in the DFC process?

Conrad Arriola: Yes sir.

Ed McCarthy: So Brewster County Groundwater Conservation District duty is to protect and manage groundwater within Brewster County, correct?

Conrad Arriola: Correct.

Ed McCarthy: And it's your understanding that the jurisdiction and duty of the Middle Pecos Groundwater Conservation District is to protect and manage groundwater within Pecos County?

Conrad Arriola: Yes sir.

Ed McCarthy: Was your district created by a special legislative act?

Conrad Arriola: Yes sir.

Ed McCarthy: Does that legislative act say anything about regulatory authority over groundwater in Pecos County?

Conrad Arriola: No sir.

Ed McCarthy: Was the Middle Pecos Groundwater Conservation District created by a legislative act?

Conrad Arriola: I believe so.

Ed McCarthy: Are you familiar with their legislation?

Conrad Arriola: I have looked at it but I couldn't tell you exactly what it says, but I've seen it before.

Ed McCarthy: Do you know whether or not it gives the Middle Pecos district any regulatory authority in Brewster County?

Conrad Arriola: Yes sir.

Ed McCarthy: Yes sir...I'm sorry.

Conrad Arriola: I am aware that it doesn't give authority over Brewster County.

Ed McCarthy: The Middle Pecos.

Conrad Arriola: Yes, that's correct.

Ed McCarthy: Can you tell me about that?

Conrad Arriola: About the...

Ed McCarthy: The details about that authority.

Conrad Arriola: No sir...I mean, I'm trying to say that I believe it doesn't have regulatory over our county.

Ed McCarthy: OK, so the two districts operate independently. Is that correct?

Conrad Arriola: Correct.

Ed McCarthy: Is the Middle Pecos Groundwater Conservation District participating in the DFC Process.

Conrad Arriola: Yes sir I believe so.

Ed McCarthy: How does the DFC process work?

Conrad Arriola: How does it work as a process, or what do you exactly....

Ed McCarthy: What is the DFC process?

Conrad Arriola: The DFC process is, we have to state a condition on our aquifers within our county – a condition that will be set over 50 years. So it can be measured by how – you set a condition which over 50 years which you state that an aquifer will have. For example, if we wanted the – if Brewster County wants to set a desired future condition for the Igneous aquifer we have it – you know it's 10 feet drop in over 50 years. Then we would get a MAG, a managed available groundwater number to say we can permit 2,000 acre feet per year for 50 years which would set a condition over the 50 years to have the aquifer depleted or down 30% or 20%.

Ed McCarthy: Now your development of the DFC again is for Brewster County.

Conrad Arriola: Yes sir.

Ed McCarthy: And the MAG, maximum groundwater available, for permitting that you would get is for Brewster County, correct?

Conrad Arriola: That is correct, but we have been in contact Texas Water Development Board that we share the Edwards/Trinity, we share the Igneous aquifer with other counties. For example, if we wanted to set a condition for the Igneous aquifer which is in Presidio County and Jeff Davis – if we said that we wanted 10 feet drawdown in that aquifer in 50 years. And say the Jeff Davis

county and Presidio County said let's do 50 - well if the numbers didn't jive – with the states, we have to go back in order to find a suitable number that would work for all counties involved.

Ed McCarthy: Are you aware that the Water Development Board has developed Desired Future Conditions that are different over the same aquifer in different counties?

Conrad Arriola: I believe so, yes sir.

Ed McCarthy: How many counties does the Edwards/Trinity aquifer underlie?

Conrad Arriola: I am not sure of the exact number.

Ed McCarthy: More than 5?

Conrad Arriola: I believe so.

Ed McCarthy: More than 10?

Conrad Arriola: I think there's less than 10, but...

Ed McCarthy: You believe it's less than...

Conrad Arriola: (Could not understand the response. DS 2 1:47:19)

Ed McCarthy: Now, It's your understanding that the Middle Pecos District will go through the same process with its Board for purposes of aquifers it regulates in Pecos County, correct?

Conrad Arriola: Yes sir.

Ed McCarthy: OK. Is it your understanding that the Middle Pecos District will be responsible for carrying out its rules within its District?

Conrad Arriola: Yes sir.

Ed McCarthy: And carrying out its management plan?

Conrad Arriola: Yes sir.

Ed McCarthy: And it will do that in its consideration of the Fort Stockton Holdings application?

Conrad Arriola: Yes sir.

Ed McCarthy: But the Brewster County District has no authority to do anything, correct?

Conrad Arriola: In....

Ed McCarthy: In the connection with the Fort Stockton Holdings application.

Conrad Arriola: Yes sir.

Ed McCarthy: I've got no further questions. ..

Glenn Honaker: Thank you. Does the Board have any questions for Mr. Arriola? Yes Houston.

Houston McKenzie: How will it affect Brewster County if Williams Farms pumps the water on the ground or else pumps the same amount of water through a pipeline?

Conrad Arriola: Through...I'm sorry sir; did you say how will it affect me? We do not know that.

Houston McKenzie: Excuse me.

Conrad Arriola: We don't know that at this time. I believe that in going back to the original hearing in April, I believe landowners in Pecos County also conveyed to the Board saying where are we impacted here? And that's what we are saying here also.

Glenn Honaker: Any further questions from the Board?

Bill Dugat: Do you have anything else you need to say?

Conrad Arriola: No sir.

Bill Dugat: Is there anyone else from the District here that you have to testify

Conrad Arriola: I have our vice chairman Mrs. Chachi Hawkins here in the audience.

Bill Dugat: Did you intend for the vice chair to testify?

Conrad Arriola: No sir. Here for support.

Glenn Honaker: Thank you sir. We've had additional evidence presented to the Board.

Bill Dugat: I guess one thing we could do is ask if the general manager or the applicant has – or the potential party has any thing they want to sum up.

Mike Gershon: The General Manager will be providing testimony. Bill Dugat: Do you have any summation you would like to make?

Mike Gershon: Yes, we believe that request for party status ought to be granted, that you should take action to allow the District to participate as a party. Admittedly there are some tricky issues in evaluating the legal tests. There are different ways the Brewster County Groundwater Conservation District can go about protecting its interests. Clearly through its own rule making and management plan and participation – as best it can through lobbying GMA 7 to adopt desired future desired conditions that in the view of Brewster County GCD are protective of their interests. That is clearly in the statute in my mind one way to protect their interests. I do think there is a reading of the test that y'all have to look at today as to whether they qualify that would allow you to grant them party status. I think you can evaluate that test given the testimony of Mr. Arriola and

find that they do have that justiciable interest. They don't own a property right, but that's how the statute says they are limited to proving it – they can have some duty. Clearly they have a duty to manage and protect Edwards/Trinity water. I think that they have shown that this application could potentially comprise their ability to carry out that duty. With that in mind, the General Manager fully supports the Brewster County GCD joining in this proceeding and urge the Board to grant them party status.

Glenn Honaker: Thank you Mr. Gershon. Mr. McCarthy.

Ed McCarthy: Thank you Mr. Honaker. Consistent with the plea that we have previously filed, and consistent with the advice that special counsel gave you at the last board meeting, I don't believe there have been a change in circumstances with respect to Brewster County Groundwater Conservation District that warrants their being granted party status. And in fact do not have a justiciable interest in this particular matter. The concerns that Mr. Arriola expressed are those which may be shared with other members of the public with respect to its duty. Brewster County Groundwater Conservation District has no duty with respect to groundwater in Pecos County. That is the duty of this particular District. And with respect to its regulatory authority to over the groundwater in Pecos County, that's something that this District has no duty or regulatory authority over. While they may be neighbors there's no over lapping jurisdiction. There is nothing about this application that precludes you from going forward with the Interlocal agreement, there's nothing that precludes the USGS study from going forward and there's nothing that precludes this District from carrying out its duty with respect to the application. And we would urge the Board to reaffirm the decision it made on April 20<sup>th</sup> to deny Brewster County Groundwater Conservation District party status in this matter. Thank you.

Glenn Honaker: Thank you Mr. McCarthy.

Bill Dugat: Now the Board will need to decide whether or not to grant party status or not.

Glenn Honaker: Ok. Y'all have heard the testimony and the cross examinations of the interested parties. So at this time we need to decide whether we are going to grant party status to Brewster County Groundwater Conservation District. We'll do this in the form of a motion.

John Dorris: I make the motion that we grant party status to Brewster County Groundwater Conservation District.

Glenn Honaker: Motion by John Dorris to grant party status to Brewster County Groundwater Conservation District. Do I hear a second?

Lynn Holland: Second.

Glenn Honaker: Second by Lynn Holland. Any discussion? Yes Houston.

Houston McKenzie: According to the map, we're downhill – down stream – from them. It looks to me like that we – no matter what action happens – it won't affect them.

Glenn Honaker: Water is still going to flow out of Brewster County.

John Dorris: Water runs downhill Houston.

Houston: If we're gonna shut the water off there, then we should be concerned, it's already gone past them.

John Dorris: Then we should make a statement that they could pump it down and it runs out down the Glass Mountains and Davis Mountains...is that not correct? Wasn't that what I heard, did I hear something wrong on TV, did I misinterpret that?

Glenn Honaker: I don't know what you heard on TV

John Dorris: Well that's what they said. They had this thing on TV

Glenn Honaker: I'll agree with you that water does flow down stream.

John Dorris: and he said that the water runs down from Brewster County is what I understood. Or out from the Glass Mountains and Davis Mountains. And, I don't think they're located in Pecos County, aren't they somewhere in Jeff Davis mountains out there.

Glenn Honaker: Yep.

John Dorris: I've made a trip out there a time or two, but didn't know where the county line was.

Lynn Holland: We joined Brewster County also joined other leaders of Pecos County and others in this water deal. They're also having this same discussion up in the Panhandle where future conditions are being set by one water district at one level and one at another without being any coordination between those districts. And, if we give them a status here, we can have a little bit more cooperation in some of our decisions. That's the way I feel about it. Now, I wasn't here at the last meeting and missed out for reasons of family – I couldn't be here. There was four of us that couldn't be here, so actually the Board was handicapped at that point and time of having more input.

Glenn Honaker: Further discussions? If not, all in favor of granting party status to Brewster County Groundwater Conservation District raise your hand: 6 in favor (Dorris, Cooper, Holland, Turpin, Daggett, Cardwell). Oppose: 2 oppose (McKenzie & Honaker). Motion carries 6 to 2. (Three absent: Gonzalez, Mandujano and McIntyre). We will grant party status to Brewster County Groundwater Conservation District.

Board recessed at 3:05 p.m.

Board reconvened at 3:23 p.m.

## **B City of Fort Stockton's Motion to Reconsider Hearing Date and Request for Continuance**

Glenn Honaker: Our next item on the agenda is a motion to reconsider the hearing date and a request for a continuance from the city of Fort Stockton on the dates that we set for our hearing of the merits on this application. I have one person wanting to speak in this case and that's Russ Johnson representing the city of Fort Stockton.

Bill Dugat: I think the applicant signed up for everything.

Glenn Honaker: OK. Sorry Mr. McCarthy.

Russ Johnson: Russ Johnson representing the city of Fort Stockton, I'll be very brief. Included in this packet is our written motion to reconsider the hearing date and request for continuance. The bottom line of the motion is our request to recognize that the city is engaged with experts that have not had sufficient time to complete their analysis, the analysis that will be required, for the city to meet its burden, and to address the issues in the application. We've requested that the hearing date be rescheduled from September of this year to January 20<sup>th</sup> of next year and that the two deadlines in the procedural order that dealt with timing like wise be extended in view of the city's effort to complete the expert studies, particularly the date for disclosure of parties positions, which we would request be scheduled for September 1<sup>st</sup> of this year and that the witnesses have exhibits be designated by October 1<sup>st</sup>. This would give the city sufficient time to complete the expert analysis or have its experts complete its analysis and to timely make its disclosures and our filings with the District. And I have to say that the first thing we did was contact the applicant and the applicant has graciously agreed to not object to this request for continuance and allow the city sufficient time to complete its studies. We urge the Board to grant the request to reconsider the hearing date and the motion for continuance.

Glenn Honaker: Thank you sir. Discussions and cross examinations now.

- Mr. Beard: None.
- Mr. Gray: Nothing.
- Mr. Ryan: Nothing.
- Mike Gershon: Yes, the General Manager is ok with, comfortable with the relief of requested. The dates work for us, he does not object to it.
- Mr. McCarthy: Thank you Mr. Honaker. On behalf of Fort Stockton Holdings, we only do not object to Mr. Johnsons requests on behalf of the city, we understand the concerns the city council has wanting to get their studies and we support their interest. We still believe our studies firmly support our application, but we welcome the opportunity for the council to become comfortable and we support their motion and we are available on the dates they suggested subject to the Boards availability. Thank you.

Glenn Honaker: Thank you sir. Any questions from the Board?

Bill Dugat: Can I just point out something? The presiding officer has the authority to rule on this motion without the Board voting on it, but since it involves the date of the hearing which the Board gave input last month – September October – it was brought back to you to make sure that if all the parties are ok with the January hearing date, and y'all are ok with it, and then Glenn can issue an order, so it doesn't require action, but it does require important input.

Glenn Honaker: I guess the dates we're talking about January 20 & 21, 27 & 28.

Bill Dugat: Yes sir.

Glenn Honaker: Is that satisfactory with Board members as far as you know? I know all of you know exactly what you are going to be doing about then. Try not to plan anything on those days.

John Dorris: I've already got something planned.

Evans Turpin: Last time we talked you said it may even take five or six days, so this may mean that it could even run into February.

Glenn Honaker: It could even run into February, if need be.

Evans Turpin: But it'll always be that Thursday/Friday kind of time frame.

Glenn Honaker: Yes sir. We'll try to keep it on a Thursday/Friday – unless at the time we can continue on to the next day on Saturday or something if the Board and everyone agrees – correct?

Bill Dugat: We have to comply with the open meetings notice, so we need to be 72 hours before, but if we could notice it well in advance and then cancel it if we need to. But, now that we've added another party; the possibility that this hearing goes beyond four days I think is – realistically that this could happen. But we need to get dates so that all these parties know what to focus on.

John Dorris: Can we get a date break in-between? Seriously because we're going to be feeding cattle fast and furious in that time of year. But I'm not going to miss two days in a row of feeding.

Glenn Honaker: What's the rest of the Board's decisions? Merrell – you've got stock.

Merrell Daggett: Put out molasses probably.

Glenn Honaker: Buy some molasses John.

John Dorris: Don't like it.

Houston McKenzie: I get my wife to feed.

Glenn Honaker: Laura will come down and feed for you. She feeds at the ranch.

John Dorris: If I have help.....but, you never know when you're gonna have help.

Glenn Honaker: We can spread this thing over the next two years if we want to, but I don't want that.

John Dorris: I don't either.

Bill Dugat: The statute might get us if we do that

Glenn Honaker: Let's shoot for the Thursday/Friday scenario. If we need to make adjustments later, we can see.

Glenn Honaker: If that suits the Board, and all the other parties are agreeable, and the applicant – through the media, they say y'all have already approved it, so I guess the Board will probably follow suit. We'll go ahead and reissue an order to change the dates to January 20 & 21, 27 & 28, 2011; and adjust the other dates in accordance with that.

Russ Johnson: Thank y'all very much.

Glenn Honaker: Thank you Mr. Johnson.

**C Update by Board President as Presiding Officer on the June 1, 2010 procedural schedule**

Glenn Honaker: The next item on the agenda was update by Board President as presiding officer on the June 1<sup>st</sup> procedural schedule and that's what this last was in response to. We set the dates for the end of September and first of October and I signed an order and it was sent to all parties. Now we will redraft the order adding a party and also changing the dates of the hearing and the applicable dates as required.

Bill Dugat: Yes sir.

Glenn Honaker: In accordance with the hearing dates. So that is all we had on the procedural update. If there's nothing further, I will accept a motion to adjourn this hearing.

**IV Adjourn.** A motion to adjourn was made by Merrell Daggett and seconded by Lynn Holland to adjourn this hearing. Motion carries and hearing adjourned at 3:32 p.m.

Regular Board Meeting *Call to Order* immediately following the Public Hearing at 3:33 PM

**I Consider and/or act upon** minutes of May 18, 2010

John Dorris moved, Merrell Daggett seconded that the minutes of May 18, 2010 be approved with changes as follows:

Change from: **Hearing Agenda item II** A quorum of the MPGCD board is 6 members, therefore no action taken.

Change to: A majority of the MPGCD board is 6 members, therefore the vote did not have a majority of the full board to pass.

Change from: **Regular meeting, Agenda Item III** A quorum of the MPGCD board is 6 members, therefore no action taken.

Change to: A majority of the MPGCD board is 6 members, therefore the vote did not have a majority of the full board to pass.

The motion passed unanimously.

**II Comments from Public and Media: No comments**

Note: The agenda order was changed as follows...

**Agenda Item VI Consider and/or act upon Appointment of Director of Precinct 1**

As the position for Precinct 1 Director is a hold-over position filled by Jack McIntyre; the position has needed a permanent director. Janet Groth came forward seeking the position. The position will be up for election in May 2012.

John Dorris moved, Merrell Daggett seconded to appoint Janet Groth to the position of Precinct 1 director to fill the unexpired term of the position. The motion passed unanimously.

Note: She was administered her Oaths of Office during agenda item #VII

**Agenda Item VII Consider and/or act upon Administration of Oath of Office for Board**

Members: Vanessa Cardwell and Lynn Holland

The following Board Members were administered the *Statement of Elected Officer* and the *Oath of Office* by President Glenn Honaker:

Lynn Holland	Precinct 3
Vanessa Cardwell	City of Fort Stockton
Janet Groth	Precinct 1

**III Consider and /or act upon joint funding agreement related to USGS water study**

Manager Weatherby explained that it is required for there to be an Interlocal cooperative funding agreement between the entities that will be participating in the financial part and data part for the USGS study. The Pecos County Commissioners', the Fort Stockton City Council, Pecos County WCID#1, and Brewster County have all agreed to participate. Each entity will take the funding agreement to their next meeting and approve how much money they will provide to the Middle Pecos GCD which we will in-turn pay the quarterly USGS bill.

No action required.

**IV Consider and/or act upon Budget Amendments**

Manager Weatherby explained that the budget needs to be increased to cover the additional expenses being incurred. The two main areas of increase are legal expenses and the USGS study. The total increase is \$197,106.

Houston McKenzie moved, John Dorris seconded to amend the budget as presented. The motion carried with no objection.

**V Consider and/or act upon Accounts Payable and Treasurer's Report for 05-31-2010 and Line Item Transfers**

Merrell Daggett made a motion to approve the accounts payable and Treasurers' Reports. Seconded by Houston McKenzie. Motion carried.

**VIII Discussion of possible amendments to rules, including but not limited to adoption of permissive statutory hearings procedure, and consider and/or act upon initiating rulemaking notice and hearing process under Section 36.101, Texas Water Code**

Mike Gershon, MPGCD attorney presented possible amendments to the Board:

- Clarify procedures for continuance of hearings and requesting reconsideration of decisions of the Board.
- Clarify how District would limit permitted withdrawals in the event of necessary cutbacks (to avoid impairing Desired Future conditions)
- Incorporate Management Zone boundaries into rules (Section 10)
- Consider adjusting threshold-requirement for permit applicants having to prepare hydrogeological report
- Add to authority of Presiding Officer to set hearing procedure
- Adopt statutory procedure that a Hearing Report is only required when there is not a quorum of the Board during hearing. Reference Texas Water Code §36,410
- Clarify when Board may take action on permit applications. Notice shall be posted 20 days prior to the July 20<sup>th</sup> Rule Hearing. No action required.

**IX Consider and/or act upon Public Officials' Errors & Omissions Policy and other insurance coverage**

Executive session was called @ 4:22. Pursuant to Section 551.071 of the Texas Government Code, the Board will consult with its attorney. Any action will be taken in open session.

Reconvene to open session at 4:58 pm.

President Honaker reported that the General Manager will review policies from Capp Insurance and Sawyer & Associates and make recommendations to the Board at the next regular meeting. There was no action taken in executive session. No further action is required in open session.

**X Consider and/or act upon Presiding Officer's Designation of the General Manager to represent Middle Pecos GCD pertaining to the joint planning process and the adoption of Desired Future Conditions for the Management area's aquifers for Groundwater Management Areas 3 and 7 under Section 36.108(c), Texas Water Code**

Mike Gershon informed the Board that Glenn Honaker is the designated representative for MPGCD and that he can allow someone to be his designee, which in this case is General Manager Paul Weatherby.

**XI Consider and/or act upon Progress Reports:** Well Registrations, Production Permits, Drilling Permits, Data Loggers, ongoing Water Quality Analysis, District's development of Desired Future Conditions, Management Plan, USGS update  
Manager Weatherby reported that:

- Well registrations are ongoing.
- The District Extension office has provided us with a map that shows all of our monitoring wells
- The Palmer Drought Index map was presented to the Board for their review.
- USGS provided the Board with a written update.
- The Texas Parks and Wildlife is the state agency charged with the primary responsibility for protecting the state's fish and wildlife resources. They have recommended that GMAs consider aquifer contributions to stream flows as a metric in determining their DFCs.
- Water Analysis are on going.
- Tuesday, June 22 the USGS will be delivering a down hole camera for us to use
- OXY has sent our executed revised document for the tax abatement.
- Desired Future Conditions: GMA 3 will hold a meeting in Monahans on June 21<sup>st</sup>. GMA7 will have a meeting on Thursday, June 24<sup>th</sup> in Wall, Texas.
- Management Plan: July 20<sup>th</sup> is the deadline to have the management plan updated. Management zones will be included.

Agenda Item #XI General Manager's report on incoming Groundwater District-related Correspondence mixed with the progress reports agenda item.

**XII Consider and/or act upon Agenda for next meeting**

- Public Officials' Errors & Omissions Policy
- Rule Making Hearing

**XIII Adjourn** . Merrell Daggett made a motion to adjourn, seconded by Lynn Holland. The motion carried, and the meeting adjourned at 5:13 pm.

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M. R. Gonzalez,  
Secretary/Treasurer

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Glenn Honaker  
President

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Date Approved