

Middle Pecos Groundwater Conservation District
Minutes of July 24, 2012

On this the 24th day of July, 2012, a Public Hearing and a Regular Board Meeting was held by the Middle Pecos Groundwater Conservation District in the office located at 405 North Spring Drive, Fort Stockton, Texas, with the following members present, to-wit:

Glenn Honaker	President, Precinct 1
John Dorris	Vice President, Precinct 3
Janet Groth	Precinct 1
Weldon Blackwelder	Precinct 3
Ronald Cooper	Precinct 4
Vanessa Cardwell	Fort Stockton, City of
Evans Turpin	Iraan, City of
Houston McKenzie	At Large

Member Absent: Alvaro Mandujano, Jr., M. R. Gonzalez, and Merrell Daggett.

Quorum Present.

Others Present: Paul Weatherby/General Manager, Melissa Mills, Harvey Gray, Frances Gomez/Pioneer, Brock Thompson, Jeff Williams, Mike Thornhill, Gary Drgac, Dan Percy, and Darrell Peckham.

Public Hearing

Call to Order at 10:05 AM by President Glenn Honaker.

II Public hearing on Resubmitted Historic and Existing Use Permit applications of Mr. Dan Percy of Pecos Pecan, L.L.C. (**additional notice published and posted pursuant to District's rules and Tex. Water Code Ch. 36)

A motion for a rehearing challenging the District rules adopted on June 19, 2012, that relates to processing Historic and Existing Use permit applications was filed by Fort Stockton Holdings on July 9, 2012.

The hearing for the Historic and Existing Use Permit applications of Mr. Dan Percy of Pecos Pecan, L.L.C. will be continued at a later date.

III Adjourn: John Dorris made a motion to continue the hearing. Motion seconded by Weldon Blackwelder. Motion carries. Time: 10:07 am.

REGULAR BOARD MEETING

Call to Order at 10:08 am by President Glenn Honaker

II Comments from **Public and Media (limit 5 minutes per person) None**

III Consider and/or act upon **minutes of June 19, 2012**
Ronnie Cooper made a motion to approve the minutes of June 19, 2012 as presented. Seconded by John Dorris. Motion carried.

IV Consider Fort Stockton Holding, LP's Motion for Rehearing on District's recent rules adoption

The District received a motion for rehearing on July 9th from Fort Stockton Holdings. The motion was timely filed on the 20th day after the rules were adopted. The motion will be considered at the regular board meeting in August. President Honaker encouraged members of the public to file written comments or briefings as soon as possible if they intended to do so.

V Consider and/or act upon Order of General Election for November 6, 2012

President Honaker called for an election to be held on November 6, 2012. Application for a place on the ballot must be filed by 5:00 pm on August 20, 2012. Please see attachment A for the Order of Election. The Directors whose terms are expiring are: Precinct 1/Janet Groth; Precinct 2/M. R. Gonzalez; Precinct 3/John Dorris; Precinct 4/Alvaro Mandujano Jr.; and At Large/Houston McKenzie.

John Dorris made a motion to order an election to be held on November 6, 2012. Seconded by Janet Groth. Motion carried.

VI Consider and/or act upon Percy Applications for Historic and Existing Use Permits

To be continued.

VII Consider consultant's work product regarding (A) maximum water-level recovery conditions for 2010 and (B) 2010 Management Zone water levels as benchmarks for future comparisons of water levels as contemplated by District Rule 10.5(e).

Tabled.

VIII Consider and/or act upon Proposed Budget for the Fiscal Year Ending 09-30-2013

Tabled. At this time we have not received the certified appraisal of taxable property values from the Pecos County Appraisal District.

IX Consider and/or adopt Proposed Tax Rate for 2012

Tabled.

X Consider and/or act upon Scheduling Public Hearings on Proposed Tax Rate for 2012

Tabled

- XI Consider and/or act upon Accounts Payable and Treasurer's Report and Line Item Transfers for 06-30-2012

Evans Turpin made a motion to approve the Accounts Payable, Treasurer's Report and Line Item Transfers for 06-30-2012. Seconded by Janet Groth. Motion carries.

- XII Consider and/or act upon Terms of Engagement Letter with Smith & Rives, PC for the upcoming Audit for the Fiscal Year Ending 09-30-2012

John Dorris made a motion to have the firm of Smith and Rives PC conduct the audit for the Fiscal Year Ending 09-30-2012. Motion seconded by Weldon Blackwelder. Motion carries.

- XIII Consider and/or act upon Progress Reports: Well Registrations, Production Permits, Drilling Permits, Data Loggers, ongoing Water Quality Analysis and U.S. Geological Survey study update, Legislative Update

- Palmer Drought Map – Available in their notebooks.
- Well Registrations: Progress report included in their notebook
- Drilling Permits: Nothing submitted since the last meeting.
- Data Loggers: Increasing our monitoring system and consulting with Texas Water Development Board.
- Water Quality Analysis: Continuing.
- USGS Update: The report is available on line. USGS representatives will give us a presentation in August.
- Legislative: Several interim charges are being filed regarding groundwater. We are staying in touch with Senator Uresti and our lawyers. TAGD association also keeps us informed with updates.

- XIV Consider and/or act upon (Blank) (This is not a valid agenda item)

- XV General Manager's report on incoming Groundwater District-related Correspondence

- Reminder of the TAGD Groundwater Summit to be held August 28-30, 2012
- GAM Run 10-040 MAG Version 2 for the Dockum Aquifer was given to Directors for their information
- A notice from the Texas Commission on Environmental Quality proposes to amend and reissue the Class I Underground Injection Control General Permits. The amendments would incorporate standards for disposal of nonhazardous DWTR that contain naturally occurring radioactive material into a salt cavern in horizontally bedded or non-domal salt. This is an effort to prevent the movement of fluids that would result in the pollution of an underground source of drinking water.

- Great American Insurance Group: Notice of premium increase.
- Region F meeting: August 16, 2012 in San Angelo, Texas.
- FLR Lands, LLC: Application to cancel Pecos County Subdivision.
- News article: Water Quest, Inc. Titled “Bushman Venture to Aid Water Woes”. There are proposals to develop a desalination plant that would treat 10 million gallons of water a day and a pipeline that would pump 50 million gallons of water a day for industrial and municipal purposes.
- News article: Titled “City of Fort Stockton Talking with City of Odessa to Sell Water. The article states the water would come from the Capitan Reef. MPGCD has not been talks with the City of Fort Stockton.
- News article: “Local Company Wise H2O Secures Rights to Well Field in Reeves County”. The article states that the company has secured water rights to a well field in Reeves County. Originally to be used for coal gasification plants, it will be used to provide water for industries or further purified for drinking water.
- News article: “Fault Line Found in Fort Stockton Could Threaten City’s Water”. Cracks ranging from several inches wide to several feet deep and several miles long have been spotted in Pecos County. The USGS has taken a look at them. We are monitoring the water wells in the areas. The cracks cross the City of Fort Stockton’s water line are causing concern about possible damages to the city’s main source of water. The line also runs across a set of railroad tracks and Belding Road. All these places are being monitored by several agencies.

XVI Consider and/or act upon Agenda for next meeting
Proposed Benchmarks, and 3 production permits

XVII Adjourn Weldon Blackwelder made a motion to adjourn, seconded by Houston McKenzie. The motion carried, and the meeting adjourned at 11:09 am.

M. R. Gonzalez, Secretary/Treasurer

Glenn Honaker, President

Date Approved _____