

Middle Pecos Groundwater Conservation District
Minutes of January 21, 2014

On this the 21st day of January, 2014, public hearings and 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:

Jerry McGuairt	President, Precinct 1
John Dorris	Vice President, Precinct 3
M. R. Gonzalez	Secretary/Treasurer, Precinct 2
Alvaro Mandujano, Jr.	Precinct 4
Ronald Cooper	Precinct 4
Vanessa Cardwell	City of Fort Stockton
Turpin, Evans	City of Iraan

Quorum Present.

Member Absent: Janet Groth, Merrell Daggett, Weldon Blackwelder, Terry Whigham

Others present: Paul Weatherby, Allan Standen, Harvey Gray, Gail Reeves, Ty Edwards, Melissa Mills, Brock Thompson, Jeff Williams, Mike Thornhill, Alyson McDonald, Craig Pearson, Kenneth Heritage, and Polly Taylor with the Fort Stockton Pioneer.

REGULAR BOARD MEETING

- I Call to order at 9:40 AM by Board President Jerry McGuairt
- II Comments from **public and media** (limit 5 minutes per person)
Members of the public may address the Board for a limited time concerning any subject whether or not it is on the agenda. The Board is not allowed to take action on any subject presented that is not on the agenda, nor is the Board required to provide a response.

No comments from the public
- III Consider and/or act upon the **Audit for the Fiscal Year ending 09-30-2013 as presented by Smith and Rives, PC**

Rocky Rives with Smith and Rives, PC Certified Public Accountants presented the audit to the Board and answered all questions. The opinion rendered is the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the MPGCD, as of September 30, 2013, and the respective changes in financial position thereof for the year ended in conformity with accounting principles generally accepted in the United States of America. There are no findings that require disclosure or corrective action in the audit report.

Ronnie Cooper made a motion to approve the Audit for Fiscal Year ending 09-30-2013 as presented. Seconded by John Dorris.
Motion Carried.

- IV Consider and/or act on Minutes of **December 17, 2013**
Alvaro Mandujano, Jr. made a motion to approve the minutes of December 17, 2013 with one correction on page 3 referencing agenda item number VII: *Dubose Drilling, Inc. failed to comply with the deadline of January 16, 2013 - change year from 2013 to 2014.* Seconded by John Dorris. Motion Carried.
- V Consider and/or act upon **Adjusted Accounts Payable and Treasurer's Report and Line Item Transfers for the Month Ending November 30, 2013**
Ronnie Cooper. made a motion to approve the Adjusted Accounts Payable and Treasurer's Report and Line Item Transfers for the month ending November 30, 2013. Seconded by Evans Turpin. Motion Carried.
- VI Consider and/or act upon **Accounts Payable and Treasurer's Report and Line Item Transfers for the Month Ending December 31, 2013**
Ronnie Cooper made a motion to approve the Accounts Payable and Treasurer's Report and Line Item Transfers for the month ending December 31, 2013. Seconded by Vanessa Cardwell. Motion Carried.
- VII Consider and/or act upon **Barilla Solar, LLC Tax Abatement**
Manager Paul Weatherby explains that John Litchenberger, party representing Barilla Solar LLC, had sent information about a request for a Tax Abatement but has not made application before the Board for Tax Abatement. Mike Gershon, MPGCD attorney, said an application for tax abatement will need to be presented first. (as required by law)
Action on this agenda item was tabled
- VIII Consider and take action **to order a show cause hearing on alleged rules violations by DHI Ranch LTD**
Manager Paul Weatherby explained to the Board that over a period of 6 years that he had been informally contacting DHI and DRH by phone calls to register wells. After talking with Mike Gershon, MPGCD attorney, a courtesy letter was sent out on October 11, 2013 with no response. A Certified letter will be sent out with a deadline and a notice of Show Cause Hearing for violation for not registering wells.
No Action Taken.

President McGuairt recessed the regular meeting at 10:12 AM.

HEARINGS AND BOARD ACTION ON PRODUCTION PERMIT APPLICATIONS¹

- I Public Hearing on **Production Permit Application for Kenneth Heritage, dba Heritage 1450.**

Call to order at 10:12 AM by President Jerry McGuairt

Party representing application: Kenneth Heritage

Protestant to application: None

Public comment: None

Application request: Kenneth Heritage, dba Heritage 1450, has made application for a Production Permit with the Middle Pecos Groundwater Conservation District for 1 well located approximately 4 miles west of Fm 1053 on Fm 1450 and 100 yards north of pavement, in Pecos County, Texas. The purpose of this water well is for Industrial Use and requests 10 acre feet/year from the Pecos Valley Aquifer.

Board Member Ronnie Cooper noted application needed a correction on the date production Permit Application was signed from 2013 to 2014.

Kenneth Heritage will be reporting monthly production to the District either by letter or e-mail. Manager Paul Weatherby stated the notice was properly posted, and declared the application administratively complete and recommended that it be approved with amended signature date from 2013 to 2014 as originally signed on application.

Kenneth Heritage spoke and said the well was existing on the property and he saw an opportunity for stock use or oilfield purposes. Mr. Heritage states he had the well checked, ran a camera and tested, and at the moment it currently produces 30 GPM (gallons per minute).

II Adjourn hearing and consider and/or act on Production Permit Application for Kenneth Heritage, dba Heritage 1450.

Evans Turpin made a motion to adjourn the hearing. Seconded by Alvaro Mandujano Jr. Motion carried.

Regular meeting called to order at 10:18 AM by President Jerry McGuairt

John Dorris made a motion to approve the application for a production permit for 1 well located approximately 4 miles west of Fm 1053 on Fm 1450 and 100 yards north of pavement, in Pecos County, Texas. The purpose of this water well is for Industrial Use and is approved for 10 acre feet/year from the Pecos Valley Aquifer. The motion was seconded by Ronnie Cooper. Motion carried without opposition.

Adjourn meeting at 10:17 AM

IX Presentation by Allan Standen on hydrogeological report requirements.

President McGuairt pointed out that the presentation is on eastern Pecos County.

MPGCD Hydrogeologist Allan Standen gave a presentation:

- Build hydro-stratigraphic dataset of aquifer and selected oil and gas formation surfaces for eastern Pecos County referenced to land surface.
- Create net saturated sand maps for the Trinity and Dockum aquifers.
- Create cross-sections illustrating water level surface relative to aquifer surfaces.
- Build a hard copy library of all geological well data, referenced to state well grid and large scale maps, 24" by 30", illustrating depths to aquifer and
- oil/gas surfaces

No action taken.

Board Workshop on District Rules

I Commence Board workshop on Rules

Call to order at 11:05 AM

II Discuss and consider possible future edits to hydrogeological report requirements and other District rules.

Mike Gershon, MPGCD Attorney, and Allan Standen (Hydrogeologist) were contacted and rewrote the District's Rule 11.9.3 regarding hydrogeological report requirements for production permits for greater than 1,000 or more acre-feet per year.

Mr Weatherby contacted Mike Gershon(MPGCD Attorney) by phone to let him know Board Members will review the possible edits. Mike says under current rules MPGCD should be able to handle applications. Workshop to be continued at next meeting. No action taken.

III Discuss timeline for issuing draft rules and issuing notice for a rulemaking hearing on draft rules.

No action taken.

Adjourn Board Workshop Meeting at 11:18 AM

Reconvene Regular Board Meeting

X Consider and or act upon **Pecos Pecan LLC Order to submit production permit applications by January 20, 2014**

Production Permit Application was signed and submitted by Dan Percy on behalf of Pecos Pecan LLC. Mr. Percy will have a Hydrogeological Study done. Manager Paul Weatherby states that Pecos Pecan LLC is in compliance.
No Action Taken

XI Consider and/or act upon **General Manager's 2013 Annual Report**

Manager Paul Weatherby presented his General Managers Annual report to the Board.

Vanessa Cardwell made a motion to accept the report. Seconded by Evans Turpin.
Motion Carried.

XII Consider and/or act upon **Progress Reports: Well Registrations, Production Permits, Drilling Permits, Data Loggers, ongoing Water Quality Analysis**

- Well Registrations are increasing by month. They are mostly exempt wells. Two replacement wells were drilled for agricultural use. Manager Paul Weatherby says he did onsite inspection.
- Production Permits: Two upcoming permits are Pecos Pecan and Pecos SS.
- Water Quality Analysis: Had two Reports of contamination which were corrected.

XIII Consider and/or act upon **General Manager's Correspondence and Report Brief the Board regarding General Manager's actions and developments involving Randy Braden's wells and well drillers associated with Randy Braden's wells**

An onsite visit was done by Mr. Weatherby and Ty Edwards after the Board had given Dubose Drilling a deadline to plug wells. Mr. Dubose was not allowed on property therefore Acosta Drilling did the work. Randy Braden had not received plugging reports from Acosta. Paul called Mr. Acosta while onsite and he was in the process of completing reports. Reports were received. There are pictures of the plugged wells. Based on available info there should be no further contamination.

XIV **Directors' comments**

A letter was received from Barry McCallister in reference to the Sandridge Plant. They are still paying \$7500 for Tax Abatement.

Theft Report was filed. In the middle of December 2013, a data logger was broken in to on the Precinct 4 Well and a solar panel, battery, and controller were stolen.

On January 22, 2014 at 11:00 AM Aqua Group from Fredericksburg will have a presentation at MPGCD office.

U. S. Geological Survey will present the final report on the regional groundwater study at 10:00 AM on February 11, 2014 at Pecos County Courthouse.

XV Consider and/or act upon **agenda for next meeting**

- Barilla Solar, LLC Tax Abatement Application and Agreement
- Allan Standen work proposal
- Pecos Pecan LLC Production Permit Application
- Pecos SS LLC Production Permit Application
- Consider Rule 11.9.3
- Enforcement Actions on possible groundwater contamination issues

XVI **Adjourn**

The meeting was adjourned by President Jerry McGuairt at 11:47 AM.

M. R. Gonzalez, Secretary/Treasurer

Jerry McGuairt, President

Date Approved _____