

## **MIDDLE PECOS GROUNDWATER CONSERVATION DISTRICT**

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### Directors

Jerry McGuairt, President John D. Dorris, Vice President M. R. Gonzalez, Secretary/Treasurer  
Alvaro Mandujano, Jr. Vanessa Cardwell Ronald Cooper Janet Groth  
Weldon Blackwelder Allan Childs Jeff Sims

### Employees

Paul Weatherby, General Manager (Retired at this Meeting)  
Ty Edwards, Assistant Manager (Accepted General Manager Position upon Weatherby's retirement)  
Melissa Mills, Office Manager Gail Reeves, Office Assistant

## **Minutes of January 17, 2017**

On this the 17<sup>th</sup> of January, 2017, a regular board meeting and public hearings were held by the Middle Pecos Groundwater Conservation District at the Pecos County Courthouse, 2<sup>nd</sup> Floor 103 West Callaghan, 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
Janet Groth	Precinct 1
Open Position	Precinct 2
Weldon Blackwelder	Precinct 3
Ronald Cooper	Precinct 4
Alvaro Mandujano, Jr.	Precinct 4
Vanessa Cardwell	City of Fort Stockton
Jeff Sims	City of Iraan
Allan Childs, Jr.	At Large

Quorum Present.

Board members absent: None

Others present: Paul Weatherby, Mike Gershon, Emily Rogers, Gail Reeves, Ty Edwards, Harvey Gray, Melissa Mills, Joe Shuster, Drew Miller, Joe Chris Alexander, Ernest Woodard, Larry Drgac, Kirby Warnock, Jeff Williams, Brock Thompson, Ed McCarthy, Mike Thornhill, Jimmy Perkins, Scott Courtney, Bob Harden, Marty Jones, Paula McGuairt, Gwen Kennedy Hunnicutt, Jack G. Hunnicutt, Rod Ponton, Ryan Reed, Glenn Honaker, Mark Harral, Oscar Hernandez, Mr. Kincaid, John R. Pitts, Jr., Richard Gruber, Tom Kuster, Sam Grayson, Doug May, Chuck McDonald, Debra Ezell, Elise Sibley Chandler, Elizabeth Lusk/Horizon Court Reporter, and Bob Beal/Fort Stockton Pioneer.

- I Call to order regular Board meeting at 9:00 a.m. by 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.

Debra Clayton Ezell: Continuing the protest of allowing Pecos S S to transport water from Pecos County. They are neighbors, and fear that it could hurt the wells on their property.

Kirby Warnock: He renewed his request for the Board to deny Republic Water Company of TX application to export water.

The agenda items were addressed in a different order than shown on the agenda:

- X Presentation of Feasibility of Drilling Deep Borehole by Department of Energy. John McDonald, along with Bob Hardage from the Bureau of Economic Geology, presented the basic elements of the Texas Deep Borehole research project.

The University of Texas' Bureau of Economic Geology is spearheading a \$40 million public-private initiative funded and directed by the U. S. Department of Energy to execute its Deep Borehole Field Test (DBFT) on a tract of University Lands northeast of the city of Fort Stockton in Pecos County. This field test involves drilling a deep borehole 8.5-inches in diameter 16,400 feet into a crystalline basement rock formation deep below the surface. The objective of the project is to determine if deep boreholes are suitable for the safe disposal of certain forms of radioactive waste and to collect data on the potential for the development of geothermal energy. An estimated 400 surrogate waste containers would be placed in the bottom mile of the three-mile deep encased borehole. The upper two miles of the encased borehole will be sealed with compacted bentonite clay, cement plugs, and cemented backfill.

Important to note that the Department of Energy has no plans to dispose of radioactive waste in the DBFT research project. Three other sites are being considered, two in New Mexico and one in South Dakota. The project will be a 5 year endeavor. The contract will be awarded in January 2018.

Note: John Dorris arrived at 9:24 a.m.

- III **Executive Session** pursuant to Texas Government Code §§ 551.071 and/or 551.074 on **personnel matters** regarding employment of and employment agreement regarding District's General Manager.

An Executive Session was called at 9:35 a.m. by Presiding Officer Jerry McGuairt pursuant to the Texas Open Meetings Act, Sections 551.071 and/or 551.074 of the Texas Government Code, to consult with attorney and/or discuss personnel matters.

The Executive Session ended at 10:07 p.m. President McGuairt stated that no decisions or votes were made in executive session.

Open session reconvened at 10:12 a.m.

Note that Board member Alvaro Mandujano, Jr. arrived.

- IV Consider and/or act upon **personnel matters** regarding employment of, employment agreement regarding, and delegation of duties to District's General Manager.

Weldon Blackwelder made a motion to accept Paul Weatherby's resignation with 6 month severance pay. Motion seconded by John Dorris. The vote was 9 For. 0 Against. 1 Abstention (A. Mandujano abstained). 1 Vacant Position.

President Jerry McGuairt stated that he has the Severance Agreement and would fill it out and have it signed. Paul Weatherby would receive a copy and the District would keep a copy.

Ronnie Cooper made a motion to promote Ty Edwards to the position of General Manager along with all the General Manager duties with a probationary period of 6 months. Motion seconded by Janet Groth. Motion carried. The vote was 9 For. 0 Against. 1 Abstention (A. Mandujano abstained). 1 Vacant Position.

Weldon Blackwelder made a motion to authorize the Board President and Board Secretary to execute a Resolution to be prepared by District's counsel today that authorizes the General Manager to serve as the signatory on the District's bank accounts. Motion seconded by Vanessa Cardwell. Motion passed unanimously.

- V Consider and/or act to **accept the resignation of Merrell Daggett, Precinct 2 Director.**

Janet Groth made a motion accept the resignation of Merrell Daggett, Precinct 2 Director with regrets. Motion seconded by Alvaro Mandujano, Jr. Motion passed unanimously.

VI Consider and/or act upon **Appointment of New Director for Precinct 2**. Tabled.

VII **Administer the Statement of Elected Officer and Oath of Office for Precinct 2 Director**. Tabled.

VIII Consider and/or act upon **Allan Standen, LLC Technical Services Agreement**.

Janet Groth made a motion to accept and approve the agreement for technical services with Allan Standen, LLC. Motion seconded by John Dorris. Motion passed unanimously.

IX Discuss and/or approve **Transport Fee Agreement By and Between MPGCD and Pecos SS, LLC**.

Agreement highlights:

- Withdraw groundwater from the **Edwards - Trinity Aquifer** from its wells located within the District's boundaries, and transport this water outside the District's boundaries for beneficial use in Upton, Reagan, Glasscock, Midland, Crane and Crockett, Ward, Reeves, and/or Loving Counties in accordance with the terms of its permit(s) issued by the District or the District's rules.
- The transport fee shall be set at \$0.0249 per each thousand gallons actually transported.
- Bi-annual payment is due and must be received at the District's office no later than January 31<sup>st</sup> and July 31<sup>st</sup> of each year.
- The groundwater must be reported monthly. The report must be submitted to the district no later than 10 days after the end of the month.
- The Transporter agrees to conduct chemical analysis by a certified laboratory of each well in June and December of each year and submitted to the District by August 1 and February 1 retrospectively.
- The initial term of this Agreement shall be 5 years

John Dorris made a motion to table action. The motion died for lack of a 2<sup>nd</sup>.

Vanessa Cardwell made a motion to approve the agreement as written. Motion seconded by Alvaro Mandujano, Jr. Motion carried. Vote: The vote was 8 For. 1 Against. 1 Abstention (A. Childs abstained because he had not seen the agreement). 1 Vacant Position.

XI Consider and/or act upon **Minutes of November 15, 2016/Regular Meeting.**

Janet Groth made a motion to approve the minutes of November 15, 2016 as presented. Motion seconded by Vanessa Cardwell. Motion carried. The vote was 9 For. 0 Against. 1 Abstention (A. Mandujano abstained). 1 Vacant Position.

XII Consider and/or act upon **Minutes of November 21, 2016/Special-Called Meeting.**

Ronnie Cooper made a motion to approve the minutes of November 21, 2016 as presented. Motion seconded by M. R. Gonzalez. Motion carried. The vote was 9 For. 0 Against. 1 Abstention (A. Mandujano abstained). 1 Vacant Position.

XIII Consider and/or act upon **Accounts Payable and Treasurer's Report and Line Item Transfers for the Month Ending November 30, 2016.**

Vanessa Cardwell made a motion to approve the accounts payable and Treasurer's Report and Line Item Transfers for the month ending November 30, 2016. Motion seconded by Weldon Blackwelder. Passed Unanimously.

XIV Consider and/or act upon **Accounts Payable and Treasurer's Report and Line Item Transfers for the Month Ending December 31, 2016.**

Alvaro Mandujano, Jr. pointed out one date that needed to be corrected from 2016 to 2017.

Vanessa Cardwell made a motion to approve the accounts payable and Treasurer's Report and Line Item Transfers for the month ending December 31, 2016 with the one date correction from 2016 to 2017. Motion seconded by Weldon Blackwelder. Passed Unanimously.

XV Consider and/or act upon **Office Expenditures.**

Ty Edwards presented information on a refrigerator from Sears for \$549.99 and asked for approval to purchase it. He was also given approval to purchase a microwave.

Janet Groth made a motion to approve the purchase of the refrigerator presented, and for the purchase of a microwave not to exceed \$150. Motion seconded by Weldon Blackwelder. Motion carried unanimously.

**XVI Consider and/or act upon Recurrent Energy: Maplewood, LLC Application for Tax Abatement.**

John Pitts was in attendance as the representative for Recurrent Energy: Maplewood, LLC. Doug May was also present to answer questions.

- On August 19, 2014 a tax abatement was granted to RE Palmwood LLC. The rights and obligations of RE Palmwood LLC have been assigned to and assumed by a related entity, RE Maplewood LLC.
- The application is for an amended and restated tax abatement.
- The \$1,000 application fee has been received.
- The abatement begins the first day of January 2019 and ends in 10 full calendar years.
- The District has set a limitation value of FIFTY MILLION DOLLARS (\$50,000,000) on all projects to be considered for a tax abatement; meaning that only that value exceeding the limitation value will be considered as eligible for a tax abatement.
- The abatement is 80% abated and 20% taxed.
- Upon the expiration of the 10<sup>th</sup> Calendar Year of the Term of Abatement, 100% of the Certified Appraised Value of the property is subject to taxation.
- Mr. Pitts reported the site is located at 1901 Co-Op Rd, 12 miles South of McCamey. It is a 30 year operation. The proposed site will be a solar photovoltaic facility designed to generate electricity. The facility is located on approximately 1,500 acres of usable property, and the anticipated generating capacity is 100MWac.

Janet Groth made a motion to accept the application. Seconded by Alvaro Mandujano, Jr. Motion was unanimous.

**XVII Consider and/or act upon Recurrent Energy: Maplewood, LLC Tax Abatement Agreement.**

Janet Groth made a motion to accept and execute the Recurrent Energy: Maplewood, LLC Tax Abatement Agreement. Motion seconded by Weldon Blackwelder. Motion passed. The vote was 8 For. 2 Against. 0 Abstention. 1 Vacant Position.

**XVIII Consider and/or act upon Midway Solar LLC Application for Tax Abatement.**

Richard Gruber was in attendance as the representative for Midway Solar, LLC. Doug May was also present to answer questions.

- The application is for an amended and restated tax abatement.
- The \$1,000 application fee has been received.
- The abatement begins the first day of January 2019 and ends in 10 full calendar years.
- The District has set a limitation value of FIFTY MILLION DOLLARS (\$50,000,000) on all projects to be considered for a tax abatement; meaning that only that value exceeding the limitation value will be considered as eligible for a tax abatement.
- The abatement is 80% abated and 20% taxed.
- Upon the expiration of the 10<sup>th</sup> Calendar Year of the Term of Abatement, 100% of the Certified Appraised Value of the property is subject to taxation.
- Midway proposes to develop a utility-scale, grid-connected solar photovoltaic energy (PV) plant, and plans to be in operation on or before by December 31, 2018.
- The project will be located on 1,100 acres, more or less, and is anticipated to be capable of generating 180 MW of electricity. The project is expected to be a \$276,000,000 project.
- Land owner 1: 315.1 acres of the South half of H&GN R.R.Co Survey, Block 12, Section 14, and 454.551 acres of GC&SF R.R. Co., Block 194, Section 71, and 320 acres of the South half of GC&SF R.R. Co., Block 194, Section 77, and 100 acres of GC&SF R.R. Co., Block 194, Section 79.
- Land owner 2: 320 acres of the North half of GC&SF R.R. Co., Block 194, Section 77.
- This is a premier project for this South Korean firm in Texas.
- Larry Drgac will seek a permit for a production permit for this project.

Janet Groth made a motion to accept the application. Seconded by Weldon Blackwelder. Motion was unanimous.

**XIX Consider and/or act upon Midway Solar LLC Tax Abatement Agreement.**

Janet Groth made a motion to accept and execute the Midway Solar LLC Tax Abatement Agreement. Motion seconded by Weldon Blackwelder. Motion passed. The vote was 8 For. 2 Against. 0 Abstention. 1 Vacant Position.

- XX Consider and/or act upon **request by Buckthorn Westex to amend the Chapter 312 Abatement Agreement** as needed to defer the Agreement one year, i.e., begin the Abatement Period on January 1, 2018, and to make any other changes necessary to effect the deferral of the Agreement.

Sam Gregson was in attendance as the representative for the abatement amendment. Doug May was also present to answer questions.

NRG has recently acquired the Buckthorn Westex, LLC "Buckthorn" solar project from Sun Edison. On August 24, 2015 a tax abatement agreement became effective between MPGCD and Buckthorn. The Tax Abatement was to begin on the first day of 2017. Buckthorn is asking to extend the start of the Tax Abatement by one year. It is taking time to move through Bankruptcy court. The project will still be under construction when the abatement starts. The project site is 10 miles North of Fort Stockton off Highway 1053 on the Griffin Ranch/Hargus between Hwy. 18 and Hwy. 1053.

Janet Groth made a motion to approve the request by Buckthorn Westex to amend the Chapter 312 abatement agreement as needed to defer the agreement 1 (one) year. In other words beginning the abatement period on January 1, 2018, and make any other changes as necessary to affect the deferral of the agreement to bring it into our present guidelines with a Fifty Million (\$50,000,000) dollar value limitation, other than the original Twenty Five Million (\$25,000,000). The remaining value will be abated as 80% abated and 20% taxed. The motion was seconded by Weldon Blackwelder. Motion carried unanimously.

- XXI Briefing and take action as necessary on pending lawsuits:
- **Republic LLC's state-court lawsuit**, Cause # P-11956-112-CV/Writ of Mandamus, and Court of Appeals Case No. 08-17-00001-CV, which appeal was filed on January 3, 2017; and
  - **Fort Stockton Holdings, LP v. Pecos County, MPGCD, et al.** Court of Appeals Case No. 08-15-00382-CV.

**Republic LLC's state-court lawsuit**, Cause # P-11956-112-CV/Writ of Mandamus, and Court of Appeals Case No. 08-17-00001-CV, which appeal was filed on January 3, 2017

MPGCD attorney Mike Gershon took the floor to brief the Board. This was a State Court lawsuit. We won in State Court. The last event was the hearing on



attorney fees and the court ordered 100% reimbursement of the cost of MPGCD experts (Bill Hutchison and Allan Standen) and legal fees (Lloyd Gosselink Attorneys at Law) and court costs. The case has been appealed by Republic Water Company of Texas, LLC (Republic). Republic has indicated they intend to appeal all issues addressed in that case and have all of Judge Ables decision reversed.

The reimbursement ordered by the court has not yet occurred. Mr. Marty Jones was asked how Republic is handling the final judgment of the District Court on the fee award. Mr. Jones verbally declined to answer the question. MPGCD will protect its interest and force the judgment through Attorney Joe De La Fuente.

**Fort Stockton Holdings, LP v. Pecos County, MPGCD, et al.** Court of Appeals Case No. 08-15-00382-CV.

The oral arguments have been set for February 9, 2017 in El Paso. There are 2 issues. We are not involved in one set of issues that deal with intervening parties that were kicked out of the proceedings. The court will hear arguments on whether that decision by the District court was correct.

The second issue involves the Board's denial of Fort Stockton Holdings application on the limit issue involving the special permit condition with pre-existing historic use permits.

An Executive Session was called at 11:41 a.m. by Presiding Officer Jerry McGuairt pursuant to the Texas Open Meetings Act, Sections 551.071 of the Texas Government Code, to consult with attorney.

The Executive Session ended at 12:15 p.m. President McGuairt stated that no decisions or votes were made in executive session.

Open session reconvened at 1:02 p.m.

Republic's attorney Marty Jones proposed to extend the deadline to object to Court ordered mediation at the El Paso Court of Appeals by 35 days. The Board agreed with the extension.

**PRODUCTION PERMIT HEARING for  
Republic Water Company of Texas, LLC**

- I Call to Order at 1:04 p.m. by President Jerry McGuairt. **Continuation of the Preliminary Hearing on Application for a Production Permit and Authorization to Transfer for Republic Water Company of Texas, LLC (Republic LLC).** The Board will consider oral argument on and written pleadings in this matter including Republic LLC's Objection to Denial of Contested Case Hearing Rights; Republic LLC's Plea to the Jurisdiction and Motion to Remand to SOAH; the November 29, 2016 Briefing by the Parties; Fort Stockton Holding L.P.'s Objection to Denial of Contested Case Hearing Rights and Brief on Res Judicata and Collateral Estoppel; General Manager's Motion for Final Disposition or Summary Disposition and Request that any SOAH Referral be Limited to Preliminary Law Issues; Republic LLC's Response to Briefing on Purported Legal Issues and Motion for Summary Disposition; and any other motions or briefs filed in relation to this Application.

Today's hearing is a continuation of a preliminary hearing that was held on 11-15-2016. The notice for this hearing was provided in Order #3 issued on 12-08-2016.

NOTE: Elizabeth Lusk, a Certified Court Reporter, transcribed this agenda item. She may be contacted through Horizon Reporters 432-582-2393.

MPGCD Board special counsel for the hearing: Emily Rogers with Bickerstaff Heath Delgado Acosta, L.L.P.

Party representing applicant:

Republic Water Company of Texas, LLC: Marty Jones with Sprouse Shrader Smith PLLC, Attorney

Parties to hearing/application in attendance:

Kennedy Ranch: Gwen and Jack Hunnicutt representing their undivided interest in the Kennedy Ranch.

Pecos County WCID#1: Mr. Harvey, PCWCID#1 Board President

City of Fort Stockton: Mark Harral, Attorney

Pecos County: Andrew "Drew" Miller, attorney with Kemp Smith, LLP

Fort Stockton Holdings, L.P.: Edmond 'Ed' R. McCarthy, Jr. attorney with McCarthy and McCarthy, LLC

Cockrell Investment Partners, L.P.: Glenn Honaker; and Ryan Reed, Attorney with Pulman, Cappuccio, Pullen, Benson & Jones, LLP

MPGCD General Manager: Michael 'Mike' Gershon, attorney with Lloyd Gosselink Rochelle & Townsend, P. C.

\* Note: George Riggs filed a notice of withdrawal on 12-28-2016.

Emily Rogers gave the Board an update on filings since 11-15-2016:

- 11-18-2016 Fort Stockton Holdings filed a request for clarification on presiding officer's request and briefing request for more time.
- 11-29-2016 Republic Water Company of TX filed objections to contested case hearings rights.
- 1-29-2016 T. J. Higginbotham withdrew from proceedings.
- 11-29-2016 All the parties filed their estimates of what it would take to conduct a SOAH (State Office of Administrative Hearings) hearing.
- 12-01-2016 Middle Pecos GCD presiding officer issued an order regarding Fort Stockton Holdings motion for clarification and deadline for extension of Republic Water Company of TX objection to denial of contested hearing rights and he addressed procedural matters in the order.
- 12-02-2016 The 12-01-2016 order was revised.
- 12-02-2016 Republic Water Company of TX filed a plea to the jurisdiction in a motion to remand to SOAH.
- 12-08-2016 The presiding officer issued Order #3 addressing Republic's plea to the jurisdiction and motion to remand to SOAH specifying filing and service requirements and to provide notice of the preliminary hearing.
- 12-09-2016 General Manager made available all the background documents in this case.
- 12-16-2016 Republic Water Company of TX filed an interrogatory request for production and requests for admissions against the Board of the District.
- 12-20-2016 Bill Dugat filed a response regarding the discovery request. Bill Dugat is my partner and is also special counsel to you.
- 12-28-2016 George Riggs withdrew his request for hearing.
- 12-29-2016 All of the parties filed their briefings in this case. That includes the City of Fort Stockton, Cockrell Investments Partners, Fort Stockton Holdings, General Manager, and Pecos County.

- 01-03-2017 Republic Water Company of TX submitted a request for prior communications between Mr. Gershon and the Board and any of its members regarding legal issues on which the Board has requested briefing.
- 01-10-2017 Republic Water Company of TX filed its response to briefing on reported legal issues and a motion for summary disposition.

For the record: All Board members have been provided copies of the briefs as they were received and have had plenty of time for review as well as the following: Fort Stockton Holdings filed a request for clarification; Republic Water Company of TX filed objections to contested case hearings rights; Republic Water Company of TX plea to the jurisdiction to remand to SOAH; Republic Water Company of TX interrogatory request for production and requests for admissions against the Board of the District; all of the 11-29-2016 briefings filed by the parties; the two parties withdrawals; the order issued by the presiding officer; 01-03-2017 Republic Water Company of TX's request for prior communications between Mr. Gershon and the Directors; and Republic's response to briefing on reported legal issues and a motion for summary disposition.

Board President Mr. McGuairt asked Mr. Jones, attorney for RWCT, his plan for mediation. Mr. McGuairt also requested that all the parties respond to the mediation plan.

Republic Water Company of Texas, LLC: Mr. Jones requested that the Board refer the application to SOAH for the purpose of mediation.

Kennedy Ranch: No objection to mediation.

Pecos County WCID#1: No opinion given.

City of Fort Stockton: In favor of mediation.

Pecos County: Expressed a general willingness to participate.

Fort Stockton Holdings, L.P.: Will support recommendation.

Cockrell Investment Partners, L.P.: Willing to participate and agrees to the concept.

MPGCD General Manager: Support proposal.

An Executive Session was called at 1:20 p.m. by Presiding Officer Jerry McGuairt pursuant to the Texas Open Meetings Act, Sections 551.071 of the Texas Government Code, to consult with attorney.

The Executive Session ended at 1:52 p.m. President McGuairt stated that no decisions or votes were made in executive session.

- II Adjourn hearing and consider and/or act on **Application for a Production Permit and Authorization to Transfer for Republic LLC**, including Republic LLC's Objection to Denial of Contested Case Hearing Rights; Republic LLC's Plea to the Jurisdiction and Motion to Remand to SOAH; the November 29, 2016 Briefing by the Parties; Fort Stockton Holding L.P.'s Objection to Denial of Contested Case Hearing Rights and Brief on Res Judicata and Collateral Estoppel; General Manager's Motion for Final Disposition or Summary Disposition and Request that any SOAH Referral be Limited to Preliminary Law Issues; Republic LLC's Response to Briefing on Purported Legal Issues and Motion for Summary Disposition; and any other motions or briefs filed in relation to this Application.

John Dorris made a motion to order the parties and Republic Water Company's application matter to the State Office of Administrative Hearings (SOAH) for mediation. If all the parties agree to mediation, I further move that the parties have 15 days to agree to the mediation and the scope of the mediation and that the parties return to the Board by April 3, 2017, with the results of the mediation. The motion was seconded by Ronnie Cooper. Each party representative expressed that they had no objection. Being no further discussion, the motion passed with a unanimous vote.

The hearing will be continued until April 2017.

Open session reconvened at 1:52 p.m.

**Regular Board Meeting continued**

- XXII Briefing and take action as necessary on **matters regarding 85<sup>th</sup> Texas Legislative Session.**

Tabled.

- XXIII Consider and/or act upon **General Manager's 2016 Annual Report.**  
The annual report was given to each director. Tabled until February 2017.

**XXIV Consider and/or act regarding District's personnel policies.**

The personnel committee has written up a new policy which is currently being reviewed by our attorney. The policy will be available at the February meeting to Directors, and possibly up for a vote in March 2017.

**XXV Progress Reports: Well Registrations, Production Permits, Drilling Permits, Data Loggers, Drought Monitor Map and ongoing Water Quality Analysis.**

- Well Registrations: Progress report in notebooks.
- Drought Monitor Map: The current drought monitor map in their annual manager's report.
- Production Permits: There will be a request to amend a Historic and Existing Use permit. There will not be any amendment to the acre feet awarded, only to add a well to the system.
- Notice of Intent to Drill: There are several oil companies requesting to drill water wells.
- Monitor Wells: We are looking to add a new monitor well possibly located on BlueRidge.

**XXVI Consider and/or act upon General Manager's Correspondence.**

- eSafety OnLine: 70 courses available for on line employee safety training, up to 5 users runs \$450/year.
- East Pecos Solar LLC provided a 'Certificate of Completion' as of December 14, 2016.
- RE Roserock LLC provided a 'Certificate of Completion' for the solar facility as of November 23, 2016.
- A notice of IRS mileage rate change. Rate went from 54¢ to 53.5¢.

**XXVII Directors' comments.**

Ronnie Cooper reminded the Directors to leave the "Employee Severance" copy on the table and have the office shred them.

Weldon Blackwelder expressed his dislike for the deep bore hole testing. He said it is only 5 or 6 miles away from artesian wells.

**XXVIII Consider and/or act upon agenda for next meeting.**

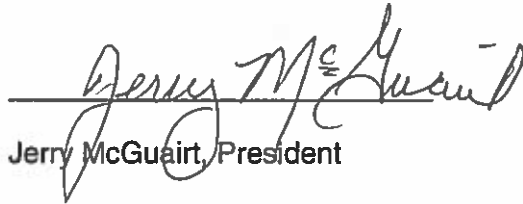
Hoelscher permit amendment, possibly Franco permit, eSafety training, financial audit, discussion on budget, employee policy manual, General Manager salary, extra vehicle (Paul's truck).

**XXIX Adjourn Board meeting.**

Weldon Blackwelder made a motion to adjourn the meeting. Seconded by John Dorris. Motion carried unanimously.



M. R. Gonzalez, Secretary/Treasurer



Jerry McGuair, President

Date Approved 2-21-17