

MIDDLE PECOS GROUNDWATER CONSERVATION DISTRICT

P.O Box 1644 Fort Stockton, TX 79735 Phone (432)336-0698 Fax#432-336-3407
405 North Spring Drive Fort Stockton, Texas 79735
Email: mpgcd@mpgcd.org Website: www.mpgcd.org

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

Ty Edwards, General Manager
Melissa Mills, Office Manager Gail Reeves, Office Assistant

Minutes of March 21, 2017

On this the 21st of March, 2017, a regular board meeting and public hearings were 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
Janet Groth	Precinct 1
Weldon Blackwelder	Precinct 3
Alvaro Mandujano, Jr.	Precinct 4
Ronald Cooper	Precinct 4
Vanessa Cardwell	City of Fort Stockton
Jeff Sims	City of Iraan
Allan Childs, Jr.	At Large

Quorum Present.

Board members absent: None

Note: Precinct 2/ Open Position

Others present: Ty Edwards, Mike Gershon, Gail Reeves, Harvey Gray, Melissa Mills, Drew Miller, Jeff Williams, Brock Thompson, Eddie McCarthy III, Mike Thornhill, Paula McGuairt, Mark Harral, James Cravens, Gary Drgac, Larry Drgac, Darrell Peckham, Tommy Ervin, Chris Alexander, Glenn Honaker, Frank Rodriguez, Ernest Woodward, Puja Boinpally, and Bob Beal/Fort Stockton Pioneer.

REGULAR BOARD MEETING

- I Call to order regular Board meeting at 10:00 a.m. by President Jerry McGuairt.
- II Comments from **public and media**:
Kirby Warnock asked the Board to consider having the meetings in the evenings. He once again restated his idea to pay Fort Stockton Holdings for the water and not export the water.

* *Note: Agenda items may appear in a different order than posted.*

The regular meeting was recessed.

PRODUCTION PERMIT HEARING for GARY DRGAC

I Call to order at 10:07 a.m. by President Jerry McGuairt.

Party representing application: Gary Drgac

Protestant to application: None

Public Comment: None

Manager Ty Edwards presented the application to the Board. The application requests 175 acre feet from the Edwards/Trinity Aquifer for Industrial Use for 1 well (#2005031812 Noemi #6) located on Survey GC and SF Block 194 Section 71. Last month Midway Solar was given a tax abatement, and this permit will be for water used during construction and dirt work. The duration of the permit is 18 months to 2 years. The application is administratively complete.

Gary Drgac was sworn in and he testified that 12,500 acres are being used for the solar facility.

II Adjourn hearing and consider and/or act on **Application for a Production Permit for Gary Drgac.**

Jerry McGuairt adjourned the hearing at 10:11 a.m.

John Dorris made a motion to approve the application as presented. Motion seconded by M. R. Gonzalez. Motion Carried Unanimously.

PRODUCTION PERMIT HEARING for LARRY DRGAC

I Call to order at 10:15 a.m. by President Jerry McGuairt.

Party representing application: Larry Drgac

Protestant to application: None

Public Comment: None

Manager Ty Edwards presented the application to the Board. The application requests 175 acre feet from the Edwards/Trinity Aquifer for Industrial Use for 1 well (#2005012617 Hill#1) located on Survey GC and SF Block 194 Section 77. Last month Midway Solar was given a tax abatement, and this permit will be for water during construction and dirt work. The duration of the permit is 18 months to 2 years. The application is administratively complete.

II Adjourn hearing and consider and/or act on **Application for a Production Permit for Larry Drgac.**

Jerry McGuairt adjourned the hearing at 10:19 a.m.

Ronnie Cooper made a motion to approve the application as presented. Motion seconded by John Dorris. Motion Carried Unanimously.

Reconvene the Regular Meeting at 10:20 a.m.

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

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

V Consider and/or act upon **Minutes of February 21, 2017.**
John Dorris made a motion to approve the minutes of February 21, 2017 as presented. Motion seconded by Alvaro Mandujano, Jr. Motion Carried with a vote of 9 For and 1 Abstention.

VI Consider and/or act upon **Accounts Payable and Treasurer's Report and Line Item Transfers for the Month Ending February 28, 2017.**

Ronnie Cooper made a motion to approve the Treasurer's Report and Line Item Transfers and Accounts Payable. Motion seconded by Weldon Blackwelder. Motion Carried Unanimously.

PRODUCTION PERMIT AMENDMENT HEARING for CITY OF FORT STOCKTON

I Call to order at 10:32 a.m. by President Jerry McGuairt.

Party representing application: Mark Harral, Attorney and Frank Rodriguez,
Fort Stockton City Manager

Protestant to application: None

Public Comment: None

Manager Ty Edwards presented the application to the Board. The application requests to amend an existing production permit that was granted on 06-21-2016 for 960 acre feet for public supply from the Edwards/Trinity aquifer. On 06-21-2016 the permit was granted for a 16 year term for 2 wells (#2005020407 and #2005020408). The request today is to add well #2005020413 to the well system. The purpose of this well is for public supply and industrial use. The well is located at 700 N. Texas & Oklahoma (Lannom Park), Fort Stockton, in Pecos County, Texas. In the past the City's 2nd Reverse Osmosis facility was used as a backup and now they want to use it year round. The application is administratively complete.

Frank Rodriguez, Fort Stockton City Manager, was sworn in and testified that the plan for the pipeline is to relieve the main reverse osmosis plant. The estimated completion date is 10 months from the end of this June.

II Adjourn hearing and consider and/or act on **Application for a Production Permit for City of Fort Stockton (Lannom Park well)**.

Jerry McGuairt adjourned the hearing at 10:37 a.m.

Weldon Blackwelder made a motion to approve the application as presented. Motion seconded by Vanessa Cardwell. Motion Carried Unanimously.

Reconvene the Regular Meeting at 10:46 a.m.

VII Briefing and take action as necessary on **Republic Water Company of Texas, LLC (Republic LLC) permit proceeding referred to the State Office of Administrative Hearings (SOAH)**.
Update: This matter has been referred to the **State Office of Administrative Hearings (SOAH)**.

VIII 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.

The Court of Appeals in El Paso withdrew its order requiring a mandatory formal mediation at the District's request. The next step is for a briefing deadline to kick in which will occur once the Court Reporter's record has been filed.

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

The next step is for oral arguments before the El Paso Court of Appeals which has been set for April 13th in El Paso at 9 a.m.

On Friday, March 17th, Mr. Ed McCarthy submitted a settlement proposal to MPGCD. The purpose of the settlement proposal is to resolve outstanding issues between Middle Pecos GCD, Fort Stockton Holdings, LP and Clayton Williams Farms, Inc. (collectively "FSH") and Republic Water Company of Texas, LLC ("Republic").

An Executive Session was called at 10:52 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 12:14 p.m. President McGuairt stated that no decisions or votes were made in executive session.

The following Board Members left after the Executive Session:
M. R. Gonzalez, Janet Groth, and Ronnie Cooper.

Reconvened in Open Session at 1:06 p.m.

A Quorum remained: Jerry McGuairt, John Dorris, Weldon Blackwelder, Alvaro Mandujano, Jr., Vanessa Cardwell, Jeff Sims, and Allan Childs, Jr.

Agenda Item VIII continued: A special meeting and workshop will be called on March 28, 2017 to focus on the settlement proposal. A committee will discuss the proposal in depth and have suggestions for the Board. The committee was appointed by Manager Ty Edwards and consists of Alvaro Mandujano, Jr., Allan Childs, Vanessa Cardwell, John Dorris and Jerry McGuairt.

No action taken.

Item X taken up out of order.

- X Consider and/or act upon **Resolution Concerning Red Bluff Water Power Control District supporting normal and consistent flow in the Pecos River and legislation that ensures adequate environmental flows in the Pecos River.**

Vanessa Cardwell made a motion to approve a resolution to encourage the Red Bluff Water Power Control District to allow a normal and consistent flow in the Pecos River in order to meet the recommendations of the Rio Grande Basin and Bay Stakeholder Committee. Additionally, the Middle Pecos GCD wishes to encourage the Texas Legislature to pass legislation to insure adequate environmental flows in the Pecos River. The motion was seconded by Weldon Blackwelder. The motion passed unanimously. (7 For. 0 Against. 3 Absent.)

- IX Briefing and take action as necessary on **matters regarding 85th Texas Legislative Session**, including **resolutions regarding legislation that affects the District and/or legislation noticed by Fort Stockton Holdings, LP's legal counsel.**

House Bill 4235 proposes that the Sunset Advisory Commission of Texas review the District's governance, management, operating structure, and compliance with legislative requirements and the fundamental purpose of the Texas Sunset Act is to provide "the regular assessment of the continuing need for a state agency's functions".

Vanessa Cardwell made a motion to approve a resolution opposing House Bill 4235 regarding Sunset Review. Motion seconded by John Dorris. The motion passed unanimously. (7 For. 0 Against. 3 Absent.)

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

- Well Registrations: Ongoing.
- Drought Monitor Map: The current drought monitor map presented.
- Production Permits: Possible permit amendment next month.
- Monitor Wells: Ongoing.
- Analysis: Ongoing.

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

- 03-22-2017: City of Fort Stockton City Council Meeting will have discussions regarding bills filed in the 85th Legislature concerning water issues.
- The 2017 Texas Groundwater Summit will be held August 29-31, 2017 in San Marcos, TX.
- 03-06-2017 TWDB letter: On 02-15-2017 Dr. Bill Hutchison hand delivered Groundwater Management Area 3 resolutions concerning the adoption of Desired Future Conditions for the Capitan Reef Complex, Dockum, Edwards-Trinity (Plateau), Pecos Valley, and Rustler aquifers.

XIII **Directors' comments.**

A Special Meeting will be called for March 28th at 6 p.m. to have a Board Workshop and possible action item on legislation affecting District and lawsuits and related draft settlement proposal received on March 17, 2017.


XIV Consider and/or act upon **agenda for next meeting.** No comment.

XV **Adjourn Board meeting.**

Weldon Blackwelder made a motion to adjourn the meeting. Seconded by Vanessa Cardwell. Motion carried unanimously. The meeting adjourned at 1:42 p.m.



M. R. Gonzalez, Secretary/Treasurer



Jerry McGuairt, President

Date Approved 4-18-17