

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

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

Minutes of April 3, 2017

On this the 3rd of April, 2017, a Special Called board meeting and Public Informational Meeting was held by the Middle Pecos Groundwater Conservation District at the Pecos County Civic Center located at 1674 Airport 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
Vanessa Cardwell	City of Fort Stockton
Allan Childs, Jr.	At Large

Quorum Present.

Board members absent: Ronald Cooper and Jeff Sims

Note: Precinct 2/ Open Position

Others present: Ty Edwards, Mike Gershon, Gail Reeves, Melissa Mills, Gerald D. Lyda, Gene Lyda, Trey Gerfers, Kay Nowell, Jim Hatcher, Ronnie Brandenburg, Leven Porter, Lane Porter, Bob Hayter, Kathy Sconiers, Joe Sconiers, Tom Chapman, Santiago Cantu, Jr., Wynona Riggs, Gary and Donna Bryant, Frank Velasco, Jr., Frank L. Hoelscher, Marjorie Hoelscher, Larry Hoelscher, Ray and Kay Griffith, Babs and Don Kneupper, Zan Matthies, Billy Jackson, Sandra Sconeirs, Lupe Dominguez, Robert and Reba Preston, Jeff Williams, Brock Thompson, Ed McCarthy, Paula McGuairt, George and Stacy Hansard, Leesa Granado, Delmon Hodges, Georgia and Robert Jamison, Howard McKissack, Aggie Oldfield, Shirley Elmore, Frances and Dean Tedford, Al Haney, Martha Subia, Nancy and Rex Carpenter, Debra Ezell, Carol Adams, Roger Harrison, Gretta and Dudley McKissack, Houston McKenzie, Dan Frank, Todd and Jill Suter, Worth Kincaid, Angie and Dr. Jim Miles, Gladys Dorris, Donald and Loraine Lannom, Oscar Hernandez, James Cravens, Chris Alexander, Glenn and Karen Honaker, Frank Rodriguez, Joe Schuster, Arlie Weatherman, Ruben Houston, Gary Cardwell, Aku Rodriguez/CBS 7, and Bob Beal/Fort Stockton Pioneer.

- I Call to order regular Board meeting at 7:00 p.m. by President Jerry McGuairt.

PUBLIC INFORMATIONAL MEETING

- I Introduction by District's Board President.
- II Presentation by District's General Manager on District's statutory purpose, priorities and groundwater studies, and recent developments with pending lawsuits filed against District, legislation that affects the District, and settlement proposal by Fort Stockton Holdings, Clayton Williams Farms and Republic Water Company.

Power Point Presentation given by Ty Edwards. He gave a brief history of the District, and our current monitoring and analysis schedule for Pecos County. He also talked about 1) the Aquifer Studies that have been completed in Pecos County, and 2) the export permits that have been granted in the past, and 3) the management zones and the purpose for having them, and 4) the 85th Legislature and bills associated with water, and 5) the permit application and settlement offer received from Fort Stockton Holdings LP/Clayton Williams Farms, Inc./Republic Water Company of Texas, LLC., and 6) historic and current water levels in Fort Stockton and in Management Zone 1.

- III Public input on General Manager's presentation.
(Comments have been very condensed.)

Jim Hatcher: The Sunset Review bill would require a lot of tax payer money, and is ludicrous. The House Bill(s) are an attempt to impugn the integrity of the MPGCD Board. The City of Fort Stockton City Council and the MPGCD Board need to get along.

Zan Matthies: Mr. Matthies has been with the District since its inception. He believes that the District should be ran on the "good word" of individuals, and don't need lawyers and law suits. Our goal was to not pit neighbor against neighbor, nor brother against brother with water wars. We felt like permits for "Historic and Existing Use" would best benefit Pecos County and keep us out of lawsuits. We were also told you could use the water for whatever reason as long as it was a beneficial use.

Debra Ezell: Her family has ties to Pecos County ranch land since the 1800's. They have witnessed the drying up of Comanche Springs and other Pecos County Springs and would like to have water for future generations. She strongly opposes House Bill 4235.

Leesa Granado: She agrees with Debra Ezell and Jim Hatcher.

Gretta McKissack: Please consider tabling this matter so that we may think it over more. And, the current strategy seems to be to divide and conquer, so the City and MPGCD need to work together.

Bob Beal: He would like to know what Fort Stockton Holdings is seeking to accomplish by means of the settlement offer. And, how the offer relates to Republic Water Co. Of Texas.

There were no explanations or answers to Mr. Beal's questions.

Dudley McKissack: He asked if a production permit could have multiple uses on a single permit. (Ty Edwards answered "Yes".) Another thing, is 8 – 10 years ago there was a hearing at 1 p.m., and nobody could show up. There have been two court cases that have been thrown out. You need to keep plugging along. The Sunset Bill will die. Finally, I strongly urge you to consider what you are doing, because once you let one person start it – there's no end.

IV Closing remarks by Board Member(s) and General Manager.

Jerry McGuairt thanked everyone for coming to the public forum, and for their remarks and their support.

V Adjourn public informational meeting.

Jerry McGuairt adjourned the public informational meeting at 7:45 p.m.

MEETING AGENDA

I Call to order Special Called Meeting at 7:45 p.m. by President Jerry McGuairt.

II Comments from public and media

Trey Gerfers: He is with the Big Bend Conservation Alliance, and a resident of Marfa. He invited everyone to a West Texas Water Symposium on April 22nd at the Granada Theater in Alpine, Texas from 8 am to 5 pm.

Ronnie Brandenburg: He has Section 20 in Coyanosa. Pearl Resources (an Oil Company) drilled a horizontal well and didn't set surface casing. They drilled into the Capitan Reef and 2,000 gallons per minute along with H₂S Gas came to the surface. Mr. Brandenburg wanted to know why we haven't fined them.

General Manager Ty Edwards reported that the Railroad Commission is investigating and the insurance company hired an environmental team to do impact studies. The water quality analysis show that the H₂S Gas has dissipated, and there were no more water quality concerns. The Texas Railroad Commission is the regulatory agency responsible for the investigations and fines.

Dudley McKissack: Shared a quote worth remembering:
Sell your water – Sell your soul.

Zan Matthies: Regarding Historic and Existing Use permits: Water users were allowed to look at a 15 year period to determine the one year with the highest usage, and they were given a permit for the highest usage year. There is no way the Historic and Existing Use permits can harm the aquifer. Next, after the cutoff date of granting Historic and Existing Use permits – people could apply for a production permit. If granted, they can drill the well and if the aquifer drops to a bad level – they would be the first ones to be cut off. Second, you are selling your water any way you look at it. It is either going out in hay or cotton or cows. Water is leaving here.

III Consider and/or act on matters involving Fort Stockton Holdings, LP (FSHLP), Republic Water Co. of Texas, LLC (Republic LLC) and Clayton Williams Farms, Inc.'s draft settlement proposal received on March 17-18, 2017, related to following pending lawsuits and contested hearing:

- **Republic LLC's state-court lawsuit, Court of Appeals Case No. 08-17-00001-CV**
- **FSHLP v. Pecos County, MPGCD, et al., Court of Appeals Case No. 08-15-00382-CV**
- **In re the Application of Republic LLC, State Office of Administrative Hearings Docket No. 959-17-3195**

Board action may include response to settlement proposal.

An Executive Session was called at 7:58 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 9:07 p.m. President McGuairt stated that no decisions or votes were made in executive session.

John Dorris made a motion to table this item until after the Iraan Public Meeting on Thursday at 7 p.m. Seconded by Janet Groth. Motion carried unanimously.

- IV Briefing and take action as necessary on matters regarding 85th Texas Legislative Session that affect District, including passage of one or more resolutions to reflect Board's position on legislation.

Tabled.

- V Directors' comments. No comments

- VI Consider and/or act upon agenda for next meeting. No comments.

- VII **Adjourn Board meeting.**
Weldon Blackwelder made a motion to adjourn the meeting. Seconded by Allan Childs. Motion carried unanimously. The meeting adjourned at 9:12 p.m.



M. R. Gonzalez, Secretary/Treasurer



Jerry McGuair, President

Date Approved 4-18-17