

MIDDLE PECOS GROUNDWATER CONSERVATION DISTRICT

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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 Puja Boinpally

Employees

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

Minutes of October 17, 2017

On this the 17th of October, 2017, 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:

Jerry McGuairt	President, Precinct 1
John Dorris	Vice President, Prec. 3 (Arrived at 10:05 am)
M. R. Gonzalez	Secretary/Treasurer, Precinct 2
Janet Groth	Precinct 1 (Arrived at 10:25 am)
Puja Boinpally	Precinct 2
Weldon Blackwelder	Precinct 3
Vanessa Cardwell	City of Fort Stockton
Jeff Sims	City of Iraan
Allan Childs	At Large (Left during Lunch Break)

Quorum Present.

Board member absent: Alvaro Mandujano Jr., and Ronald Cooper

Others present: Ty Edwards, Mike Gershon, Allan Standen, Dr. Bill Hutchison, Harvey Gray, Gail Reeves, Melissa Mills, Paula McGuairt, Jeff Williams, Brock Thompson, Ed McCarthy, Jr., Mike Thornhill, Darrell Peckham, Gary Bryant, Glenn Honaker, Buck Benson, Geoff Pike, Sam Cruse, Tommy Soriero, Jr., Ryan Reed, Kaveh Khorzad, Ron Green, Gerald D. Lyda, Gene Lyda, Steve Finch, Tommy Ervin, James Cravens, and Jeremy Gonzalez/Fort Stockton Pioneer.

- I Call to order regular Board meeting at 10:00 a.m. by President Jerry McGuairt.
- II Comments from **public and media**: No public comment.

III Consider and/or act upon **Minutes of Regular Meeting and Public Hearing on September 12, 2017.**

Vanessa Cardwell made a motion to approve the minutes. Motion seconded by Puja Boinpally. Motion Carried Unanimously.

IV Consider and/or act upon **Accounts Payable and Treasurer's Report and Line Item Transfers for the Month Ending September 30, 2017.**

Vanessa Cardwell made a motion to approve the Treasurer's Report and Line Item Transfers and Accounts Payable. Motion seconded by Puja Boinpally. Motion Carried Unanimously.

V **Executive Session** under Texas Government Code § 551.074 for briefing and deliberation regarding the employment of a field technician/employee.

Executive Session pursuant to the Texas Open Meetings Act, Sections 551.074 of the Texas Government Code, for briefing and deliberation regarding the employment of a field technician/employee was called at 10:10 a.m.

VI **Executive Session** under Texas Government Code § 551.071 for discussion with legal counsel about Cockrell Investment Partners, L.P.'s (Cockrell's) administrative appeal regarding **Cockrell's protest of Fort Stockton Holdings, L.P.'s (FSH's) permit applications** (filed in Pecos County District Court on October 10, 2017).

In conjunction with agenda item V, an Executive Session under Texas Government Code § 551.071 for discussion with legal counsel about Cockrell Investment Partners, L.P.'s (Cockrell's) administrative appeal regarding Cockrell's protest of Fort Stockton Holdings, L.P.'s (FSH's) permit applications (filed in Pecos County District Court on October 10, 2017).

An Executive Session for Agenda items V and VI convened at 10:10 a.m.

The Executive Session for V ended at 10:18 a.m.

The Executive Session for VI ended at 10:53 a.m.

The regular session reconvened at 10:55 a.m. President McGuairt stated that no decisions or votes were made in executive session.

VII Consider and take action as necessary regarding the **employment of a field technician/employee.**

General Manager recommended the hiring of Morgan Williams.

John Dorris made a motion to hire Morgan Williams. Motion seconded by Jeff Sims. Motion carried unanimously.

VIII Consider and take action as necessary on **Cockrell's administrative appeal regarding Cockrell's protest of FSH's permit applications** (filed in Pecos County District Court on October 10, 2017).

As a Matter of Record: On October 10, 2017 Cockrell Investment Partners, L.P. filed a Petition challenging the District's denial of Cockrell's Request for Party Status in conjunction with Fort Stockton Holding, L. P.'s (FSH) Application for Permit and Transport Authorization on Remand from the El Paso Court of Appeals and Application to Amend Historic and Existing Use Permits. Cockrell intends to engage in good faith negotiations and discussions with FSH and the Board to effectuate service, establish an answer date, and avoid litigation and litigation expenses while in negotiations.

Cockrell Investment Partner's attorney Sam Cruse explained that the administrative appeal was filed in order to protect their interests in challenging the party status decisions but that the company does not have an interest in pressing forward with the litigation as they are pressing forward and continuing their discussions with Fort Stockton Holdings, LP to work out the issues.

No action taken.

IX Briefing and **presentations from Cockrell and/or FSH on their settlement negotiations** including but not limited to **FSH's and/or Cockrell's respective scientific work and findings.**

Kaveh Khorzad, PG with Wet Rock Groundwater Services, LLC, and Ron Green, PhD., PG with Southwest Research Institute gave a presentation to Middle Pecos GCD on behalf of Cockrell Investment Partners LP. The title of the presentation: Proposed Management Zone 1 Rules.

A summary of Cockrell's objections to the proposed rules:

1. 6 of the 11 monitoring wells must hit a Winter Threshold before any cutbacks are implemented. This allows for the lowering of water level in 5 of 11 monitoring wells to any level with no cutbacks in pumping.

2. Measurements to determine Winter Thresholds are taken only 1 time per year in the winter; and

3. Winter Thresholds are based on the historic summer low water level, but measurements for cutbacks are done in the winter. This effectively allows the lowering of water levels throughout the year to below historic lows.

Alternative groundwater monitoring methodologies were put forth in their presentation.

MPGCD hydrologist advisor Dr. Bill Hutchison challenged every aspect of the alternative monitoring methods presented. He found the presentation exasperating and unrealistic. He explained his reasons slide by slide. Dr. Hutchison explained that he had requested information about the history of the drawdowns and water levels from Kaveh before the winter thresholds were set for the FSH permit condition, but had never received any information. Now, the winter thresholds have already been set and agreed upon.

The attorneys for Cockrell Investment Partners apologized for miscommunications regarding their data. The pecan farm would like to avoid unknown detriment if the FSH permit triggers declining water levels resulting in the farm being unable to water the trees. Cockrell Investment Partners wants to be a party to the procedures so that they may have a voice in the negotiations. Mr. Cruse explained that it is not a question of not sharing data, it is a matter of not having the information put together until recently, which is the presentation given today.

Fort Stockton Holdings LP attorney Ed McCarthy had no comment.

X **Consider and/or act upon Monitoring Well Agreement between Fort Stockton Holdings L.P. and Middle Pecos GCD.**

The monitoring well agreement is between Fort Stockton Holdings, LP and Clayton Williams Farms, Inc. and Middle Pecos GCD. The purpose of the agreement is to implement the Parties' monitoring-well-related commitments in the settlement agreement entered by the Parties in April 2017.

A.) The 5 wells dedicated to the MPGCD monitoring program:

C-5	#2005021413
M-9	#2005021138
S-45	#2005021108
Interstate	#2017100543
S-6	#2005020928

B) MPGCD will measure aquifer levels and may take water quality samples from the five monitoring wells. FSH agrees that each of the wells shall be used sole purpose of groundwater monitoring. FSH will not withdraw or allow withdrawals from these wells. All data is available to FSH upon request.

C) MPGCD will arrange to have the monitoring-equipment installed within 120 days of the signing of the agreement. MPGCD will have sole responsibility for installing, maintaining, repairing, and replacing the monitoring-equipment.

D) FSH will pay \$10,222 to MPGCD towards the acquisition and installation of the monitoring-equipment within 30 calendar day of signing the agreement.

Note: The Monitoring Well Agreement explains the details in depth.

Janet Groth made a motion to approve the monitoring well agreement between Fort Stockton Holdings, LP and Clayton Williams Farms, Inc. (collectively, "FSH") and Middle Pecos GCD (cumulatively, all three parties are referred to as the "Parties") for the purpose of implementing the Parties' monitoring-well-related commitments in the settlement agreement entered by the Parties in April 2017. The motion was seconded by Vanessa Cardwell. The motion carried unanimously.

XI Consider and/or act upon **Approving Monitoring Well Equipment Bid for Threshold Wells in Management Zone 1.**

Janet Groth made a motion to approve the bid received from Dynotek Inc. for \$25,555. The motion was seconded by Weldon Blackwelder. The motion carried unanimously.

XII Consider and/or act upon **purchase of public relation/educational rain gauges.**

General Manager Edwards explained that he would like to purchase 150 rain gauges with our logo on them. In the past pocket calendars were ordered to send out with Monitor Well Graphs to the land owners, and this year he would like to send the rain gauges.

John Dorris made the motion to approve the purchase of the rain gauges, and the quantity ordered would be at the discretion of the General Manager. The motion was seconded by M. R. Gonzalez. The motion carried unanimously.

The Board recessed for lunch at 12:01 p.m.
Open session reconvened at 1:02 p.m.

Note: Allan Childs did not return to the meeting at 1:02 p.m. A quorum of 8 Board Members remained.

XIII Consider and/or act upon Resolution Regarding Post-Retirement Healthcare Benefits for Qualified District Employees.

Resolution recitals:

Full-time regular employees hired before January 2, 2017 who retire from service of the District and who at the time of their retirement have worked for the District 12 years or more, have attained the age of 60 or qualify under the "Rule of 75" will have the same dollar amount contributed towards toward their group medical premiums by the District that the District contributes towards such premiums for its regular salaried employees if the retiree is under age 65. Premiums for spouses and dependents shall be paid by the retiree. The retiring employee must be married for at least five (5) years prior to retiring for the employee's spouse to qualify for post-employment health insurance benefits, the premium of which shall be paid by the retiree. If the retiree is at least 65 years of age, the retiree must purchase Part B of Medicare when the retiree and spouse qualify for Medicare, which if done, the District will provide a Medicare Supplement including medication and doctor appointments.

District employees hired after January 2, 2017 will not be eligible for retiree health insurance benefits, regardless of age, years of service, or disability status.

Vanessa Cardwell made a motion to approve and implement a resolution that reflects the recitals above. Motion seconded by Jeff Sims. Motion passed unanimously. 8 For. 0 Opposed. 0 Abstained. 3 Absent.

XIV Update on Groundwater Management Area 3 and Groundwater Management Area 7 Desired Future Conditions.

Dr. Bill Hutchison gave a power point presentation overview of the Joint Planning Process for Groundwater Management Area (GMA) 3 and GMA 7.

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

- Drought Monitor Map: The current drought monitor map presented.
- Production Permits: City of Fort Stockton/Blue Ridge pending
- Drilling Permits: Several Notice-of-Intent-to-Drill requests are pending.
- Monitor Wells: Working on the 11 monitor wells for FSH.
- Analysis: Samples throughout the District will be pulled in November.

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

- San Andres: Devon Energy owns 4 of the 13 flowing wells in Imperial. They are working on a plug and abandon plan of action.
- Far West Texas Judges Conference: We received a very good evaluation for our presentation.
- Groundwater Management Area 7: Meeting in Fredericksburg, TX on October 19th. The Joint Planning meeting will focus on Brackish water. MPGCD is 1 of 2 GCD's that input information.
- Texas Alliance of Groundwater Districts (TAGD): Mobile Leadership Training in Fort Stockton, TX on November 6, 2017, at the Large Community Hall. This is open to the public. The main focus will be great information for Board Members and the GCD staff. Our staff will attend, and we will close the office for the day.

XVII Directors' comments. No comments.

XVIII Consider and/or act upon agenda for next meeting. If we have a November meeting, the meeting may be held one week early to avoid the Thanksgiving Holiday.

XIX Adjourn Board meeting.

Janet Groth made a motion to adjourn the meeting. Seconded by Weldon Blackwelder. Motion carried unanimously. The meeting adjourned at 1:36 p.m.

BOARD WORKSHOP ON MANAGEMENT OPTIONS REGARDING CAPITAN REEF

I Call to order at 1:36 p.m. by President Jerry McGuairt.

II Board workshop on Management Options Regarding the Capitan Reef Aquifer Complex in Pecos County.

Dr. Bill Hutchison/Ph.D/PE/PG and Allan R. Standen/PG, Hydrogeologists for Middle Pecos GCD gave a power point presentation entitled "Capitan Reef Complex Overview of Management Options"

Topics:

- Predictive Simulations with Groundwater Availability Model (GAM)
- Current Desired Future Conditions (DFC) and Modeled Available Groundwater (MAG)
- Correlative Rights vs. User-Based Rules

TWCA Groundwater Committee Paper

- Summary of GAM Data
- Summary of MPGCD Rules (Current Approach)
 - Uses site-specific data for management
 - Example of Adaptive Management

Note: Janet Groth left the meeting at 1:45 p.m.

Summary:

- Correlative Rights System
 - State of knowledge is low
Current TWDB GAM not suitable for use in permit analysis or decisions
 - Highly variable hydrogeology poses difficulties
Aquifer depth, aquifer thickness, well yields
- Current MPGCD Rules
 - Provide an opportunity to review site specific information and data
 - Provide an opportunity to assess impacts of pumping
 - Permit process yields information that is useful to future planning activities (adaptive management)

Steven T. Finch/CPG, PG, Hydrogeologist for La Escalera Ranch presented a power point on the results of the Capitan Reef Aquifer Complex (CRCX) water study conducted on the La Escalera Ranch.

Summary:

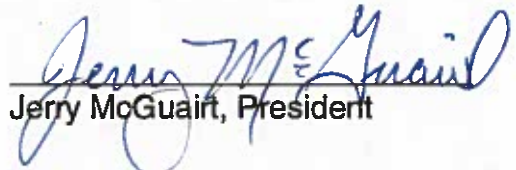
- Pumping effects on hydraulically connected aquifers (formations) can be simulated.
- The John Shomaker & Associates, Inc. (JSAI) Capitan Reef Aquifer Complex model is calibrated to the only known historic pumping stress.
- The results from the JSAI CRCX model simulate pumping results more accurately than the Texas Water Development Boards CRCX Groundwater Availability Model.

III Adjourn Workshop.

The workshop was adjourned at 2:22 p.m. by President McGuairt.



M. R. Gonzalez, Secretary/Treasurer



Jerry McGuairt, President

Date Approved 12-12-17