

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 Puja Boinpally

Employees

Ty Edwards, General Manager
Melissa Mills, Office Manager Gail Reeves, Office Assistant Morgan Williams/Field Technician

**MINUTES OF REGULAR BOARD MEETING and PUBLIC HEARINGS
March 20, 2018**

On this the 20th of March, 2018, 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, Prec. 3
Janet Groth	Precinct 1
Puja Boinpally	Precinct 2
Alvaro Mandujano, Jr.	Precinct 4
Jeff Sims	City of Iraan
Allan Childs	At Large

Quorum Present.

Board members absent: M. R. Gonzalez, Weldon Blackwelder, Ronald Cooper, and Vanessa Cardwell

Others present: Ty Edwards, Mike Gershon, Allan Standen, Gail Reeves, Melissa Mills, Morgan Williams, Paula McGuairt, Jeff Williams, Mike Thornhill, Ed McCarthy, Brock Thompson, Gary Bryant, Glenn Honaker, Geoff Pike, Ryan Reed, Tommy Ervin, Darrell Peckham, Gil Van Deventer, Raymond Straub, Jr., Dennis Owens, Todd Suter, Shera Davis, Steve Finch, Jr., Kenneth McIntyre, James Craven, Gladys Dorris, Alan Murphy, Kelli Burns, 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.

HEARING ON SUTER FARMS LLC APPLICATION TO AMEND HISTORIC AND EXISTING USE PERMITS

- I Call to order at 10:02 a.m. the Public Hearing on Application to Amend Historic and Existing Use Permits for Suter Farms LLC.

Party representing application: Todd Suter

Protestant to application: None

Public Comment: None.

Jerry McGuairt declared the application is uncontested.

Manager Ty Edwards presented the application to the Board. The application requests an amendment to its Historic & Existing Use (H&E) Permits that were approved for a combined total of 3,179 acre feet for 8 wells on 01-18-2006. Suter Farms LLC is requesting the amendment to add 3 existing water wells to produce from the Pecos Valley Aquifer for irrigation into existing H&E Use permits authorizing production for irrigation from the Pecos Valley Aquifer. No additional water is being requested to be added to the H&E permit and not amending the 'use' of the permit. The wells are located 8 miles north of U.S. Hwy 285 off FM 1776 on Survey T&P RR CO Block 48-8 Section 24 and Section 25 in Pecos County, Texas. The application is administratively complete.

II **Adjourn hearing and consider and/or act on Application to Amend Historic and Existing Use Permits for Suter Farms LLC.**

President McGuairt adjourned the hearing at 10:08.

Action temporarily delayed on this application until after the following Suter Farms LLC hearing, and action will be considered on both permits at that time.

**HEARING ON SUTER FARMS LLC APPLICATION FOR A NEW
PRODUCTION PERMIT**

I **Call to order at 10:09 a.m. the Public Hearing on Application for a New Production Permit for Suter Farms LLC.**

Party representing application: Todd Suter

Protestant to application: None

Public Comment: None.

Jerry McGuairt declared the application is uncontested.

Manager Ty Edwards presented the application to the Board. The application requests 200 ac/f per year for industrial use from an existing 11-well system that will produce from the Pecos Valley Aquifer. The wells associated with both applications are located 8 miles north of U.S. Hwy 285 off FM 1776 on Survey T&P RR CO Block 48-8 Section 24 and Section 25 in Pecos County, Texas.

II Adjourn hearing and consider and/or act on Application for a New Production Permit for Suter Farms LLC.

President McGuairt adjourned the hearing at 10:14.

Alvaro Mandujano, Jr. made a motion to approve both of the applications as presented. Motion seconded by Janet Groth. Motion Carried Unanimously. 7 For. -0- Oppose. 4 Absent.

REGULAR BOARD MEETING – CONTINUED

The Regular Meeting reconvened at 10:15 a.m.

III Presentation from Imperial Water Development Association.

Team: Tommy Ervin, Darrell Peckham, Gil Van Deventer, Dennis Owens, Raymond Straub, Mario Propino

Synopsis of the presentation: Flowing and improperly plugged San Andres wells are creating sink holes near Imperial, Texas. The Imperial Water Development Association has partnered with Charlton Resources and are creating a solution to control the San Andres flowing wells. They would like to replace the flowing wells and change them to monitor wells. Mr. Straub presented a preliminary review of the San Andres formation, draft water well design, and discussion of Legacy Flowing Well Holladay #2, and a plugged well diagram. They are exploring potential funding sources to make it happen.

IV Consider and/or act upon Minutes of Regular Meeting on February 20, 2018.

Alvaro Mandujano, Jr. abstained from the vote.

Janet Groth made a motion to approve the minutes as presented. Motion seconded by Jeff Sims. Motion carried.

Vote: 6 For. 0 Oppose. 4 Absent. 1 Abstention.

V **Consider and/or act upon Accounts Payable and Treasurer's Report and Line Item Transfers for the Month Ending February 28, 2018.**

Janet Groth made a motion to approve the Accounts Payable and Treasurer's Report for the Month Ending February 28, 2018. Motion seconded by John Dorris. Motion carried unanimously.

Vote: 7 For. 0 Oppose. 4 Absent.

VI **Consider and/or act upon Letter of Approval and/or Interlocal Agreement with the City of Fort Stockton regarding Recoupment of Ad Valorem Taxes on Trust Property, and providing for the Terms of such Agreement.**

The City of Fort Stockton would like to demolish and clear any structure on Trust Property within the jurisdictional boundaries of the City of Fort Stockton deemed by the City to be dilapidated, substandard, or unfit for human habitation and is a hazard to the public health, safety and welfare. These properties have passed through foreclosure for delinquent ad valorem taxes and do not sell at the courthouse. The City requests that MPGCD assign all rights to proceeds from the re-sale of the trust properties to the City of Fort Stockton to allow the City to recover its costs associated with maintaining the trust properties. A *Letter of Approval and Interlocal Agreement* was presented to the Board for approval.

MPGCD attorney Mike Gershon requested that a few edits be made to the document before signing. Ms. Shera Davis, representative for the City of Fort Stockton, agreed to Mr. Gershon's edits.

John Dorris made a motion to sign the Letter of Approval and the Interlocal Agreement with the City of Fort Stockton regarding Recoupment of Ad Valorem Taxes on Trust Property, and providing for the Terms of such Agreement with Mr. Gershon's edits. Motion seconded by Allan Childs. Motion carried unanimously.
Vote: 7 For. 0 Oppose. 4 Absent.

VII **Presentation from Allan R. Standen LLC on 2012 to 2018 Pecos County Water Level Reconnaissance Study.**

Allan R. Standen, MPGCD hydrogeologist, presented a power point presentation on the water level comparisons from 2012 to 2018.

VIII Consider and/or act upon **Allan R. Standen LLC funding of 3D Model Update.**

Mr. Standen proposed to update and improve 3-D hydro-stratigraphic formation surface accuracy and start building framework to embed aquifer properties and water quality into 3-D model. And to create a 3-D model framework for the five aquifers (Pecos Valley Alluvium, Edwards Trinity Plateau, Dockum, Rustler and Capitan Reef) to be used for building a groundwater model (model by Dr. Bill Hutchison) specifically designed for groundwater management in Pecos County. The fixed cost of the update is \$90,000, and will take 6 to 7 months to complete.

Mr. Sims and Dorris expressed concerns with the small amount of data in the Eastern part of the County. Mr. Standen assured them that the 'University Lands data' and the logs from the Yates field will help supply information data.

Janet Groth made a motion to approve funding for Allan R. Standen LLC to update the 3D model. The cost is to be divided in half between this fiscal year and the next fiscal year. Motion seconded by Allan Childs. Motion carried unanimously. Vote: 7 For. 0 Oppose. 4 Absent.

IX Consider and/or act on **Purchasing Equipment for La Escalera Monitor well.**

General Manager Ty Edwards presented an estimate of \$2,630 for the satellite telemetry system for the La Escalera "Petro Hunt" monitor well. There is an annual fee of \$180 for real-time data available online. Warranty on workmanship is for 3 years.

John Dorris made a motion to approve the purchase of the monitor well telemetry system. Motion seconded by Janet Groth. Motion carried unanimously. Vote: 7 For. 0 Oppose. 4 Absent.

X Briefing and take action as necessary on **Cockrell Investment Partners, L.P. v. Middle Pecos Groundwater Conservation District, Cause No. P-12176-112-CV (Pecos County District Court), and implementation of the District's settlement agreement with Fort Stockton Holdings, L.P., Clayton Williams Farms, Inc., and Republic Water Company of Texas, LLC.**

Mike Gershon/MPGCD attorney: Mike Thornhill prepared a 23 page report for Fort Stockton Holdings, L.P. based upon his review of the materials provided by Cockrell Investments related to the use of groundwater by Cockrell Investments. The report was emailed to Cockrell on March 8, 2018. The parties are still in talks.

The pending lawsuit (Cockrell Investment Partners, L.P. v. Middle Pecos Groundwater Conservation District, Cause No. P-12176-112-CV) has been abated while Cockrell and Fort Stockton Holdings are in talks. The proposed rules are also in limbo while talks are on-going.

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

- Well Registrations: Current registrations total 3,110 Exempt wells. 927 Non-Exempt wells.
- Drilling Permits: 4 *Notice of Intents to Drill* have been received.
- Drought Monitor Map: The current drought monitor map presented.
- Data Loggers: Will be installing La Escalera Ranch monitor system. City of Fort Stockton discussions to install telemetry for monitor well #21. We now monitor all 124 wells monthly.
- Water Analysis: June will begin the summer Water quality analysis.

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

- Groundwater Management Area 7: Joint Planning Meeting on March 22nd in San Angelo. Edwards will be attending.
- Groundwater Management Area 3: GAM Run 16-027 MAG: Modeled Available Groundwater for the Aquifers in GMA 3. Developed by the Texas Water Development Board.
- Texas Alliance of Groundwater Districts: 7th Annual Texas Groundwater Summit date is August 28-30, 2018. Held in San Antonio.

Regular meeting recessed at 11:26 a.m. for the Board Workshop.

BOARD WORKSHOP

- I Call to Order workshop at 11:26 a.m. by President McGuairt.
- II Conduct Board workshop with District hydrogeologist to discuss (a) possible changes to rules requiring a Specific Capacity test on all New Non-Exempt well applications and permits and (b) possible changes to rule 11.9.3 changing the requirements for a Hydrogeological Study.

Recommendations from Allan Standen LLC:

Reference Memorandum dated 03-14-2018: Discussion on Specific Capacity

Since pumping tests are expensive, the District should consider requiring and/or assisting the permit applicant in conducting a specific capacity pump test to get meaningful data. Assuming the permit applicant has a dedicated pump in the well with a power source, the following are support options the District could offer:

1. Provide guidance on setting up and implementing a pumping test to get specific capacity data and other aquifer properties.
 2. Help the applicant set up and implement the pumping test.
 3. Provide water level transducer(s) to use during the pumping test.
 4. Provide a flow meter to monitor flow fluctuations during the pumping test.
 5. Provide the District's consultant(s) to evaluate the pumping test results.
 6. Monitor a local monitor well during the pumping test. This would provide aquifer properties on a larger area.
- Determine a lower threshold permit production level (acre/foot/year) that does not require a specific capacity pump test. This lower threshold may vary between the five aquifers within the District.
 - Determine a minimum time or a water level condition to end a pump test; this may vary between the five aquifers within the District.

Recommendations from General Manager Ty Edwards

Summary: MPGCD Rule 11.9.3 currently does not require a pump test on new production permits less than 1,000 acre feet; or on a request to increase a permit by 250 acre feet or more. He would like to evaluate the impact of smaller production permit requests by requiring a capacity test. The capacity test could be for a 24 hour period and possibly monitoring a surrounding well. In order to ease the financial burden on the applicant, MPGCD could assist with data collection and have our hydrologist review the results.

Since the *Historical and Existing Use Permit* time period has ended, the District has granted 134 production permits, and only 3 have required a hydrogeological report. All of our aquifers need capacity tests for new permitting.

Mr. Edwards also suggested that we do away with the "Consolidated Drilling and Production Permit", and implement a Permit for Drilling a Non-Exempt well, and once drilled and a capacity test has been submitted, then a Production Permit Application can be submitted to the District. The application process will not be administratively complete until a pump test is complete.

The workshop will continue to the next meeting.

- III **Adjourn workshop.**
President McGuairt adjourned the workshop at 11:43.

REGULAR BOARD MEETING – CONTINUED

The Regular Meeting reconvened at 11:43 a.m.

- XIII **Executive Session pursuant to the Texas Open Meetings Act, Section 551.074 of the Texas Government Code, to deliberate evaluation and duties of District's employees.**

An Executive Session was called at 11:52 a.m. by Presiding Officer Jerry McGuairt pursuant to the Texas Open Meetings Act, Sections 551.074 of the Texas Government Code, to deliberate evaluation and duties of District's employees.

The Executive Session ended at 12:29 p.m. President McGuairt stated that no decisions or votes were made in executive session.

Open session reconvened at 1:00 p.m.

- XIV **Consider and/or take action on Personnel Matters Discussed in Executive Session and Compensation of District's Employees.**

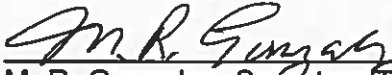
No discussions. Item tabled.

XV **Directors' Comments.** No comments

XVI Consider and/or act upon **agenda for next meeting.**
Rule Workshop

XVII **Adjourn Board meeting.**

John Dorris made a motion to adjourn the meeting. Seconded by Allan Childs.
Motion carried unanimously. The meeting adjourned at 1:02 p.m.



M. R. Gonzalez, Secretary/Treasurer



Jerry McGuair, President

Date Approved 04-17-2018