

# 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](mailto:mpgcd@mpgcd.org) Website: [www.middlepecosgcd.org](http://www.middlepecosgcd.org)

## Directors

Jerry McGuairt, President Janet Groth, Vice President M. R. Gonzalez, Secretary/Treasurer  
Alvaro Mandujano, Jr. Vanessa Cardwell Ronald Cooper  
Weldon Blackwelder Allan Childs Jeff Sims Puja Boinpally Larry Drgac

## Employees

Ty Edwards, General Manager  
Office: Gail Reeves & Melissa Mills Field Technician: Anthony Bodnar

**January 21, 2020**

## **MINUTES OF REGULAR BOARD MEETING AND PERMIT HEARINGS**

On this the 21<sup>st</sup> of January, 2020, a Regular Board Meeting and Permit 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
Janet Groth	Vice President, Precinct 1
M. R. Gonzalez	Prec. 2, Secretary/Treasurer
Puja Boinpally	Precinct 2
Larry Drgac	Precinct 3
Alvaro Mandujano, Jr.	Precinct 4
Ronnie Cooper	Precinct 4
Vanessa Cardwell	City of Fort Stockton
Jeff Sims	City of Iraan

Quorum Present.

Members Absent: Weldon Blackwelder and Allan Childs, Jr.

Others present: Ty Edwards, Mike Gershon, Allan Standen, Vince Clause, Gail Reeves, Melissa Mills, Anthony Bodnar, Paula McGuairt, Eddie McCarthy III, Gary Bryant, Geoff Pike, Buck Benson, Glenn Honaker, Zachary Swick, Tommy Ervin, Michael Luna, Christian Kent, Jerry and Linda Gordon, Debbie Teich, Dudley McKissack, Kelly Davis, Billy Gonzalez, Jack W. Hanks, Kirby Warnock, Judd Chism, Dustin Herschap, and Aurora Sain/Fort Stockton Pioneer.

## **REGULAR BOARD MEETING**

- I Call to order regular Board meeting at 10 a.m. by President Jerry McGuairt. As the meeting was called to order President McGuairt announced that the Board will apply new statutory law governing public comment to no more than 5 minutes cumulative. Public comment needing more than 5 minutes will be at the sole discretion of the Presiding Officer. The Board is not allowed to take action on any subject presented that is not on the agenda, nor is the Board required to provide a

response. Any substantive consideration or action taken by the Board will be conducted under a specific item on a future agenda.

Each person wishing to speak must submit a completed 'public comment' form indicating the agenda items they wish to comment on.

**II Comments from public and media. No Comments at this time.**

Note: Agenda item IX is being considered in an order different than what was posted.

**IX Consider and/or act on MPGCD bylaws regarding Robert's Rules of Order and other procedural rules, including public comment.**

MPGCD-proposed approach to public comment under House Bill 2840:

Each member of the public who desires to address the Board regarding one or more items on an agenda and/or items(s) that are not on an agenda is permitted to do so as long as they submit a public comment form identifying each item. Public comment shall be subject to a cumulative item limit of five (5) minutes per member of the public per meeting. A member of the public may allocate their allotted five (5) minutes to as many items they desire to comment on at any given meeting of the public but may not pass their time to someone else to enable that person to exceed the five-minute limit. If the assistance of a translator is required because the member of the public does not speak English, the time limit will be doubled. The Presiding Officer has the authority to permit additional time on any individual item or cumulatively where there appears to be good cause in the Presiding Officer's sole discretion. The Presiding Officer also has discretion to manage precisely when public comment is allowed when the member of the public requests to offer comment before or during the Board's consideration of an item on the agenda.

Alvaro Mandujano, Jr. made a motion to update the Bylaws as presented. Motion seconded by Puja Boinpally. Motion carried unanimously. Vote: 9 For. -0- Against. 2 Absent.

**III Briefing and/or possible action regarding recent meetings in Pecos County on water issues in the 7 D Area:**

- Pecos County Commissioners' Court Special Session held January 9, 2020: A Special Meeting was called on 01-14-2020 to discuss the water issues in the 7 D Area. Discussions included: 1) Texas Commission on Environmental Quality (TCEQ) regulations that the county could impose on new subdivisions including ordinances for plotting subdivisions and requiring some kind of groundwater study if groundwater is the water source. 2) The City of Fort Stockton and the Pecos County WCID#1 have an emergency inter-connection which was discussed at the meeting. 3) Also mentioned was a

City of Fort Stockton 8 inch water line that ends at the corner of the Mr. Gordon's property as a possible solution to the water issues at the new Gordon's subdivision. 4) The Pecos County WCID#1 has Engineers evaluating their water distribution system and preparing a plan of action for upgrades to the system. No action taken at the Commissioners Court Special Meeting.

- Fort Stockton City Council Meeting January 14, 2020:  
On January 14, 2020, there was a City Council meeting. The Council approved to move forward with discussions with Pecos County WCID#1 regarding the inter-connection and negotiating a price.
- Pecos County WCID#1 Board Meeting January 14, 2020:  
The Pecos County WCID#1 did not have an item on their agenda regarding the 7-D water issues.

MPGCD General Manager Ty Edwards reported that Mark Harral has property near Mr. Gordon's subdivision and has completed title research that shows that some of the property that was subdivided by Mr. Gordon appears to belong to the Pecos County WCID#1. This issue will be discussed in the upcoming regular Commissioners' Court meeting.

The regular meeting was recessed at 10:13 a.m.

At this time the Public Hearings for Christian and Marisol Kent and for Michael Luna were discussed. Since an ownership cloud is over the titles of ownership, the Presiding Officer Jerry McQuairt decided to indefinitely table the two hearings. The two applications are not considered administratively complete at this time because of the clouded title.

MPGCD attorney Mike Gershon suggested to give the applicants and others who asked to speak, the opportunity to offer comments even though the hearings will be continued until further notice.

The following comments are addressed to both Drilling Applications for Christian and Marisol Kent and for Michael Luna:

Linda Gordon: The 30 acres that Mark Harral has brought to light are by the canal over by Rig Power, and the property/lots for Kent and Luna are not over there. Neither of the properties are violating anything. Both properties have been bought and closed on.

Dudley McKissack: Speaking on behalf of Pecos County WCID#1, he said that the areas of Comanche Creek have 100' up to 300' on each side and need to be clearly staked. A clear survey is needed. The land is not for sale. And, no water wells should be drilled on PCWCID#1 property.

Jerry Gordon: He (Mr. Gordon) defined the 30' creek easement and cleared the creek bed to keep people from building on there. The decision of who is going to

do the survey will be figured out in a timely manner. Neither of the two lots for Kent or Luna are on the creek.

Ty Edwards: Mr. Luna is on tract/lot 10, and Mr. Kent is on tract/lot 8. The creek does touch them.

Kirby Warnock: (Summarized) My opposition is not about private property rights or opposition to growth, it is about numbers and facts. In February of 2019 Mr. Gordon requested water to serve 10 cabins from Pecos County WCID#1. The request was denied due to a moratorium on new taps until their service and distributions line can be serviced and replaced. If these two requests to drill water wells are granted, there will be 28 more landowners asking for drilling permits, and that will put a bigger strain on the aquifer. While many of our business leaders say that the lack of water is hampering growth, more wells will lower an aquifer that is already showing fluctuations of 100 feet. The argument about "private property rights" is the same old one that the Texas Court of Civil Appeals used when it ruled against us in the Comanche Springs case ruling that groundwater belongs to the landowner. Comanche Springs was pumped dry, which is why the Texas Legislature allowed the formation of groundwater districts like MPGCD. I ask this board to accept the mission it was tasked with and protect our groundwater by allocating it fairly as a shared resource.

Eddie McCarthy, on behalf of Mark Harral: Mark Harral has property near Mr. Gordon's subdivision and has completed title research that shows that some of the property that was subdivided appears to belong to the Pecos County WCID#1. He asks that the MPGCD Board allow time to figure out the plat on the title. Copies of the Title Opinion were handed out to Board Members.

Presiding Officer Jerry McGuairt: As stated earlier, both Drilling Applications for Christian and Marisol Kent and for Michael Luna are indefinitely tabled. The two applications are not considered administratively complete at this time because of the clouded title.

**PUBLIC HEARING ON DRILLING PERMIT  
APPLICATION FOR CHRISTIAN AND MARISOL KENT**

- I Not called to order.
- II Adjourn Hearing and consider and/or act on **Application for a Drilling Permit for Christian and Marisol Kent.**

Drilling application indefinitely tabled. The application is not considered administratively complete at this time because of the clouded title. No action taken.

**PUBLIC HEARING ON DRILLING PERMIT  
APPLICATION FOR MICHAEL H. LUNA**

- I Not called to order.

II Adourn Hearing and consider and/or act on **Application for a Drilling Permit for Michael H. Luna.**

Drilling application indefinitely tabled. The application is not considered administratively complete at this time because of the clouded title. No action taken.

**PUBLIC HEARING ON PRODUCTION PERMIT  
APPLICATION FOR MMEX RESOURCES CORP.**

I Call to order at 10:30 a.m. the public hearing on **Application for a Production Permit for MMEX Resources Corp.**

Party representing application: Jack W. Hanks, President and CEO of MMEX Resources Corporation

Protestant to application: None.

Public Comment: None.

General Manager Ty Edwards: MMEX Resources Corporation has made application for a Production Permit for 1 well located on 125.908 acres (Property Id# 13078) in Section 3, Survey MRS. Nu Reizenhooven, Abstract # 4615, approximately 20 miles North East of Fort Stockton on FM 1053, Texas Gulf Road, Sulfur Junction, TXPF RR in Pecos County, Texas. **The request is for 20 acre feet annually from the Edwards-Trinity aquifer, and is for industrial use.** This well was approved for a drilling permit and the well has been completed. The well has been registered. The application is administratively complete.

Jack W. Hanks was sworn in. We are building a crude distillation unit. It is a 10,000 barrels a day unit. Three products are produced which are naphtha, diesel fuel, and a marine qualified fuel as a residual. The total cost investment is \$111 million. We hope to close out on the financing within the next quarter, and then we are ready to start immediately with the notice to proceed with the construction. The overall contractor is Salsbury Industries from Odessa, TX. Vfuels out of Houston, TX, is the EPC contractor that makes our unit.

The water well produced 35 gpm at 217'. We have applied for 15 gpm for the complex. (Boiler/3 gpm, desalter/5 gpm, office building/3 gpm, shop building/2gpm, and other uses/2 gpm). The 15 gpm calculates out to 20 acre feet annually. Important to note is that 75% of the 15 gpm is recirculated and is reused. We have a 42,000 cubic feet retention pond (314,000 gallons). The retention pond is 60' wide, 140' long, and 5' deep. There is a 210 barrel capacity water storage tank (8,820 gallons). The actual daily need is 21,000 gallons per day, and with the 75% recycled water, we are requesting the anticipated maximum of 20 acre feet annually.

II Adourn Hearing and consider and/or act on **Application for a Production Permit for MMEX Resources Corp.**

President Jerry McGuairt adjourned the hearing at 10:39 a.m.

Janet Groth made a motion to approve the 20 acre feet production permit for MMEX Resources Corp. Motion seconded by Jeff Sims. Motion carried unanimously. Vote: 9 For. -0- Against. 2 Absent.

**PUBLIC HEARING ON DRILLING PERMIT  
APPLICATION FOR JUDD LEE CHISM**

**I Call to order at 10:40 a.m. the public hearing on Application for a Drilling Permit for Judd Lee Chism.**

Party representing application: Judd Lee Chism

Protestant to application: None.

Public Comment: None.

Board Member Recusal: Alvaro Mandujano, Jr. (He left the room during the hearing.)

The application was declared uncontested.

General Manager Ty Edwards: Judd Lee Chism has made an application for a Drilling Permit for 1 well located on 159.67 acres (Property Id# 6753) Legal Description: 5270 48-8 T&P SEC 20 SE/4, approximately 5.2 miles west from the intersection of FM 1776 and Weatherby Road in Pecos County, Texas. The well is projected to be 340-400 feet in depth and drilled into the Pecos Valley Aquifer. The estimated rate of withdraw is 150+ gallons per minute and the purpose of this well will be for Livestock, Irrigation and Industrial Use. A 1,500' core test sample was completed. There have been some dry holes drilled in this area, and not much production is expected here. Water levels in the area are at 300'. MPGCD has one monitor well 1 mile due North on Weatherby.

Judd Lee Chism: (Sworn in) He owns 1/4 section that does not have a water well. He would like to sell water to the oil & gas companies, and convert ranch land into farm land. Mr. Edwards granted permission to complete a core test. The core test was completed by Ralph Lang, Jr. The core test went to the Pecos Valley aquifer and to the Rustler aquifer and indicated that water is there.

Chism continued: I propose to drill a well and complete a drawdown test to determine the well pumping capacity. I plan on using tape irrigation to conserve water and not sprinkler irrigation. I agree to abide by MPGCD rules.

**II Adjourn Hearing and consider and/or act on Application for a Drilling Permit for Judd Lee Chism.**

President Jerry McGuairt adjourned the hearing at 10:49 a.m.

Larry Drgac voiced his opinion that the land is over the edge of the Pecos Valley aquifer, and would like to see the well drilled into the Rustler aquifer if the use will be for oil and gas use. He would not like to see the Pecos Valley fresh water used up for oil and gas use.

Vanessa Cardwell made a motion to approve the drilling permit for Judd Lee Chism as presented. Motion seconded by Puja Boinpally. No action taken. Vote: 5 For. 3 Against. 2 Absent. 1 Abstention/Mandujano. (Note: 6 votes are needed to take action. The Board has 60 days to take action.)

**PUBLIC HEARING ON PRODUCTION PERMIT  
APPLICATION FOR DUSTIN L. HERSCHAP.**

**I Call to order at 10:59 a.m. the public hearing on Application for a Production Permit for Dustin L. Herschap.**

Party representing application: Dustin L. Herschap

Protestant to application: None.

Public Comment: None.

The application was declared uncontested.

General Manager Ty Edwards: Dustin L. Herschap has made application for a Production Permit for 1 well located on 483.69 acres (Property Id# 6737) Legal Description: 9411 48-8 T&P Sec 14 E/2 NW/4, approximately 1.5 miles west of FM 1776 on Weatherby Road in Pecos County, Texas. The application request authorization to produce **100 acre-feet/year for Industrial Use from the Pecos Valley Aquifer**. This well (MPGCD#2005100404) was granted a replacement well to be drilled. There is a solar farm nearby that needs water temporarily for 1 year for construction. Once the construction is completed, Mr. Herschap would like to keep the permit and possibly sell water to the oil and gas industry. This well has *Historic and Existing Use permits* for Irrigation/CRP that will be coming out of CRP, and he will be farming. There is a new monitor well on this section.

Dustin Herschap was sworn in: Currently has a permit for irrigation. He would like to sell to the oil field and to the solar facility. A pump test on the well pumped 185 gallons per minute, and the total dissolved solids is under 1,000.

**II Adjourn Hearing and consider and/or act on Application for a Production Permit for Dustin L. Herschap.**

President Jerry McGuairt adjourned the hearing at 11:09 a.m.

Vanessa Cardwell made a motion to approve the production permit for Dustin Herschap. Motion seconded by M. R. Gonzalez. Motion carried unanimously. Vote: 9 For. -0- Against. 2 Absent.

### **REGULAR BOARD MEETING – CONTINUED**

The Regular Meeting reconvened at 11:09 a.m.

**IV Consider and/or act upon Minutes of Regular Meeting on December 17, 2019.**

Janet Groth made a motion to approve the minutes of December 17, 2019 as presented. Motion seconded by Vanessa Cardwell. Motion carried.

Vote: 7 For. -0- Against. 2 Absent. 2 Abstention/Boinpally & McGuairt

**V Consider and/or act upon Treasurer’s Report for the Month Ending December 31, 2019.**

Ronnie Cooper made a motion to approve the Treasurer’s Report for the month ending December 31, 2019 as presented. Motion seconded by Vanessa Cardwell. Motion carried. Vote: 9 For. -0- Against. 2 Absent.

**VI Consider and/or act upon setting Mileage Rate for 2020 (57.5 cents per mile).**

Vanessa Cardwell made a motion to set the mileage rate for 2020 at 57.5 cents per mile. Motion seconded by Jeff Sims. Motion carried.

Vote: 9 For. -0- Against. 2 Absent.

**VII 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).**

Buck Benson, attorney for Cockrell Investment Partners, L. P., reported that there is nothing to report at this time.

**VIII Consider and/or act upon Texas Water Development Board’s Agricultural Water Conservation Fund Grant proposal due February 19, 2020.**

Texas Water Trade would like to collaborate with MPGCD to submit a grant application to the Texas Water Development Board Fiscal Year 2020 Agricultural Water Conservation Grant Projects, due February 19, 2020. Robin Johnson, Director of Development with Texas Water Trade, has substantial grant-writing experience and time to assist with preparing the application.

For details see “Attachment A-Agenda Item VIII”: Memo to MPGCD regarding Texas Water Development Board Agricultural Water Conservation Program dated 01-17-2020.



Alvaro Mandujano, Jr., made a motion to approve Texas Water Development Board Fiscal Year 2020 Agricultural Water Conservation Grant request of up to \$2,472,500 over five years to fund meter deployment and agricultural irrigation conservation activities. The action further delegates authority to Ty Edwards, General Manager, to serve as an authorized representative to submit the application and perform all reasonable and necessary action in support of the application, and if approved by the TWDB, to perform the terms and conditions of the award of money from the Fund. Motion seconded by Vanessa Cardwell. Motion carried. Vote: 9 For. -0- Against. 2 Absent.

**X Progress Reports: Well Registrations, Production Permits, Drilling Permits, Data Loggers, Drought Monitor Map, Water Quality Analysis and General Manager's Correspondence.**

- \* Well Registrations: Our total registrations as 1/6/2020 are 3,259. 961 of those are Non-Exempt Wells and 2,298 Exempt wells. We received 120 registrations in 2019.
  - \* Production Permits: Upcoming Production Permits are for Randy Taylor. Clarence Stephan is working on a production permit, he is having issues on the Black Farm because the wells are not producing as hoped, and he may need to drill deeper. Parsley Energy bought the Trees Estate property and has 20 – 30 wells that are permitted for irrigation and they would like to convert those to industrial permits. Parsley Energy has bought out Jagged Peak and will have wells that need a transfer of ownership.
  - \* Drought Monitor: The drought monitor report is submitted in Board Information. Pecos County is currently out of drought.
  - \* Water Quality Analysis: Water analysis samples are being pulled.
  - \* Monitor Wells: We have added 2 more monitor wells, and now have 130 monthly monitor wells.
  - \* The General Managers' Annual Report will be on February's meeting.
  - \* Reeves County GCD: They are starting the well permitting process.
  - \* Texas Senate Committee on Water & Rural Affairs: There will be a public hearing on January 22, 2020. It will be available to view on-line live. The topics to be discussed are 1) Future Water Supply; 2) Groundwater Regulatory Framework.
  - \* Texas Senate: Senator Peter P. Flores now has an office in Fort Stockton on Main Street. The office is staffed by Marshal Hoak who is in attendance at the MPGCD meeting today. Senator Flores serves on the Natural Resources & Economic Development committee.
  - \*
- GMA 7 Meeting on January 16, 2020: Senator Charles Perry was in attendance and spoke about produced water. Dr. Larry French gave a presentation on springs & groundwater discharge to surface water in GMA 7.

**XI Directors' Comments and consider and/or act upon agenda for next meeting.**

Directors' comments: Janet Groth: I would like to let Mr. Kent and Mr. Luna know as a word of caution that at the December meeting after they had left, comments

were made that in 2004/2005 the Comanche Creek area where their property is located experienced 6 foot of water that flooded the location.

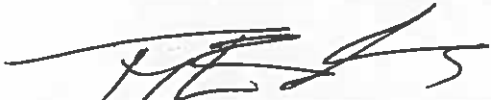
Ronnie Cooper: Asked that the GMA 7 presentation by Dr. French be emailed to him.

Agenda for next meeting:

General Managers' Annual report. Vince Clause and Allan Standen will have a presentation on the groundwater levels this year versus the last 10 years. Judd Lee Chism's Drilling Application. Possibly a request from Randy Taylor to amend his *Historic and Existing Use permits*. Clarence Stephan is having issues on the Black Farm and may be here. Parsley Energy is working on a permit and may be in. Update to the Board regarding matters associated with Mr. Kent's application and Mr. Luna's application.

XII **Adjourn** Board meeting.

Jeff Sims made a motion to adjourn the meeting. Motion seconded by Janet Groth. Motion carried unanimously. Meeting adjourned at 11:46 a.m.

  
\_\_\_\_\_  
M. R. Gonzalez, Secretary/Treasurer  
*Not Present.*

  
\_\_\_\_\_  
Jerry McQuart, President

Date Approved 2-18-2020



Minutes prepared by Melissa Mills



**Memo to Middle Pecos Groundwater Conservation District  
Texas Water Development Board Agricultural Conservation Program  
January 17, 2020**

Texas Water Trade would like to partner with Middle Pecos Groundwater Conservation District (MPGCD) to submit a grant application to the Texas Water Development Board (TWDB) Fiscal Year 2020 Agricultural Water Conservation Grant Projects, due February 19, 2020.

The objective of this grant would be to provide required matching funds to Texas Water Trade's proposed United States Department of Agriculture Regional Conservation Partnership Program (RCPP) for irrigation efficiencies and crop switching in Management Zone 1 (MZ1). The purpose of that RCPP is to reduce groundwater pumping in MZ1 as part of the restoration project to induce year-round flow at Comanche Springs. Over 5 years, Texas Water Trade's proposed RCPP would bring \$772,500 in federal financial assistance to irrigators in MZ1; Texas Water Trade would be required to fund an additional \$1.5 million of financial assistance through non-federal matching funds.

Applications must achieve one or more of the following goals:

- A. improve irrigation efficiency through irrigation system improvements and the adoption of irrigation scheduling practices
- B. advance soil health initiatives and enhance resilience to weather extremes and climate variability
- C. promote innovation in agriculture by incorporating the latest water conservation technological advancements.

To achieve these goals, the project description, scope of work, and deliverables should incorporate the following actions and objectives:

1. engage agricultural producers and water managers through educational outreach in the form of field days, workshops, seminars, and demonstrations in classroom settings and on farms involved in the projects;
2. promote the adoption of innovative water conservation practices and technologies that result in improvements to irrigation efficiency, soil health, and soil moisture retention;
3. identify methods to measure and report water conservation performance metrics such as water savings, soil water holding capacity, soil moisture content, plant available water, and infiltration; and

4. build upon the success of existing efforts and leverage the support of local, state, federal, and private industry partners.

TWDB's Agricultural Conservation Program grants are exclusively limited to political subdivisions of the state, including counties, irrigation districts and groundwater districts. However, nonprofits like Texas Water Trade can partner with MPGCD as a subcontractor in the grant to administer the program.

In this proposal, MPGCD would submit the application to TWDB to fund irrigation efficiencies, crop switching (moving acreage toward less water-intensive crops) and deploying meters in Management Zone 1. MPGCD may also design the grant budget to fund meters across the entire county.

The TWDB grant program is managed on a reimbursement basis. However, MPGCD would be able to support the substantial funding program for agricultural irrigators by reimbursing participating agricultural producers after MPGCD has received a disbursement of monies into a direct deposit account with TWDB that would be setup for MPGCD under the grant. Mechanically this would mean that agricultural irrigators would submit their invoices for eligible costs to MPGCD, which would forward those invoices to TWDB; TWDB would then transfer funds to MPGCD for reimbursement to the irrigator. Reimbursements are based on what the landowner paid for the equipment or conservation practice.

One of the strong points of this TWDB program is that it allows for cost recovery for the administrative and staffing costs at MPGCD to manage the program, and it allows for elements of the program to be administered by a subcontractor to MPGCD, whose costs can also be built into the grant. Texas Water Trade is an eligible subcontractor for this purpose, and can absorb any element of program management that MPGCD chooses not to manage. This arrangement is routinely exercised by TWDB grant recipients like irrigation districts and GCDs.

If awarded the RCPP for Comanche Springs, Texas Water Trade will necessarily be cooperating with the Natural Resources Conservation Service (NRCS) to provide consultation with agricultural irrigators on potential for water savings through crop switching and irrigation efficiencies. Based upon NRCS' funding parameters, Texas Water Trade would only be able to recover \$77,250 over 5 years for our staffing costs to manage the program, which is substantially below our actual program costs.

Metering is not part of Texas Water Trade's pending RCPP request, however it is an important part of MPGCD's potential future water management strategies. Therefore, the metering deployment component of any grant with TWDB would best be managed by MPGCD.

While we are still fine-tuning a budget, we are providing here some illustrative budget categories and estimated costs. Should MPGCD's board approve the concept of moving forward on this TWDB grant, the next step would be for Texas Water Trade to firm up

these costs and submit them to MPGCD staff for their approval in time for a February 19, 2020 proposal submission.

Texas Water Trade is committed to assuming the responsibility of drafting all grant proposal materials for final approval and submission by MPGCD.

We hope that MPGCD will take advantage of TWDB's Agricultural Conservation Program grants, which have funneled resources to so many other irrigation districts and GCDs in the state. Attached to this memo we are also sending example contracts between other water management districts with TWDB under this grant program.

<b>Conceptual TWDB Ag Conservation Budget</b>		
	<b>Budget/5 years</b>	
<b>MPGCD staff time</b>	<b>\$ 150,000</b>	
<b>Equipment costs</b>		
Flood Irrigation to pivots/drip	\$ 750,000	
High-efficiency sprinklers	\$ 22,500	
Crop Conversion	\$ 750,000	
Meters	\$ 400,000	
<b>Subcontractors</b>		
Meter deployment	\$ 100,000	
Texas Water Trade	\$ 300,000	
<b>Total</b>	<b>\$ 2,472,500</b>	
<b>Annual Budget</b>	<b>\$ 494,500</b>	