

MIDDLE PECOS GROUNDWATER CONSERVATION DISTRICT

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Email: mpgcd@mpgcd.org Website: 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

MINUTES OF THE REGULAR BOARD MEETING TO BE HELD BY VIDEOCONFERENCE AND TELECONFERENCE

**February 16, 2021
Call to Order at 10:00 a.m.**

In accordance with Governor Abbott's declaration of the COVID-19 public health threat and action to temporarily suspend certain provisions of the Texas Open Meetings Act, a quorum of the District's Board of Directors held its regular Board meeting by videoconference and call-in. The public was invited to join this meeting by way of videoconference and toll-free call-in. Members of the public wishing to make public comment during the meeting were able to register by emailing mpgcd@mpgcd.org prior to 9:30 a.m. on February 16, 2021. A copy of the agenda packet was made available on the District's website at the time of the meeting.

On this the 16th of February 2021, a Regular Board Meeting was held by the Middle Pecos Groundwater Conservation District with the following members present:

Jerry McGuairt	President, Precinct 1
Janet Groth	Vice President, Precinct 1
M. R. Gonzalez	Prec. 2, Sec./Treasurer
Larry Drgac	Precinct 3
Weldon Blackwelder	Precinct 3
Ronnie Cooper	Precinct 4
Vanessa Cardwell	City of Fort Stockton
Jeff Sims	City of Iraan
Allan Childs	At Large

Quorum Present.

Members Absent: Puja Boinpally and Alvaro Mandujano, Jr.

District employees and consultants participating: Ty Edwards, Mike Gershon, Gail Reeves, Melissa Mills, Dr. Bill Hutchison, Vince Clause, and Jim Burton.

Others attending via Videoconference: Geoff Pike, Ryan Reed, Ernie Cockrell, Buck Benson, Zachary Swick, Ed McCarthy, Mike Thornhill, Mark Tisdale, Frank Rodriguez, Daniel Lupton, and Kirby Warnock.

REGULAR BOARD MEETING

I Call to order regular Board meeting and roll call at 10:02 a.m. by President Jerry McGuairt.

II Comments from **public and media**: No comments.

III Consider and/or act to approve **Minutes of Regular Meeting on January 19, 2021.**

Allan Childs made a motion to approve the Minutes for the meeting of January 19, 2021, as presented. Motion seconded by Ronnie Cooper.

Motion passed. Vote: 9 FOR. -0- Oppose 2 Absent 0 Abstain.

IV Consider and/or act upon **Treasurer's Report for the Month Ending January 31, 2021.**

Ronnie Cooper made a motion to approve the Treasurer's Report for the month ending January 31, 2021 as presented. Motion seconded by Allan Childs.

Motion passed. Vote: 9 FOR. -0- Oppose 2 Absent 0 Abstain.

V Consider and/or act upon **Depository Contract with Pecos County State Bank.**

Allan Childs made a motion that MPGCD set policy and strategy to invest District funds in Demand Deposit accounts, Certificates of Deposit and other interest-bearing bank accounts at Pecos County State Bank in compliance with the Public Funds Investment Act for the next 12 months. Motion seconded by Ronnie Cooper.

Motion passed. Vote: 9 FOR. -0- Oppose 2 Absent 0 Abstain.

NOTE: The Pecos County State Bank Depository Contract is in effect through February 28, 2023. Today's action is taken to approve the investment policy and has no impact on the depository contract.

VI **Briefing and take action, if necessary, on General Manager's decisions on renewal/nonrenewal of production permit of the City of Fort Stockton's Blueridge Farms 500 ac/ft for Industrial and Public Supply Use.**

General Manager Ty Edwards reported that the City of Fort Stockton had submitted the paperwork work needed to request renewal of their permit granted on 02-20-2018. The renewal application was received on 01-20-2021.

RECAP:

01-16-2018 Public Hearing Recap for the Record: The application requests production for a 10 well system located on City of Fort Stockton Blue Ridge Farm, approximately 27 miles West of Fort Stockton, in Pecos County, Texas. The purpose of this well system is for a combined use of Public Supply and Industrial use and request 500 acre-feet a year from the Pecos Valley Aquifer. The application was declared uncontested on 01-16-2018. On 01-16-2018 the public hearing was held and adjourned.

Motion on 02-20-2018: M. R. Gonzalez made a motion to approve the permit for 500-acre feet for a 9-well system for industrial and public supply use combined. Well 21 is removed from the permit and along with Well 18 (which is not a part of the 9-well system) and they will be dedicated as permanent monitor wells and not to be used for water production. Motion seconded by Weldon Blackwelder. Motion carried.

Vote: 10 For. 0 Oppose. 0 Absent. 1 Recusal.

On 02-05-2021 General Manager Ty Edwards sent the City of Fort Stockton a letter granting renewal of the application that was originally approved on 02-20-2018, for another three-year permit term and subject to all the conditions incorporated into the Permit when it was originally issued. The letter explained to the City of Fort Stockton that the MPGCD Board would be informed of the renewal at the meeting held today, and the Board may overrule this decision to grant the renewal.

Public Comment: Kirby Warnock requested that the Board deny the renewal application. His objection is to the Industrial Use that was approved in the permit. He feels that if the water is used for fracking it would destroy the water for drinking water purposes. The City of Fort Stockton should only be concerned with Public Supply drinking water for this application.

Mr. Warnock was informed that his reasons for denial are not applicable to this application renewal.

No action taken by the Board of Directors. The renewal of the permit stands firm.

- VII Presentation by Allan R. Standen, LLC on Groundwater Levels for Pecos County.
Vince Clause with Allan R. Standen, LLC presented the following:

- FSH Threshold Well-Winter 4 Threshold Levels
- Pecos County Water Levels Decline/Gain from 2012-2021
- Pecos County Water Levels Decline/Gain from 2020-2021
- TexMesonet Weather Stations with Annual Rainfall
- 2021 Depth to Water Level for Pecos County

Belding Farms has more water level data that they will share with MPGCD for historical record purposes. The extensive monitoring wells network in Pecos County is a great asset.

VIII Update on HALFF Data Management System.

District staff have been working on updating the excel spreadsheet to upload all of the permitted wells in Halff. Work is ongoing.

IX Update on FSH-MPGCD Joint Study and Implementation.

The installation of the transducers and direct read cable in the 11 Threshold wells associated with Fort Stockton Holdings, LP (FSH) permit is complete. Each site is equipped with In-situ Transducers recording, Pressure, Temperature and Specific Conductivity on a real time basis.

A water sample was collected at each of the 11 wells. Each site will be incorporated into the Halff Data Management System and a one-page summary of the water levels will be available each morning. Anyone will be able to access the information. Alarms will be available to be set on water levels or on TDS levels and be checked daily.

We have pulled the most water samples in MPGCD history in the Belding Area last year. We sampled every well that was running and will continue this over the next few years to get a good base line. We will soon begin Phase 2 which will incorporate additional monitor wells in the Belding Area into the current monitoring network.

Remaining objectives include drilling a Rustler aquifer monitor well and monitoring the Capitan Reef aquifer.

X Update on MPGCD Groundwater Flow Model.

Work is ongoing with the Technical Memos, the permits, and historical uses. The work may be completed by the end of 2021, or the beginning of 2022.

XI Consider and/or act regarding **suggested revisions, if any, on proposed DFCs** of groundwater resources located within Pecos County and surrounding areas located **within GMA 3**

There are no suggested revisions currently. There is a called Groundwater Management Area 3 (GMA 3) meeting for February 17, 2021 at 10:30 am. The meeting will be a zoom meeting and the agenda is posted on our MPGCD website, and anyone can attend. The meeting will be a discussion regarding all comments

received on the Proposed Desired Future Conditions (DFC) and to possibly adopt the Final DFCs for GMA 3.

XII Briefing and take action regarding Application to the Texas Water Development Board Agricultural Water Conservation Fund.

This is a grant that we applied for last year. We did not rank high enough, and the application was denied. We have scaled the application down from \$1.2 million to around \$200,000. The grant application was submitted on time. Our goal is focused on the conservation funds to enable farmers in the Belding Area to install meters, change sprinkler heads, change out some of their crops in order to have a better understanding of the water being pumped and possibly conserve water.

Board action was not taken to approve submission of the application. MPGCD attorney Mike Gershon stated that Board approval is not critical. If TWDB requires formal Board action it can be considered at a future meeting.

XIII Briefing and take action as necessary on Cockrell Investment Partners, L.P. v. Middle Pecos Groundwater Conservation District and its Board President in his official capacity, Fort Stockton Holdings, L.P. and Republic Water Company of Texas, L.P., Appellate Case No. 08-21-00017-CV (El Paso Court of Appeals) and/or Cockrell Investment Partners, L.P. v. Middle Pecos Groundwater Conservation District and its General Manager in his official capacity, Fort Stockton Holdings, L.P., and the Cities of Abilene, Midland and San Angelo, Cause No. P-8277-83-CV (Pecos County District Court).

MPGCD attorney, Mike Gershon: We are going through standard appellate timelines with Cockrell Investment Partners, LP (Cockrell) case in the 112th District. This is regarding the old permit application case.

In the permit renewal case, the parties are looking at dates in March and April for a hearing on motions for summary judgment. Fort Stockton Holdings, LP (FSH) is available on all dates except for April.

Cockrell attorney, Ryan Reed: Your briefing is accurate. Cockrell is available for any of those dates mentioned.

FSH attorney, Ed McCarthy, Jr.: The status is accurately described by Mr. Gershon.

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

- RigData Report for 02-12-2021: Pecos County has 3 rigs in operation.

- Well Registrations: Total Well Registrations are 3,295 as of 12-31-2020. Exempt 2,334 Non-Exempt 961.
- Drought Map as of 02-09-2021 was provided to the Board. Pecos County is in abnormally dry - moderate – and some parts remain in severe drought.
- 09-30-2020 Audit: Smith & Rives, PC should present in March.
- Legislative: Lloyd Gosselink, Attorneys at Law, has provided us a Groundwater Conservation Districts Bill Tracking Report as of 02-12-2021. Also provided is an Open Government Bill Tracking Report as of 02-12-2021.
 HB 666, HB 668, HB 768, SB 152: 1) Bill amends the language relating to awarding attorney fees and other costs from “shall” to “may”. 2) Adds a section to the TX Water Code titled “Petition to Change Rules” that authorizes a person with groundwater ownership and rights to petition their local GCD to adopt or modify a rule. 3) adds a section that requires a person who submits a groundwater permit or a permit amendment to provide notice by certified mail to “each person with real property interest in the groundwater beneath the land within the space prescribed by the district’s spacing rules for the proposed or existing well”. If a person receives notice under this section, they also have a “justiciable interest” that would allow them to participate in any hearings before the GCD.
 HB 327, HB 768, SB 341: Relating to the Internet broadcast or audio recording of certain open meetings.
 HB 590, HB 1082: Relating to the availability of personal information of an elected public officer.
- Texas Farm Bureau’s Weekly Newsletter – 02-12-2021 Mentions HB 601 that would create a Texas Produced Water Consortium which relates to produced water that emerges during oil and gas production. Recommendations to enable the use of produced water is a goal of the legislation.
- Pecos County WCID#1: There is a special called meeting on 02-18-2021 @ 7:30 pm to discuss/or act on USDA Funding for their system improvements that are needed.
- Quantified Ventures: 01-11-2020 Quantified Ventures announced its selection of the City of Fort Stockton and its Economic Development Corporation, in partnership with Texas Water Trade and the Middle Pecos GCD, as one of the first-round winners of the Texas Outcomes-Based Finance Challenge, enabling the organizations to receive expert support in securing \$5 million to revitalize the Fort Stockton community by restoring Comanche Springs.

XV Directors’ Comments and consider and/or act upon agenda for next meeting.

No Directors’ comments.

Next Agenda: Financial Audit presentation. General Managers’ Annual Report. Several possible new permits.

XVI Adjourn Board meeting.

Allan Childs made a motion to adjourn the meeting. Motion seconded by M. R. Gonzalez. Motion carried unanimously. The meeting adjourned at 11:10 a.m.



M. R. Gonzalez, Secretary/Treasurer



Jerry McGuair, President

Date Approved 3-23-21