

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 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 Field Technician: Anthony Bodnar

MINUTES OF REGULAR BOARD MEETING AND PUBLIC HEARING

February 15, 2022
405 North Spring Drive, Fort Stockton, Texas

A quorum of the District's Board of Directors held its regular Board meeting in person with videoconference optional for the public and less than a quorum of the Board. 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 15, 2022.

On this the 15th of February 2022, a Regular Board Meeting and Public Hearing was held by the Middle Pecos Groundwater Conservation District at the District's office at 405 North Spring Drive, Fort Stockton, Texas, with the following members present in person:

Jerry McGuairt	President, Precinct 1
Janet Groth	Vice President, Precinct 1
M.R. Gonzalez	Sec/Treasurer Precinct 2
Puja Boinpally	Precinct 2
Larry Drgac	Precinct 3
Alvaro Mandujano, Jr.	Precinct 4
Jeff Sims	City of Iraan
Vanessa Cardwell	City of Fort Stockton
Allan Childs	At Large

Quorum Present

Members Absent: Weldon Blackwelder, Ronnie Copper

District employees and consultants participating: Ty Edwards, Gail Reeves, Allan Standen, Vince Clause, Dr. Bill Hutchison, Raymond Straub, Anthony Bodnar, Cole Ruiz, and Mike Gershon

Others attending: Paula McGuairt, Ed McCarthy, Daniel Lupton, Ryan Reed, Brock Thompson, Gil Van Deventer, Glen Honaker, Zack Swick, Mel Riggs, Geoff Pike, Mark Tisdale, Gary Bryant, Van Kelly, Jill Johnson, Shannon English, James Cravens, Zack Swick, Judy Jackson, Clayton Kennedy, Kelsey Kennedy, JW Johnson, and James Beach

REGULAR BOARD MEETING

- I Board Meeting called to order at 10:00 a.m. by President Jerry McGuairt and roll call was taken.
- II Comments from **public and media**: No Comments
- III Consider and/or act to approve **Minutes of Regular Meeting on January 18, 2022.**

The draft Minutes were emailed to the Board prior to the meeting. Janet Groth made a motion to approve the Minutes for the meeting of January 18, 2022, as presented. Motion seconded by Puja Boinpally. Alvaro Mandujano, Jr Abstained.

Motion passed. Vote: 8 FOR -0- Oppose 2 Absent 1 Abstain

PUBLIC HEARING ON PRODUCTION PERMIT APPLICATION FOR CLAYTON KENNEDY

- I Call to order at 10:05 a.m. the Public Hearing on **Application for a Production Permit for Clayton Kennedy.**

Party representing application: Clayton Kennedy

Protestant to application: None

Public Comment: None

President McGuairt declared the application uncontested.

General Manager Ty Edwards presented the application to the Board. Clayton Kennedy has made application for a Production Permit with the **Middle Pecos Groundwater Conservation District** for 1 well located on 3.673 acres (Property Id# 32375) Legal Description: 706 1 I&GN Sec 36, South of Highway 290 and Coots Road in Sheffield, Pecos County, Texas. The application requests authorization to produce **20 acre-feet/year for Industrial, Public Supply and Livestock Use from the Edwards Trinity Aquifer.** The Application is Administratively Complete.

Board President Jerry McGuairt swore in General Manager Ty Edwards and Clayton Kennedy before testimony.

Mr. Kennedy requested to withdraw the application and would like to request his grandfather rights for an H&E Permit. Mr. Kennedy testified he hauled water from

this water station since 1996. At one point he hauled 45 trucks a day for 17 days straight for Exxon Mobil. Mr. Kennedy testified he had hauled drinking water from this well all over the state, that this well is his livelihood, and that the well is equipped with a 20-25 horsepower motor that produces 320 gallons per minute. Mr. Kennedy stated he and his grandfather met with previous director John Dorris in 2001. He was advised he needed H&E Permits and believed his family completed the documents for permitting the well.

General Manager Ty Edwards testified that no permits or registrations have been found for this well between 2001 and 2021. Several exempt wells have been registered on the ranch during this time frame but no industrial wells in the area or on the surrounding family ranch. General Manager Ty Edwards met with Mr. Kennedy on January 3rd, 2022 and registered the water well in the application. The registration number is 2022010301.

The Board and Mr. Kennedy discussed the Districts rules regarding Production Permits. Mr. Kennedy withdrew the application with the intent to refile, at a later date. The hearing was adjourned, and the application was withdrawn.

REGULAR BOARD CONTINUED at 10:28 am

IV Consider and/or act upon Financial Audit for the Year ending 09-30-2021.

The audit was not complete. Moved to next meeting.

V Consider and/or act upon Treasurer's Report for the Month Ending January 31, 2022.

General Manager Ty Edwards presented the Treasurer's Report to the Board. Puja Boinpally made a motion to approve the Treasurer's Report for the month ending January 31, 2022, as presented. Motion seconded by Vanessa Cardwell.

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

VI Consider and/or act upon General Manager's 2021 Annual Report.

The 2021 Annual Report was presented. Since the audit is not complete action on the annual report is moved to next month. The Annual Report is available at

<https://www.middlepecosgcd.org/pdf/2021-Annual%20Manager%20Report-Complete.pdf? t=1644959939>

Vince Clause presented MPGCD Annual Rainfall Water Level update. This is attached to these minutes as **Attachment A**.

VII Consider and/or act upon **Depository Contract and Districts Investment Policy with Pecos County State Bank.**

Janet Groth made a motion for MPGCD to 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 Vanessa Cardwell.

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

VIII Consider and/or act upon **Groundwater Management Area 7 Designated Representative.**

Puja Boinpally motioned to approve General Manager Ty Edwards to represent the District in joint planning and is authorized to review and vote on all matters before the members of Groundwater Management Areas 7 and 3. Motion seconded by Vanessa Cardwell.

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

IX Consider and/or act upon Interlocal agreement for **Hydrogeological Service with Groundwater Conservation District in Groundwater Management Area 7 and Sutton County Underground Water District.**

This interlocal agreement is entered into by and between each of the undersigned participating groundwater districts in Groundwater Management Area 7 and the Sutton County Underground Water District. The purpose of the Interlocal Agreement is to collect and efficiently administer the funds that are due and payable. Janet Groth made a motion to approve the Interlocal agreement as presented. Motion seconded by Vanessa Cardwell.

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

X Update on **San Andres well plugging initiative** and possible action on legal remedies in District Court in Pecos and/or Travis Counties.

General Manager Ty Edwards and Pecos County Judge Joe Shuster met with Rep. Andrew Murr last week about the Flowing Well issues in Pecos County. After the meeting Edwards and Murr visited the sites in person and discussed legal remedies including a declaratory judgment action.

The District made public comment at the Railroad Commission meeting in Austin on February 8th. The District limited the comments to Boehmer Lake also referred to as Sloan Blair #1 because this well has RRC documentation.

The District has hired Raymond Straub, Licensed Professional Geoscientist, to sample Boehmer Lake. Samples were pulled Monday, February 14th. Mr. Straub

reported when he approached the flowing well his H2S monitor went off at the high-level over 15 ppm H2S and was required to wear a breathing apparatus. Mr. Straub observed 200 ppm H2S levels at the site. The headspace reading was over 800 ppm H2S levels and over ranged the instrument. The levels of H2S seen around the well are immediately dangerous to life and health. Mr. Straub sampled for hydrocarbons as well as his normal sampling protocols for this type of work. Once we received the results, we will share that information to the Board and Railroad Commission.

XI Update on Fort Stockton Holdings, L.P. (FSH)-MPGCD Joint Study, Implementation and Threshold Water Levels.

The Board discussed the ongoing groundwater monitoring of the FSH Threshold water levels. All wells are working and operating accordingly. A link to the FSH threshold water levels is available at <https://mpgcd.half.com/Dashboard>

The District consultants have begun to look at potential Rustler Aquifer Monitoring Well locations within Management Zone 1. This new monitor well will be drilled with FSH Funds associated with the Export Permit and Settlement Agreement.

XII Briefing and take action as necessary on Cockrell Investment Partners, L.P. v. MPGCD and its Board President in his official capacity, FSH and Republic Water Company of Texas, L.P., Case No. 08-21-00017-CV (El Paso Court of Appeals) and/or Cockrell Investment Partners, L.P. v. MPGCD and its General Manager in his official capacity, and FSH, Case No. 08-21-00200-CV (El Paso Court of Appeals).

Cockrell 1 is at the El Paso Court of Appeals. The Court has set the case for submission with oral argument for February 24, 2022, at 9 AM MST through the Eighth Court of Appeals' Zoom Account. Board and public can watch on the Court's YouTube channel.

Cockrell 2 has no update. It is pending at El Paso Court of Appeals awaiting the Court Reporter's record.

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

- Cybersecurity training is required to be taken each year. A few Directors still need to take the training.
- Mr. Noekle visited the office and discussed well registrations. MPGCD staff made a map for Mr. Noekle and he is reviewing the area to see if any new wells need registering.
- Rig Data report shows 8 rigs in Pecos County. Oil prices are over \$90 a barrel.

- Draft Technical Memorandum 4v04 is out for Comment regarding Existing Groundwater Pumping Data and Estimates. Texas Water Trade has submitted comments and are under review.
- Texas Drought Map for February 8, 2022 was discussed. All of Pecos County is under Severe Drought with the northern part of the County under Extreme Drought.
- Drilling permit application for Lonestar Dream. This well will be for Bitcoin mining.

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

Next scheduled board meeting is set for March 22, 2022. Could have a couple of permit hearings. The financial audit and annual report will be on the agenda.

XV **Adjourn** Board meeting.

Vanessa Cardwell made a motion to adjourn the meeting. Motion seconded by Puja Boinpally. Motion carried unanimously. The meeting adjourned at 11:56 a.m.



M. R. Gonzalez, Secretary/Treasurer



Jerry McGuair, President

Date Approved 3-22-22