

MIDDLE PECOS GROUNDWATER CONSERVATION DISTRICT

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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, PERMIT HEARING, AND PUBLIC MEETING TO ADOPT DESIRED FUTURE CONDITIONS OF RELEVANT AQUIFERS LOCATED WITHIN GROUNDWATER MANAGEMENT AREA 7

March 22, 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 March 22, 2022.

On this the 22nd of March 2022, a Regular Board Meeting, Public Hearing, and Public Meeting 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
Puja Boinpally	Precinct 2
Weldon Blackwelder	Precinct 3
Alvaro Mandujano, Jr.	Precinct 4
Ronnie Cooper	Precinct 4
Jeff Sims	City of Iraan
Vanessa Cardwell	City of Fort Stockton
Allan Childs	At Large

Quorum Present

Members Absent: Larry Drgac, M.R. Gonzalez

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

Others attending: Paula McGuairt, Rocky Rives, Ed McCarthy, Daniel Lupton, Ryan Reed, Gil Van Deventer, Glen Honaker, Mel Riggs, Geoff Pike, Mark Tisdale, Van Kelly, Jesus Cerna, and Jill Johnson

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 February 15, 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 February 15, 2022, as presented. Motion seconded by Vanessa Cardwell.

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

PUBLIC MEETING TO ADOPT DESIRED FUTURE CONDITIONS OF RELEVANT AQUIFERS LOCATED WITHIN MIDDLE PECOS GROUNDWATER CONSERVATION DISTRICT IN GROUNDWATER MANAGEMENT AREA 7

- I Public Meeting called to order at 10:03 a.m. by President Jerry McGuairt.
- II Comments from **public and media**. No Comments
- III Consider and/or adopt by Resolution the Desired Future Conditions for the relevant groundwater resources located within MPGCD in Groundwater Management Area 7 for the current 50-year planning period.

General Manager Ty Edwards went over the resolution and explained that TWDB declared the DFCs administratively complete on February 18, 2022. Passing this resolution is the last step in adopting the DFCs for GMA 7 for Pecos County. Once the DFCs are adopted that starts a 120-day window for a petition to be filed.

Ronnie Cooper made a motion to adopt the resolution and approve the Desired Future Conditions for groundwater resources located within MPGCD in Groundwater Management Area 7 as presented and documented in the explanatory reports. Motion seconded by Puja Boinpally.

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

- IV Meeting adjourned at 10:07 a.m.

**PUBLIC HEARING ON DRILLING PERMIT
APPLICATION FOR LONESTAR DREAM**

- I Call to order at **10:08 a.m.** the public hearing on **Application for a Drilling Permit Lonestar Dream.**

Party representing application: Jesus Cerna

Protestant to application: None

Public Comment: None

General Manager Ty Edwards presented the application to the board. Lonestar Dream, Inc has made application for a Drilling Permit with the Middle Pecos Groundwater Conservation District for 1 well located on 64.00-acre surface lease located in the T&P RR Co. Survey, Section 32, Block 49, Abstract 8479, Old Courtney Ranch Company, in Pecos County, Texas. The well is projected to be 334 feet in depth and drilled into the Edwards Trinity Aquifer. The estimated rate of withdraw is 200-300 gallons per minute and the purpose of the well will be for Industrial Use, for a Bitcoin Facility to cool computers. The application is administratively complete. Once the well is drilled a pump test is required to determine flow rate. A production permit will need to be submitted after the pump test is complete.

- II Adjourn Hearing and consider and/or act on **Application for a Drilling Permit for Lonestar Dream.**

President Jerry McGuairt adjourned the hearing at 10:21 a.m. Vanessa Cardwell made a motion to approve the drilling permit application from the Edwards Trinity Aquifer. Motion seconded by Puja Boinpally.

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

REGULAR BOARD MEETING – CONTINUED at 10:22 a.m.

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

Rocky Rives with Smith and Rives, PC Certified Public Accountants presented the audit to the Board and answered all questions. The opinion rendered is an unmodified opinion which is the best that can be rendered. The financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the MPGCD, as of September 30, 2021, and the respective changes in financial position thereof for the year ended in conformity with the

“GAAP” (generally accepted accounting principles), including those principles generally accepted for government entities in the United States of America. There are no findings that require disclosure or corrective action in the audit report.

Vanessa Cardwell made a motion to approve the Financial Audit for year ending 09-30-2021 as presented. Motion seconded by Ronnie Cooper.

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

V Consider and/or act upon **General Manager’s 2021 Annual Report.**

The annual report was presented to the board last month. Alvaro Mandujano, Jr made a motion to accept the 2021 Annual Report with the Annual Financial Audit. Motion seconded by Jeff Sims.

The annual report is available at:

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

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

VI Consider and/or act upon **Treasurer’s Report for the Month Ending February 28, 2022.**

General Manager Ty Edwards presented the Treasurer’s report to the board. Vanessa Cardwell made a motion to approve the Treasurer’s Report ending February 28, 2022 as presented. Motion seconded by Ronnie Cooper.

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

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

District Consultant Raymond L Straub Jr, P.G. of Straub Corporation provided a preliminary verbal report on the laboratory results from the groundwater sampling event that was performed on the Boehmer Lake (Sloane Blair No. 1) Flowing Well on February 14, 2022. The preliminary results from the analyses indicated elevated radionuclide constituents above the EPA Primary Drinking Water Standards were present in the provided sample. Additionally, several water quality constituents exceeded EPA Secondary Drinking Water Standards. Elevated levels of Hydrogen Sulfide gas above OSHA safety standards were detected near the well head. Analyses for atmospheric gases as well as dissolved gases were performed on samples provided from the well. The results for atmospheric gases were inconclusive and the dissolved gases indicated petroleum related gas constituents

were present. Mr. Straub said another attempt should be made to collect a representative gas sample. The Board indicated Reed Laboratory of Odessa could help with a gas analysis of the flowing well. A brief discussion ensued concerning national certification of the Reed Lab. Afterwards, it was agreed to attempt to collect a second water sample for gas from the Boehmer Lake Flowing Well and utilize Reed Laboratory to analyze the sample.

VIII 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>

IX 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 had set the case for submission with oral argument for February 24, 2022. On February 15th the Court ordered vacating oral argument as it would not materially aid in the disposition of this cause.

Cockrell 2 has no update. It is pending at El Paso Court of Appeals awaiting the Court Reporter's record. On March 21, 2022, the Deputy Clerk filed one of two of the relevant Reporter's Records (1 volume).

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

- 2022 House Interim Committee Charges.
- Solar Compliance letters for East Pecos Solar, LLC and Clearway tax abatement agreements.
- MPGCD Uniform Election Date November 8, 2022
- Rig Data 03-18-2022. 8 rigs running in Pecos County.
- Texas Drought Map. 03-15-2022. All of Pecos County in Extreme Drought with some Exceptional Drought creeping in from the North.
- MPGCD Office Monitor well was drilled. The total depth is 400 ft. This well will be adding to the District Monitoring well program and will be used for educational purposes.

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

Next board meeting will be April 19, 2022.

XII **Adjourn Board meeting**.

Weldon Blackwelder made a motion to adjourn the meeting. Motion seconded by Jeff Sims. Motion carried unanimously. The meeting adjourned at 11:28 a.m.



M. R. Gonzalez, Secretary/Treasurer



Jerry McGuairt, President

Date Approved 5-17-22