

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, PUBLIC HEARINGS, AND BUDGET WORKSHOP

**August 16, 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 August 16, 2022.

On this the 16th of August 2022, a Regular Board Meeting and Permit Hearing were 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	Precinct 2
Puja Boinpally	Precinct 2
Weldon Blackwelder	Precinct 3
Alvaro Mandujano, Jr.	Precinct 4
Ronnie Cooper	Precinct 4
Jeff Sims	City of Iraan
Allan Childs	At Large
Vanessa Cardwell	City of Fort Stockton

Quorum Present

Members Absent: Larry Drgac

District employees and consultants participating: Ty Edwards, Gail Reeves, Vince Clause, Allan Standen, Raymond Straub, Lana McGee Straub, Shannon English, Jill Johnson, Anthony Bodnar, and Mike Gershon.

Others attending: Andy Rivera, Dustin Herschap, Jeff Williams, Paula McGuairt, Buck Benson, Van Kelly, Ryan Reed, Glenn Honaker, Geoff Pike, Madison Huerta, Steven Sims, Zach Swick and Gil Van Deventer.

REGULAR BOARD MEETING

- I Board Meeting called to order at 10:01 a.m. by President Jerry McGuairt and roll call was taken.
- II Comments from **public and media**: No Comments

PUBLIC HEARING ON PRODUCTION PERMIT APPLICATION FOR A&B PRESTIGE INVESTMENTS LLC

- I Call to order at **10:09 a.m.** the public hearing on **Application for a Production Permit A&B Prestige Investments LLC.**

Party representing application: Andy Rivera

Protestant to application: None

Public Comment: None

General Manager Ty Edwards presented the application to the board. A&B Prestige Investments LLC has made application for a Production Permit with the Middle Pecos Groundwater Conservation District for 1 well located at 251 S Sycamore on 19.37 acres, Property Id: 20137, Legal Description: 3714 146 T&STL SEC 27 S/2 Sunny Slopes UNT INT, in Pecos County, Texas. The well was drilled to 400 feet in depth and produces groundwater from the Edwards Trinity Aquifer.

Spring Branch Water Well drilled the well starting on 5/24/2022 to 5/29/2022. The well report # is 60967. The MPGCD # 2022070601. A pump test was completed on the well and the rate of withdraw was 117 GPM. The well will be used to irrigate 8 acres of alfalfa with several shade trees along the road. The application is administratively complete.

- II Adjourn Hearing and consider and/or act on **Application for a Production Permit for A&B Prestige Investments LLC.**

President Jerry McGuairt adjourned the hearing at 10:16 a.m. Allan Childs made a motion to approve the production permit application from the Edwards Trinity Aquifer. Motion seconded by Jeff Sims.

Motion passed. Vote: 10 FOR -0- Oppose 1 Absent 0 Abstain

REGULAR BOARD MEETING – CONTINUED

III Consider and/or act to approve **Minutes of Regular Meeting on June 21, 2022.**

The draft Minutes were emailed to the Board prior to the meeting. Ronnie Cooper made a motion to approve the Minutes for the meeting of June 21, 2022, as presented. Motion seconded by Allan Childs.

Motion passed. Vote: 10 FOR -0- Oppose 1 Absent 0 Abstain

IV Consider and/or act upon **Treasurer's Report for the Month Ending June 30, 2022.**

General Manager Ty Edwards presented the Treasurer's report to the board. Allan Childs made a motion to approve the Treasurer's Report ending June 30, 2022, as presented. Motion seconded by Ronald Cooper.

Motion passed. Vote: 10 FOR -0- Oppose 1 Absent 0 Abstain

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

General Manager Ty Edwards presented the Treasurer's report to the board. Allan Childs made a motion to approve the Treasurer's Report ending July 31, 2022, as presented. Motion seconded by M.R. Gonzalez.

Motion passed. Vote: 10 FOR -0- Oppose 1 Absent 0 Abstain

VI **Executive Session pursuant to the Texas Open Meetings Act, Sections 551.071 and 551.074 of the Texas Government Code, to consult with our attorney regarding pending litigation and to deliberate annual review of the District's General Manager Ty Edwards and compensation of the District's employees.**

President Jerry McGuairt recessed the Regular Board meeting at 10:22 a.m. and called an Executive Session. Pursuant to Section 551.071 and 551.074 of the Texas Government Code, the Board will now convene in a closed session regarding the Texas Open Meetings Act exemption covering the Board's deliberation of personnel matters and to discuss pending litigation. Any action on this matter will be taken in open session. A certified agenda regarding the personnel matters addressed under 551.074 will be prepared and kept in accordance with the Texas Open Meetings Act and no action will be taken in executive session.

The Executive Session adjourned at 10:41 a.m.

The presiding officer, President Jerry McGuairt, stated that no action, no decisions, and no votes were made in executive session. The regular session reconvened at 10:42 a.m.

VII Consider and/or take action on **Annual Review and Compensation of District's Employees.**

No action was taken.

WORKSHOP ON PROPOSED BUDGET AND PROPOSED TAX RATE

I Call to Order at 10:43 a.m. by President Jerry McGuairt.

II Workshop to review Proposed Budget and Proposed Tax Rate for Fiscal Year ending 09/30/2023.

General Manager Ty Edwards reviewed the proposed budget and proposed tax rate with the Directors. The proposed tax rate will be set at \$0.0194 per \$100 valuation which is the Voter Approval tax rate.

III Adjourn. President Jerry McGuairt adjourned the hearing at 11:01 am.

PUBLIC HEARING ON PROPOSED BUDGET AND PROPOSED TAX RATE

I Call to Order at 11:01 a.m. by President Jerry McGuairt.

II Receive public input on Proposed Budget and Proposed Tax Rate for Fiscal Year ending 09/30/2023.

No comments received.

III Adjourn. President Jerry McGuairt adjourned the hearing at 11:02 am.

REGULAR BOARD MEETING – CONTINUED at 11:02 a.m.

VIII Consider and/or approve **Budget for Fiscal Year Ending 09/30/2023 and sign the Resolution to Adopt the Annual Budget.**

General Manager Ty Edwards presented the Resolution and Budget for the fiscal year ending 09/30/2023. M.R. Gonzalez made a motion to sign the resolution and adopt the annual budget as presented. Motion seconded by Vanessa Cardwell.

Motion passed. Vote: 10 FOR -0- Oppose 1 Absent 0 Abstain

FOR: J. McGuairt, J. Groth, M. R. Gonzalez, P. Boinpally, J. Sims, A. Childs Jr., Alvaro Mandujano, Jr., R. Cooper, V. Cardwell and Weldon Blackwelder
AGAINST: None
ABSENT: Larry Drgac

IX Consider and/or adopt a **Proposed Tax Rate for 2022-2023.**

M.R. Gonzalez made a motion that the proposed property tax rate be decreased by an adoption of a tax rate of \$0.0194 per \$100 valuation, which is the voter approval tax rate. Motion was seconded by Allan Childs.

Motion passed. Record Vote: 10 FOR -0- Oppose 1 Absent 0 Abstain

FOR: J. McGuairt, J. Groth, M. R. Gonzalez, P. Boinpally, J. Sims, A. Childs Jr., Alvaro Mandujano, Jr., R. Cooper, V. Cardwell and Weldon Blackwelder
AGAINST: None
ABSENT: Larry Drgac

X Consider and/or act upon **Setting a Public Hearing Time, Place and set a Meeting Date/Time/Place to Adopt a Tax Rate for 2022-2023.**

Janet Groth made a motion to set the public hearing on the proposed tax rate of \$0.0194 to be held at the Middle Pecos Groundwater Conservation District office located at 405 North Spring Drive, Fort Stockton, TX on September 8, 2022, at 5:30 pm and also motion to set the Date to Adopt the Tax Rate on September 8, 2022 following the public hearing. Motion was seconded by Allan Childs.

Motion passed. Record Vote: 10 FOR -0- Oppose 1 Absent 0 Abstain

FOR: J. McGuairt, J. Groth, M. R. Gonzalez, P. Boinpally, J. Sims, A. Childs Jr., Alvaro Mandujano, Jr., R. Cooper, V. Cardwell and Weldon Blackwelder
AGAINST: None
ABSENT: Larry Drgac

XI Consider and/or act upon **Order of General Election for November 8, 2022.**

Vanessa Cardwell made a motion to Order an Election to be held on November 8, 2022. Motion was seconded by Ronnie Cooper.

Motion passed. Record Vote: 10 FOR -0- Oppose 1 Absent 0 Abstain

XII Update on **San Andres well-plugging initiative and progress made at Boehmer Lake (Sloan Blair #1).**

Raymond L Straub Jr, P.G. of Straub Corporation presented a draft poster of the Sloan Blair #1 Well. The poster was a visual representation of the subsurface structure of the well with associated formations, well construction, and various

screen shots of the well bore from a video log that was performed by MPGCD. Based on the images provided from the video log, the well bore showed significant deterioration of the surface and intermediate casing strings as well as the cement seal surrounding them. Subsurface formations were clearly visible through the holes in the casing. The bore became cavernous beyond 464 feet and at 487 feet a large rock blockage was encountered. The video log was terminated at the blockage. These holes in the casing expose the shallow groundwater to upwelling and flowing highly mineralized groundwater with elevated radionuclides and H₂S which is discharging from the bore.

Mr. Straub also provided a preliminary verbal report on the laboratory results from the groundwater sampling event that was performed on the Gomez Road Flowing Well on July 11, 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 collected at the well head.

The well appeared to have a deteriorated fabricated wellhead similar to an oilwell wellhead. The discharge control valve had become rotten and had fallen off. There were multiple pieces of broken plastic pipe and concrete debris lodged in the well. Some of the broken pipe and concrete were removed. MPGCD performed a video log of the well and found the intermediate casing was separated near the surface below the top of the well head allowing rising water to flow from the intermediate casing and come in contact with the surface casing. A blockage of PVC pipe was encountered at a depth of approximately 50 feet. The camera was unable to go beyond this interval.

Boehmer Lake Land Work Summary

The Boehmer Lake flowing well also known as the Sloan Blair #1 is located on Tract 49 in Block 10 Section 35, H&GN RR Co Survey, Pecos County, Texas. This well has been classified by the Railroad Commission as a P-13 well and the responsibility of the landowner. Railroad Commission documents indicate that at the time of the transfer of the well from a permitted oil and gas well to a P-13 water well the driller and operator of the well was George Abell and the landowner of the well was William P. Neely Trustee. Railroad Commission documents show the address for both parties at PO Box 430, Midland, TX. Land research indicates that at the time of the transfer, George Abell and William P. Neely were both Trustees of the Mary Hatheway and Robert James Abell Foundation. Land research further indicates that both George Abell and William P. Neely and the Abell Foundation continued to be involved in transactions surrounding Tract 49 and the "flowing sulfur wells" as late as September 1988 and that they could still have partial ownership under a 99-year agricultural lease that links the parties to the property. Research is ongoing. Abell-Hanger Foundation is a private foundation and philanthropic organization with a mailing

address of PO Box 430, Midland, Texas, with current assets valued at approximately \$128MM. Their current mineral holdings in Pecos County are tax appraisal valued at over \$850,000.

Gomez Road Land Work Summary

The Gomez Road flowing well also known as TWDB State Well No. 5301203 is in the NW/4 of Block 114 Section 5 GC&SF RR Co Survey, Pecos County, Texas. Land research indicates that the flowing well known as "Gomez Road" could be an oil and gas well originally drilled and plugged in 1951 under the name of Thompson Carr #1. Land research further indicates that the original leasehold was surrendered, and that Gulf Oil took a 5-year lease on the W/2 of Block 114 Section in August 1960, drilling the Sibley State Gas Unit #1 on the property in July 1965, holding the lease. Gulf merged with Chevron in July 1985. Chevron, as a successor lessee to Gulf, currently owns the leasehold to Sibley State Gas Unit No. 1 and the unit is still in operation.

XIII 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>.

Equipment has been ordered to install InSitu transducers in 6 additional monitor wells in Management Zone 1. Installation of the equipment should occur before the end of 2022.

XIV 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 vacated oral argument stating that it would not materially aid in the disposition of this cause. Awaiting a decision from the Court.

Cockrell 2 is at El Paso Court of Appeals. All briefs have been filed. Cities of Abilene, Midland and San Angelo were dismissed in late August by agreement of Cockrell. On August 24, 2022, the Court set the case for submission on September 29, 2022 without oral argument, after which a decision will be issued from the Court.

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

- 4H Ambassadors in Fort Stockton
- Rig Data Report 08-12-2022
- Texas Groundwater Summit Draft Agenda August 30 – September 1, 2022
- Tx Drought Map 08-09-2022
- Water Quality Sampling is ongoing

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

Next Board meetings will be September 8th (Tax Rate Hearing) and September 20th (Regular Board meeting).

XVII Adjourn Board meeting.

Allan Childs made a motion to adjourn the meeting. Motion seconded by Weldon Blackwelder Motion carried unanimously. The meeting adjourned at 12:05 p.m.



M. R. Gonzalez, Secretary/Treasurer



Jerry McGuair, President

Date Approved 10/18/22