

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 AND PUBLIC HEARING

January 17, 2023

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 January 17, 2023.

On this the 17th of January 2023, a Regular Board 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	Precinct 1
M.R. Gonzalez	Precinct 2
Puja Boinpally	Precinct 2
Alvaro Mandujano, Jr	Precinct 4
Ronald Cooper	Precinct 4
Jeff Sims	City of Iraan
Vanessa Cardwell	City of Fort Stockton

Quorum Present

Members Absent: Weldon Blackwelder, Larry Drgac, and Allan Childs, Jr.

District employees and consultants participating: Ty Edwards, Gail Reeves, Bill Hutchison, Anthony Bodnar, Allan Standen, Vince Clause, Ty Embrey, Rocky Rives, and Mike Gershon.

Others attending: Paula McGuairt, Brett Thompson, Ed McCarthy, Schuler Wight, Mark Tisdale, James Beach, Ryan Reed, Buck Benson, Mel Riggs, Carl Craigo, Robert Hanna, and Zach Swick.

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 upon **Financial Audit for the Year ending 09-30-2022.**

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, 2022, 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.

Ronald Cooper made a motion to approve the Financial Audit for year ending 09-30-2022 as presented. Motion seconded by Janet Groth.

Motion passed. Vote: 8 FOR -0- Oppose 3 Absent 0 Abstain

IV Consider and/or act to approve **Minutes of Regular Meeting on November 15, 2022.**

The draft Minutes were emailed to the Board prior to the meeting. Vanessa Cardwell made a motion to approve the Minutes for the meeting of November 15, 2022, as presented. Motion seconded by Ronald Cooper. Alvaro Mandujano, Jr. Abstained from voting since he was not present at the last meeting.

Motion passed. Vote: 7 FOR -0- Oppose 3 Absent 1 Abstain

V Consider and/or act upon **Treasurer's Report for the Month Ending November 30, 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 November 30, 2022, as presented. Motion seconded by Ronald Cooper.

Motion passed. Vote: 8 FOR -0- Oppose 3 Absent 0 Abstain

VI Consider and/or act upon **Treasurer's Report for the Month Ending December 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 ending December 31, 2022, as presented. Motion seconded by Alvaro Mandujano, Jr.

Motion passed. Vote: 8 FOR -0- Oppose 3 Absent 0 Abstain

VII Consider and/or act upon setting **Mileage Rate for 2023.**

The IRS mileage rate has increased from last year. The new mileage rate is 65.5 cents per mile. Janet Groth made a motion to approve the mileage rate of 65.5 cents per mile. Motion seconded by M.R. Gonzalez.

Motion passed. Vote: 8 FOR -0- Oppose 3 Absent 0 Abstain

VIII Consider and/or act upon **2023 Meeting and Holiday Schedule.**

The Board Meeting and Holiday Schedule was presented to the Board. Ronald Cooper made a motion to approve as presented. Puja Boinpally seconded the motion.

Motion passed. Vote: 8 FOR -0- Oppose 3 Absent 0 Abstain

IX Consider and/or act upon **MSA agreement with LRE Water, LLC** for Hydrogeological service.

Allan Staden and Vince Clause have combined companies with LRE Water, LLC. The District has several ongoing Hydrogeological studies with Allan Staden. To continue that work and keep the District consultants an MSA agreement with LRE Water should be considered. The MSA agreement has been reviewed by legal and both parties agree on the terms. Puja Boinpally made a motion to approve the MSA agreement with LRE Water, LLC, as presented. Motion seconded by M.R. Gonzalez.

Motion passed. Vote: 8 FOR -0- Oppose 3 Absent 0 Abstain

X Update on **San Andres well plugging initiative** and update from **Banner Public Affairs, LLC.**

The board discussed the ongoing efforts with the abandoned well problems in the Imperial area. The Board watched the RRC meeting held on December 13, 2022, and other news stories on the problems in the area.

<https://www.cbs7.com/2022/12/29/west-texas-rancher-discovers-more-oil-leaks-property/>

Brett Thompson with Banner Public Affairs gave the Board an update on the successful meetings with staff at Department of Interior (DOI), Department of Energy (DOE), and the Environmental Protection Agency (EPA) and the Texas Congressional delegation towards the goal of securing funding to address the abandoned well problems in Pecos County.

XI **State legislative update** (88th Legislative Session commencing January 10, 2023).

The Senate Committee on Agriculture, Water & Rural Affairs recently published their Interim Report to the 88th Legislature. Based on testimony presented during the hearings, the Committee made the following recommendations:

- Groundwater Conservation Districts (GCDs) should be encouraged to maximize tools such as export fees and contracts to adequately plan for mitigation and to educate landowners on the benefits of data for the use of well meters.
- The state should invest in updated groundwater availability models at TWDB; consider grants to GCDs to employ the best available science at a local level; and replenish Agriculture Conservation grant funding to incentive drip irrigation and other conservation technologies.
- The public should be better educated on the importance of water conservation. This work can start in public schools.

The Regular Session for the 88th Texas Legislature will begin on Tuesday, January 10th. Texas House and Senate Committees will likely consider legislation addressing the above-mentioned issues.

The Senate Committee on Natural Resources and Economic Development also published an Interim Report. The Report focuses more on economic development issues than natural resource issues. There was mention of abandoned oil and gas wells that we summarized below.

Monitoring HB 3973 relating to a study on abandoned oil and gas wells and the use of the oil and gas regulation and cleanup fund.

- The 82nd Legislature established the Oil and Gas Regulation and Cleanup Fund (OGRC) to manage the state's plugging program, address orphaned wells, and clean up abandoned oil field locations. Last session, HB 3973 created a joint interim committee to study matters related to abandoned oil and gas wells in the state, including the costs associated with plugging abandoned wells. However, the joint interim committee was never appointed and, therefore, failed to meet. The Committee determined that P-13 wells should continue to be monitored and the Legislature should address the current oversight of the agencies involved and make changes, as necessary.

XII **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.halff.com/Dashboard>.

Equipment has been installed in 6 additional monitor wells in Management Zone 1. A total of 23 monitoring locations including Comanche Springs are activate operating appropriately. No Thresholds have been met. No export has occurred.

XIII **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).**

Still Awaiting a decision on both case from the El Paso Court of Appeals. Only update is Justice Lisa Soto took the bench on January 1, 2023.

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

- Tx Drought Map 01-10-2023. Most of Pecos County is out of drought.
- Pecos County Rig Report 01-16-2023.
- Groundwater usage reporting for 2023 is under way. Emails have been sent out and several reports have been sent back.
- 2022 Groundwater Graphs and Water levels are being sent out to all Monitor Well owners. 132 Monitor wells are monitored monthly by the District.

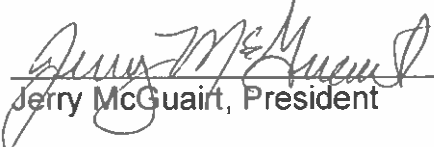
XV **Directors' Comments and consider and/or act upon agenda for next meeting.** Next Board meeting will be February 21, 2023.

XVI **Adjourn Board meeting.**

Puja Boinpally made a motion to adjourn the meeting. Motion seconded by Vanessa Cardwell motion carried unanimously. The meeting adjourned at 11:34 p.m.



M. R. Gonzalez, Secretary/Treasurer



Jerry McGuairt, President

Date Approved 2/21/23