

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, PUBLIC HEARINGS, AND BUDGET WORKSHOP

August 15, 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 August 15, 2023.

On this the 15th of August 2023, 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, Anthony Bodnar, and Mike Gershon.

Others attending: Buck Benson, James Cravens, Mel Riggs, Paula McGuairt, Bart Reid, Daniel Joseph, Ryan Reed, Glenn Honaker, Geoff Pike, Madison Huerta, Ed McCarthy, 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 to approve **Minutes of Regular Meeting on June 20, 2023.**

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 June 20, 2023, as presented. Motion seconded by Ronald Cooper.

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, 2023.**

General Manager Ty Edwards presented the Treasurer's report to the board. Vanessa Cardwell made a motion to approve the Treasurer's Report ending June 30, 2023, as presented. Motion seconded by Puja Boinpally.

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, 2023.**

General Manager Ty Edwards presented the Treasurer's report to the board, Ronald Cooper made a motion to approve the Treasurer's Report ending July 31, 2023, as presented. Motion seconded by Puja Boinpally.

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

PUBLIC HEARING ON DRILLING PERMIT APPLICATION FOR DANIEL JOSEPH

I Call to order at **10:07 a.m.** the public hearing on **Application for a Drilling Permit Daniel Joseph.**

Party representing application: Daniel Joseph and Bart Reid

Protestant to application: None

Public Comment: None

General Manager Ty Edwards presented the application to the board. **Daniel Joseph** has made application for a **Drilling Permit** with the Middle Pecos Groundwater Conservation District for **1 well** located on **Property Id 3923, Legal Description 596 3 H&TC SEC 13TR 4 NE/4-NE/4-NE/4&S/2-NE/4-NE/4** approximately 1/2 mile east of Imperial FM 11 in Pecos County, Texas.

The well is projected to be **120 feet in depth and drilled into the Pecos Valley Aquifer. The estimated rate of withdrawal is 500 gallons per minute and the proposed use of the well will be for Aquaculture and Irrigation Use.** The application is administratively complete.

Once the well has been drilled a pump test and production permit is required.

II Adjourn Hearing and consider and/or act on **Application for a Drilling Permit Daniel Joseph.**

President Jerry McGuairt adjourned the hearing at 10:16 a.m. Ronald Cooper made a motion to approve the drilling permit application from the Pecos Valley Aquifer. Motion seconded by Vanessa Cardwell.

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

REGULAR BOARD MEETING – CONTINUED

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 10:16 a.m. and called an Executive Session. Pursuant to Section 551.071 (Items XI, XIII, XV, and XVI) 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 11:31 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 11:35 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 11:35 a.m. by President Jerry McGuairt.

II Workshop to review Proposed Budget and Proposed Tax Rate for Fiscal Year ending 09/30/2024.

General Manager Ty Edwards reviewed the proposed budget and proposed tax rate with the Directors. The proposed tax rate will be set at \$0.0183 per \$100 valuation which is the Voter Approval tax rate.

III Adjourn. President Jerry McGuairt adjourned the hearing at 11:37 am.

PUBLIC HEARING ON PROPOSED BUDGET AND PROPOSED TAX RATE

I Call to Order at 11:37 a.m. by President Jerry McGuairt.

II Receive public input on Proposed Budget and Proposed Tax Rate for Fiscal Year ending 09/30/2024.

No comments received.

III Adjourn. President Jerry McGuairt adjourned the hearing at 11:38 am.

REGULAR BOARD MEETING – CONTINUED at 11:38 a.m.

VIII Consider and/or approve **Budget for Fiscal Year Ending 09/30/2024 and sign the Resolution to Adopt the Annual Budget.**

General Manager Ty Edwards presented the Resolution and Budget for the fiscal year ending 09/30/2024. Puja Boinpally made a motion to sign the resolution and adopt the annual budget as presented. Motion seconded by Ronald Cooper.

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 2023-2024.**

Ronald Cooper made a motion that the proposed property tax rate be decreased by an adoption of a tax rate of \$0.0183 per \$100 valuation, which is the voter approval tax rate. Motion was seconded by Jeff Sims.

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 2023-2024.**

Allan Childs made a motion to set the public hearing on the proposed tax rate of \$0.0183 to be held at the Middle Pecos Groundwater Conservation District office located at 405 North Spring Drive, Fort Stockton, TX on September 7, 2023, at 5:30 pm and also motion to set the Date to Adopt the Tax Rate on September 7, 2023, following the public hearing. Motion was seconded by Weldon Blackwelder.

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 Update on **San Andres well plugging.**

An upcoming preliminary hearing with the Railroad Commission had been set for September 26, 2023, in accordance with Tex. Nat. Res. Code § 89.041 to Determine the Proper Plugging of Twelve Wells, Pecos County, Texas; District 08.

XII Update on **Hydrogeologic Research Initiatives.**

Vince Clause with LRE Water presented an update to FY 22-23 Priority Task 5,6,and 7. This presentation is attached to the minutes as **Attachment A.**

- XIII Legislative Update and briefing and take action as necessary on **possible rule changes to implement legislation enacted during the 88th Legislative Session.**

LEGISLATION PASSED DURING THE 88TH REGULAR SESSION THAT AFFECTS GROUNDWATER CONSERVATION DISTRICTS

Legislation Amending GCD Procedures

- **HB 1971** –Reduces the number of Board Members required to act on a permit application, for GCD Boards of 10 or more, to a majority of those eligible to vote; Addresses the timing and substance of a GCD Board’s final decision and effectuates SOAH’s proposal for decision (PFD) if a GCD’s Board has not made a decision within 180 days of the SOAH Judge’s issuance of a PFD; Prohibits a conflicted Board Member from joining executive session or voting unless a majority of the Members also have a conflict related to a similar interest; Limits the time for a continuance.
- **HB 2443** – Allows a person with a property interest in groundwater in a GCD to petition the GCD to adopt or modify a rule; Requires GCD to prescribe the form for a petition and the procedure for the submission, consideration, and disposition of the petition; If a GCD denies a petition, requires the GCD explain its reason for denying a petition; No private cause of action created for a decision to accept or deny a petition.

Legislation Relating to Permitting and Fees

- **HB 3059** – Allows a GCD to charge a maximum export fee up to 20 cents for each one thousand gallons of water (maximum fee to increase by 3% each year) and to use export fee funds for mitigation—to maintain wells, develop or distribute alternative water supplies, and developing aquifer science.
- **SB 1746** – Creates a groundwater production permit exemption for wells drilled for temporary use to supply water for a rig actively engaged in drilling a permitted groundwater production well.

Legislation Relating to DFCs, GAMs and WAMs

- **HB 3278** – Requires each GCD to provide on the GCD’s webpage and to the GMA all materials received during the public comment period, including new or revised GAM run results; Requires public comment at the GMA as the Districts’ Representatives are reviewing the information provided by each GCD and that

the explanatory report address public comment before the GCDs and at the GMA.

The District will possibly hold a public hearing on Tuesday, September 19, 2023, at 10:00 AM at 405 North Spring Drive, Fort Stockton, Texas, 79735 to discuss, consider and receive public comment on proposed amendments to the District's rules to implement statutory changes enacted during the most recent Texas Legislative Session. The proposed amendments to the District's rules include changes to (1) the District's procedure for the Board's decision-making in a contested case hearing on a permit application; (2) the list of wells exempt from permitting requirements; (3) the District's rulemaking process; (4) the maximum export fee that may be assessed by the District; and (5) procedures for requesting consideration or rehearing on various decisions of the District.

XIV **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>.

XV **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)(Cockrell I) 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 II).**

The following update was provided:

In Cockrell I, the El Paso Court of Appeals on July 13th denied Cockrell's motion for rehearing after further briefing thereby affirming the trial court's ruling in favor of the District's decision. August 28th is the deadline for Cockrell to appeal to the Texas Supreme Court.

In Cockrell II, the El Paso Court of Appeals on July 10th denied Cockrell's motion for rehearing after further briefing thereby affirming the trial court's ruling in favor of the District's decision. The Court of Appeals issued a substitute opinion and judgment with its reasoning that there is no jurisdiction in the courts for Cockrell to pursue its claim, including the reason that Cockrell prematurely filed its lawsuit by not waiting for its motion for rehearing filed at the District to expire. On August 2nd, the Court of Appeals issued a revised opinion and judgment correcting typographical errors. September 25th is the deadline for Cockrell to appeal to the Texas Supreme Court.

XVI Briefing and take action as necessary on **Cockrell Investment Partners, L.P. v. Ty Edwards, In His Capacity as General Manager, and FSH**, Case No. 08-23-00178-CV (El Paso Court of Appeals)(Cockrell III).

A hearing in front of Judge Ables occurred on May 30, 2023. The Court ruled in favor of FSH and MPGCD by granting their Pleas to the Jurisdiction. There was a disagreement with Cockrell over the finality of the trial court's judgment and fee reimbursement, which Judge Ables cleared up by signing a modified order on July 19. August 14th is the deadline for Cockrell to file its appellate brief at the Court of Appeals.

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

- Rig Data Report 08-12-2023
- Texas Groundwater Summit Draft Agenda August 29 – August 31, 2023
- Tx Drought Map 08-08-2023
- Water Quality Sampling is ongoing
- PCWCID#1 Agenda 08-08-2023

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

Next Board meetings will be September 7th (Tax Rate Hearing) and September 19th (Regular Board meeting).

XIX **Adjourn** Board meeting.

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


M. R. Gonzalez, Secretary/Treasurer


Jerry McGuairt, President

Date Approved 9/19/23



Middle Pecos Groundwater Conservation District
Board of Directors Meeting
August 15th, 2023

FY22-23 Priority Task #5, #6, & #7 Project Report

Review Of FY22 – Proposed Research Initiatives

- On Nov. 16th, 2021, the MPGCD Board of Directors approved Priority Task (PT) #1 -7
 - Intent to spread out task orders across fiscal year 2022 and 2023
 - Ranked in order of priority by General Manager and District Consultants.

PT #1
Rustler Monitor
Well
Recommendations

PT #2
Pecos County
Flowing Well
Inventory

PT #3
Locate
Unregistered
Wells / Update
Registered Wells

PT #4
Investigate
Beiding Area
Recharge

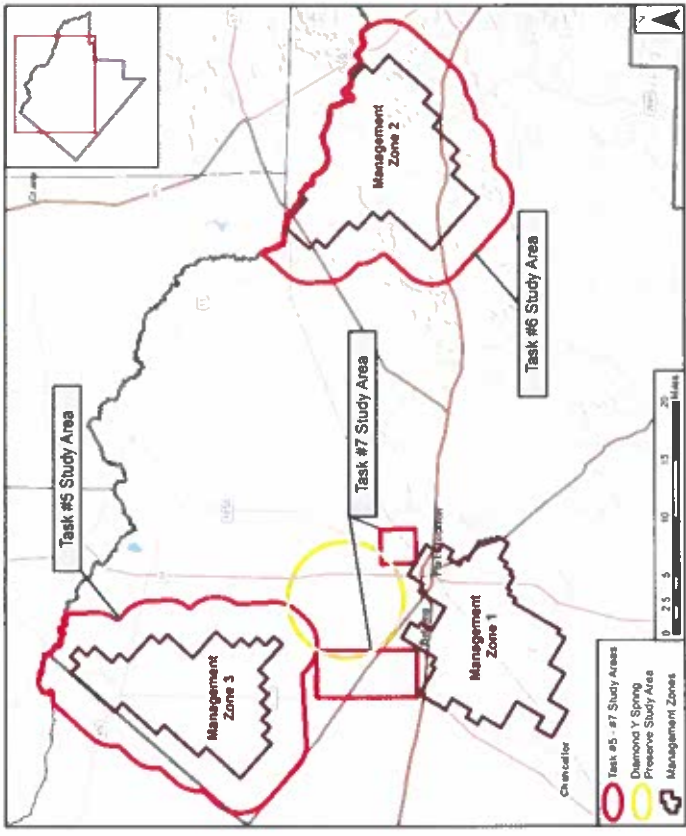
PT #5
Fine Tune
Hydrostratigraphy
and Fault
Structure in MZ3

PT #6
Fine Tune
Hydrostratigraphy
and Fault
Structure in MZ3

PT #7
Update
Stratigraphy and
Fault Structure for
area west of
Diamond Y

Priority Task #5 – 7

- Completed task 5 - 7 together
 - Reduced redundancies and allowed for more opportunities to update fault structure.
- Identified new data
- Geologic interpretations
- Mapped fault structure
- Developed Letter Report.



IRE WATER
LETTER REPORT
 State Peace Development Coordinator Office
 1000 West 10th Street, Suite 1000
 Anchorage, AK 99501
 Phone: 907.586.1234
 Fax: 907.586.1235
 Email: ire@irewater.com

TO: State Peace Development Coordinator Office
FROM: IRE WATER
SUBJECT: Final Report on the Statewide Geologic Interpretation and Mapping Project
DATE: August 14, 2023

PROJECT DESCRIPTION: The project was completed in accordance with the contract between IRE WATER and the State Peace Development Coordinator Office. The project was completed in accordance with the contract between IRE WATER and the State Peace Development Coordinator Office. The project was completed in accordance with the contract between IRE WATER and the State Peace Development Coordinator Office.

PROJECT OBJECTIVES: The project objectives were to provide a comprehensive geologic interpretation and mapping of the State of Alaska. The project objectives were to provide a comprehensive geologic interpretation and mapping of the State of Alaska. The project objectives were to provide a comprehensive geologic interpretation and mapping of the State of Alaska.

PROJECT DELIVERABLES: The project deliverables include a final report, a map, and a data set. The project deliverables include a final report, a map, and a data set. The project deliverables include a final report, a map, and a data set.

PROJECT CONTACTS: The project contacts include the State Peace Development Coordinator Office and IRE WATER. The project contacts include the State Peace Development Coordinator Office and IRE WATER. The project contacts include the State Peace Development Coordinator Office and IRE WATER.

New Geophysical Log Data

Study Area	New Geophysical Logs	Geophysical log % Increase	Formation	Stratigraphic Picks
Priority Task #5 - Management Zone 3	70	+170% (Total 111)	PVA Base	32
			Trinity	7
			Dockum	61
			Rustler	70
			Salado	42
Priority Task #6 - Management Zone 2	52	+100% (Total 104)	Trinity	29
			Dockum	42
			Rustler	52
			Salado	18
			Trinity	-
Priority Task #7 - Diamond Y Area	30	+214% (Total 44)	Dockum	26
			Rustler	30
			Salado	30
			Trinity	30

Stratigraphic Interpretations

Table 2 – New Geophysical Well Log Locations and Shallow Stratigraphic Interpretations.

District Hydrogeologic Model ID	Source	Source ID	Latitude NAD83	Longitude NAD83	County	Owner / Well Name	Well Depth	PVA Base Depth	Upwards Top Depth	Franny Top Depth	Dockum Top Depth	Rusler Top Depth	Salado Top Depth	Capitan Reef Top Depth	Capitan Reef Base Depth
9600	BEG GLF	4237101550	31.302913	-103.014697	Pecos	Davis M O. Ce Blackmar, #1	6028	780	-	-	780	1740	2120	3115	4210
9601	BEG GLF	4237102977	31.161153	-103.034434	Pecos	Humble Oil & Refining Co. Sibley Erie Pobs, #1	5370	-	-	-	995	1860	2227	-	-
9602	BEG GLF	4237104624	31.130915	-103.068387	Pecos	Permian Corp The, McIntyre, #WD-1	5436	-	-	-	1100	2058	2465	-	-
9603	BEG GLF	4237105405	31.133923	-103.157219	Pecos	Mobil Oil Corp. Moore K.J., #1	15300	80	-	-	110	838	1285	-	-
9604	BEG GLF	4237105432	31.148416	-103.157967	Pecos	Mobil Oil Corp. Weatherby I.B., #2	6451	-	-	-	-	910	-	-	-
9605	BEG GLF	4237105680	31.185082	-103.132347	Pecos	Socony Mobil Oil Co Inc, Bullock-Sibley Et al, #1	6882	228	-	-	228	1170	-	-	-
9606	BEG GLF	4237110016	31.183867	-103.055858	Pecos	Mobil Producing TX & NM, Coyanosa Wolfcamp, #301	10650	-	-	-	810	1712	2110	-	-
9607	BEG GLF	4237110055	31.246843	-103.032372	Pecos	Archer A. R. Trees JC Estate, #1	12000	940	-	-	940	2009	2420	-	-
9608	BEG GLF	4237110062	31.238349	-103.046037	Pecos	Petroleum Corp Of Texas, Korn R.E., #1	13321	915	-	-	915	1940	2310	-	-
9609	BEG GLF	4237110106	31.253792	-102.961567	Pecos	American Petrofina Co Of Texas, Bleasley-State, #1	10943	-	-	-	575	1780	2160	3190	4658
9610	BEG GLF	4237110140	31.296509	-103.058698	Pecos	Stockton Water Disposal, Pershing R.S., #1	12942	210	-	-	210	1080	-	-	-
9611	BEG GLF	4237110163	31.259803	-102.999247	Pecos	Apache Corp. Trees, #1	11800	395	395	575	995	1950	2370	3110	4640
9612	BEG GLF	4237110347	31.206456	-103.045494	Pecos	Mobil Producing TX & NM, Coyanosa Wolfcamp, #301	16000	640	-	640	909	1832	2188	-	-

Fault Lineament Mapping

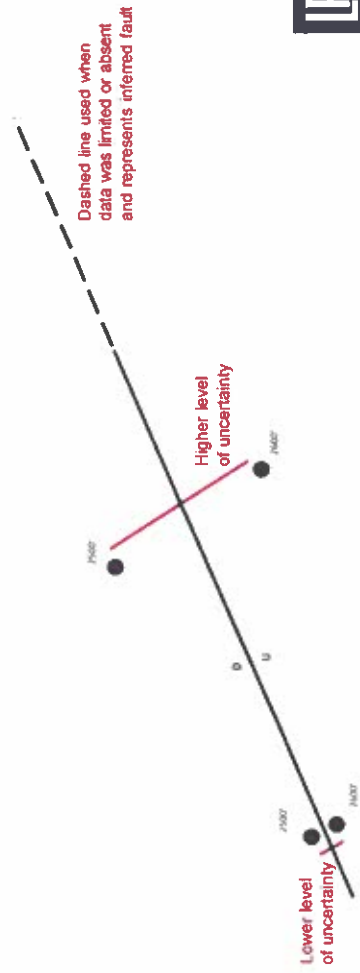
- Fault lineaments may represent a fault plane or fault zone.
- Mapping Criteria
 - At least 100' of vertical offset within a 1/2 mile area
 - Offsets were visible across at least two horizons
- Fault lineament placed equidistant between points



(b)

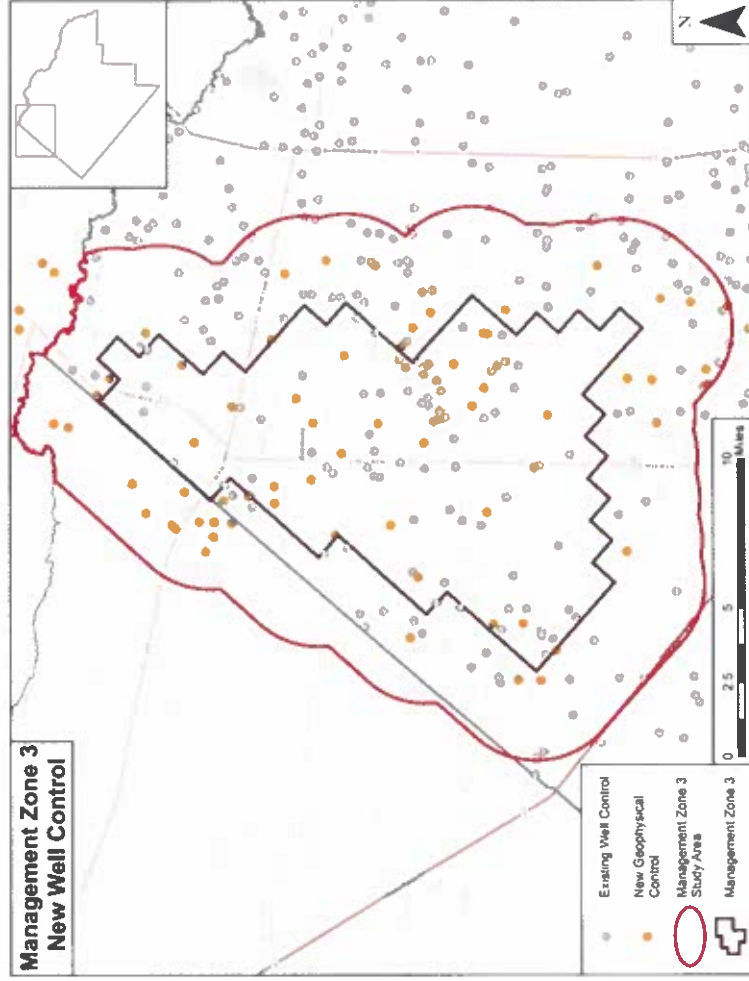


(a)



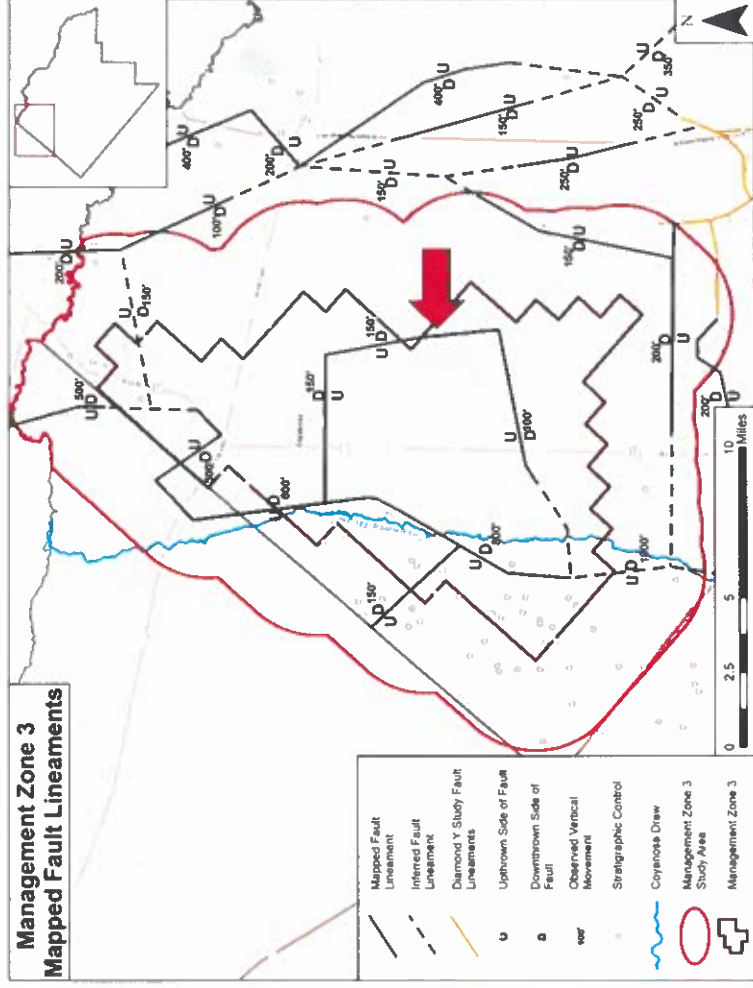
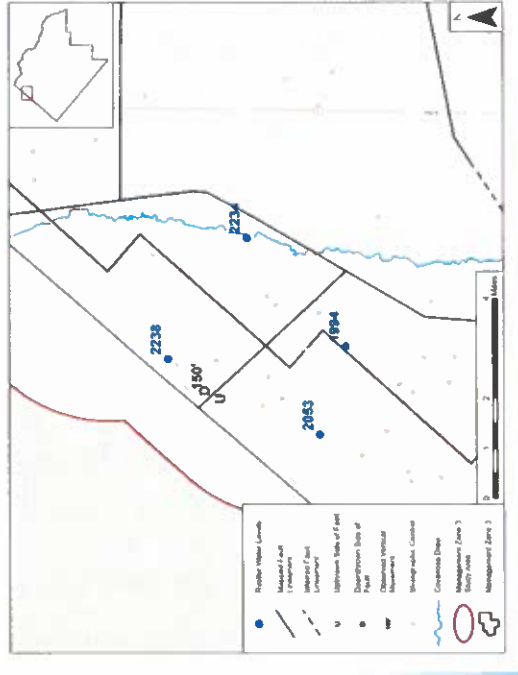
Priority Task #5 – Well Control

New Geophysical Logs	Formation	Stratigraphic Picks
70	PVA Base	32
	Trinity	7
	Dockum	61
	Rustler	70
	Salado	42

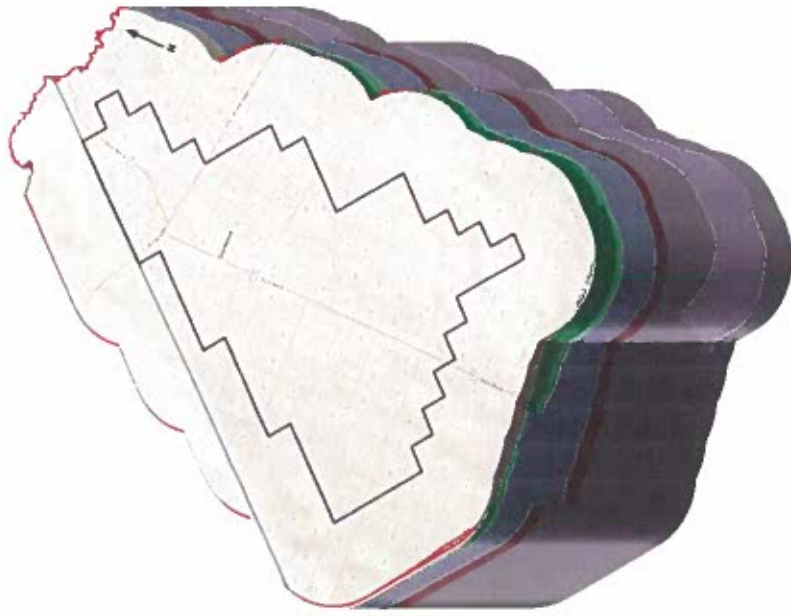


Priority Task #5 - Key Findings

- Identified new structure
- Possible impacts on groundwater movement



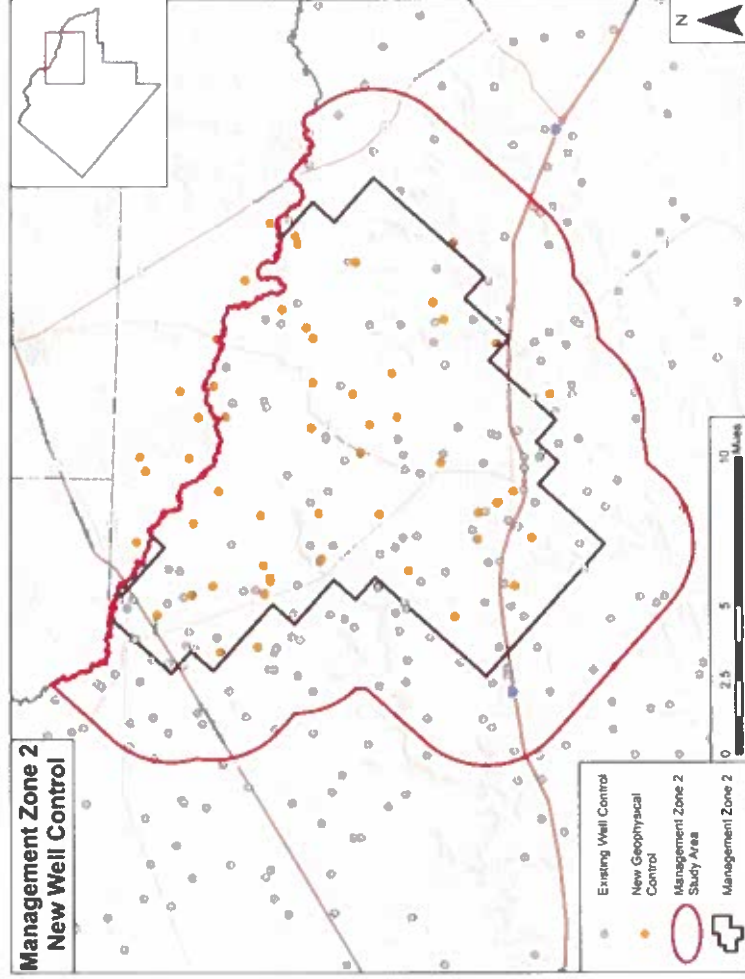
Management Zone 3



Looking West

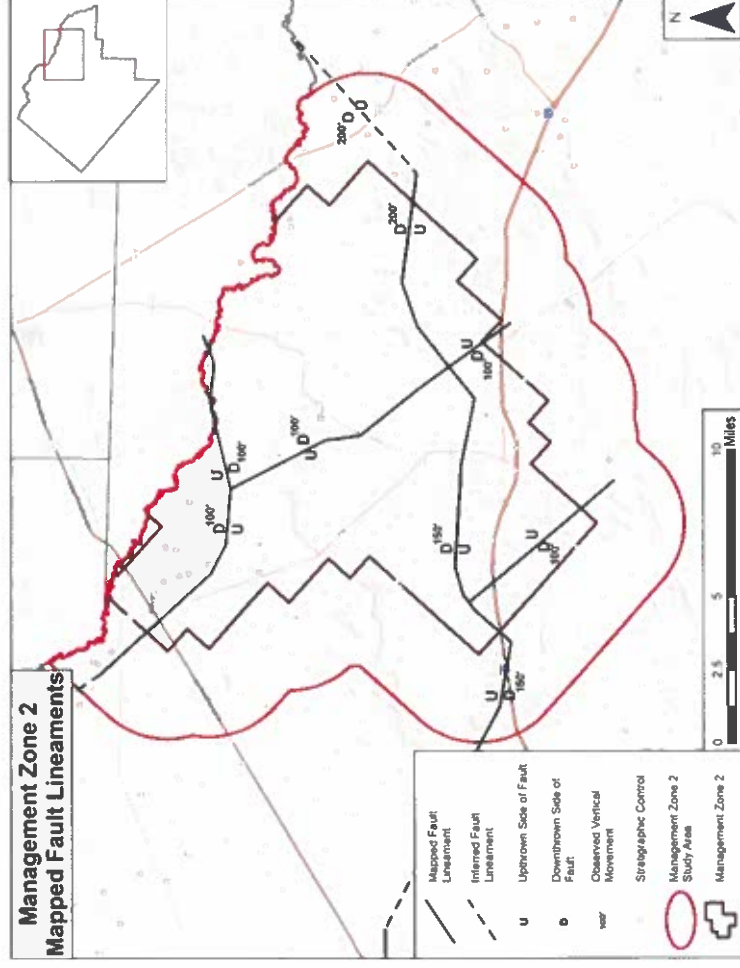
Priority Task #6 - Well Control

New Geophysical Logs	Formation	Stratigraphic Picks
52	Trinity	29
	Dockum	42
	Rustler	52
	Salado	18

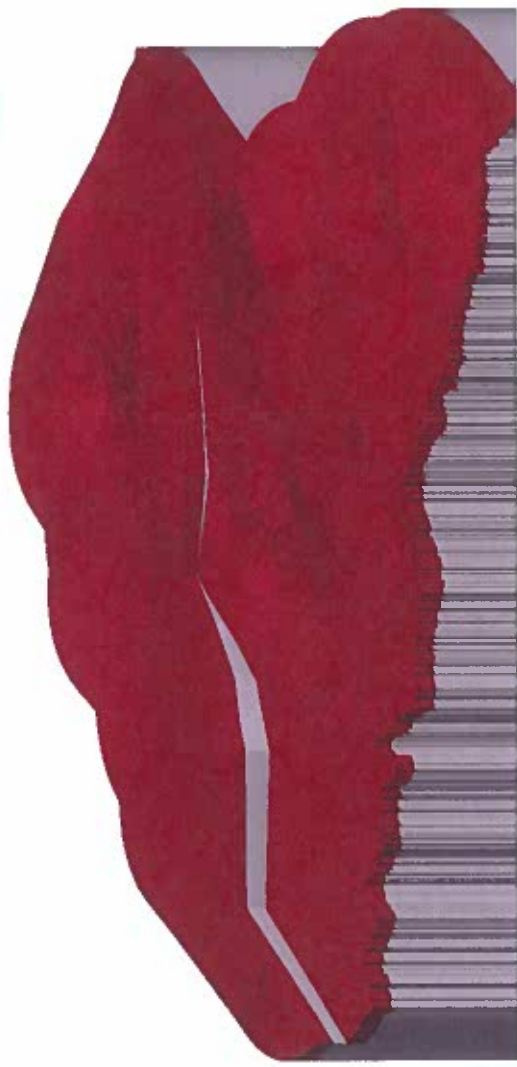
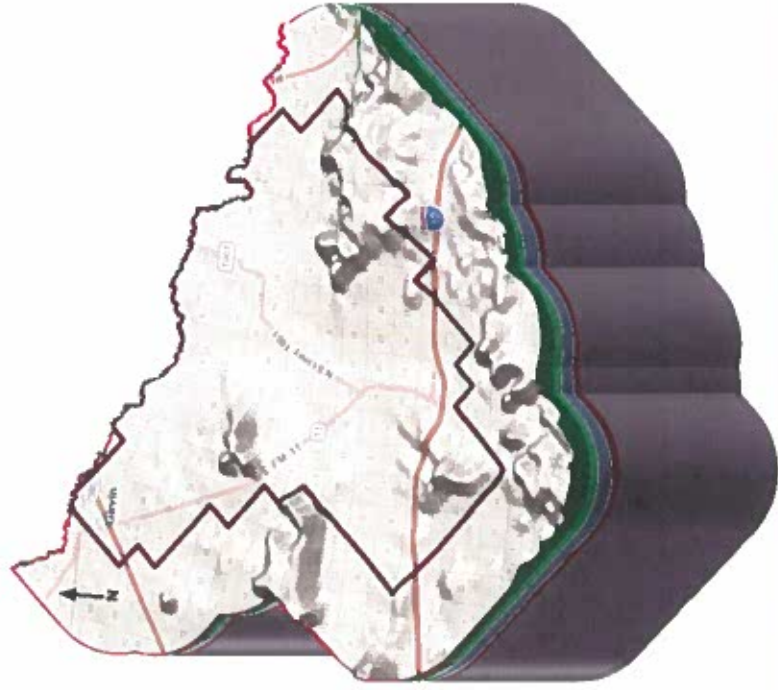


Priority Task #6 - Key Findings

- New structure
- No big surprises



Management Zone 2

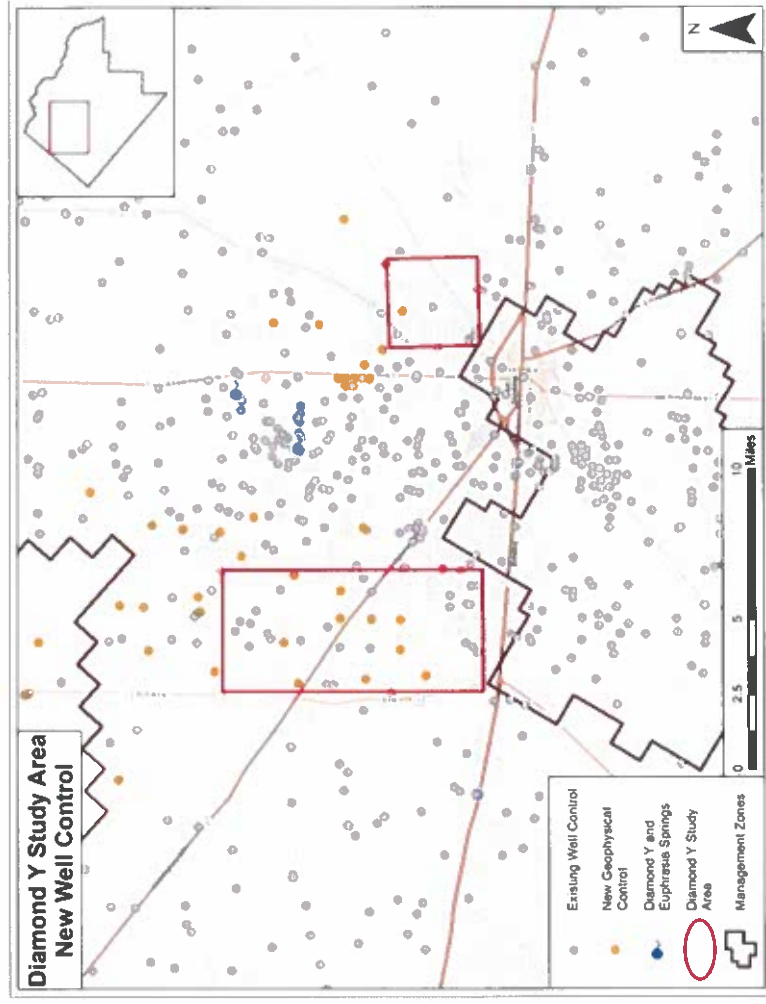


Looking South



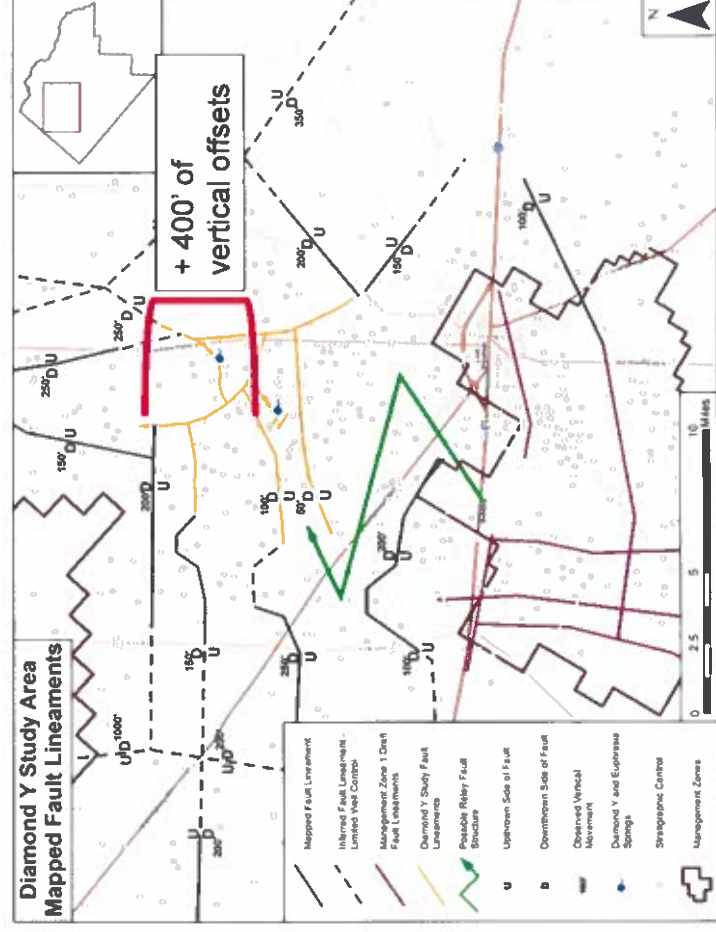
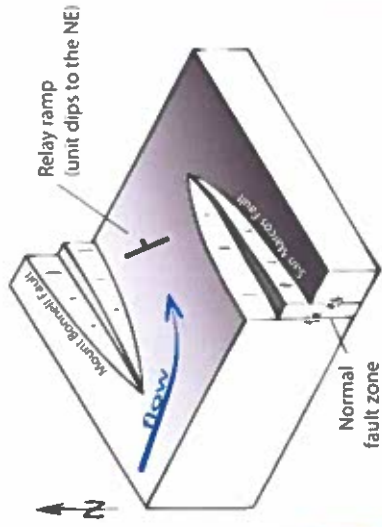
Priority Task #7 - Well Control

New Geophysical Logs	Formation	Stratigraphic Picks
30	Trinity	-
	Dockum	26
	Rustler	30
	Salado	30

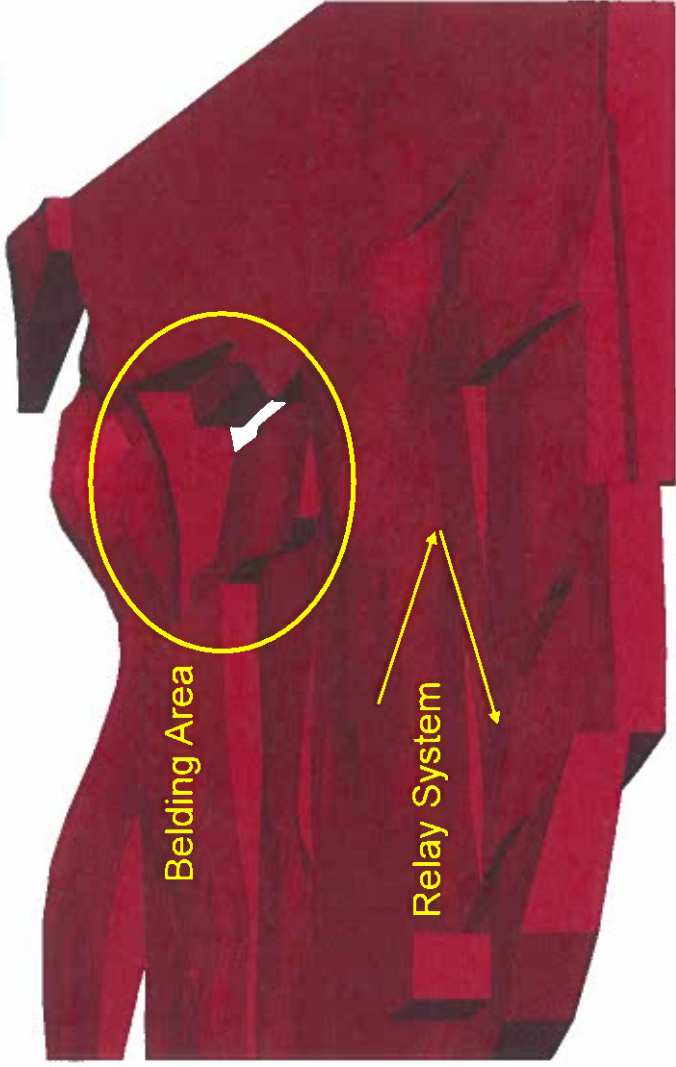
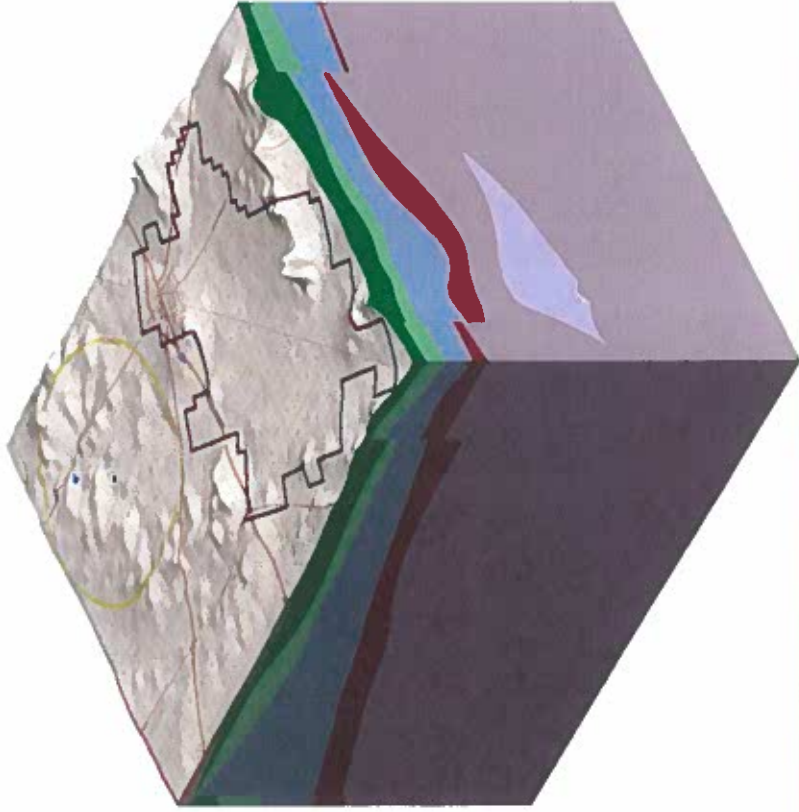


Diamond Y Springs Faulting Key Findings

- Numerous faults separate Diamond Y from MZ3
- Possible relay fault system between MZ1 and Diamond Y



Management Zone 1 And Diamond Y



Looking South





Vince Clause
Project Manager
LRE Water

Questions?

vince.clause@LREwater.com
(512) 906-8614
LREWATER.COM

