

# MIDDLE PECOS GROUNDWATER CONSERVATION DISTRICT

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## 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 HEARING, AND BUDGET WORKSHOP**

**August 19, 2024**

**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](mailto:mpgcd@mpgcd.org) prior to 9:30 a.m. on August 19, 2024.

On this the 19<sup>th</sup> of August 2024, 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
Puja Boinpally	Precinct 2
Weldon Blackwelder	Precinct 3
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, M.R. Gonzalez, Alvaro Mandujano, Jr, Janet Groth.

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

Others attending: Buck Benson, Paula McGuairt, Ryan Reed, Geoff Pike, Ed McCarthy, Carl Craigo, Pecos County Water, Mike Thornhill, Joh Covington, and Zach Swick.

## **REGULAR BOARD MEETING**

- I Board Meeting called to order at 10:05 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 July 16, 2024.**

The draft Minutes were emailed to the Board prior to the meeting. Ronald Cooper made a motion to approve the Minutes for the meeting of July 16, 2024, as presented. Motion seconded by Weldon Blackwelder.

Motion passed. Vote: 7 FOR -0- Oppose 4 Absent 0 Abstain

- IV Consider and/or act upon **Treasurer's Report for the Month Ending July 31, 2024.**

General Manager Ty Edwards presented the Treasurer's report to the board. Puja Boinpally made a motion to approve the Treasurer's report ending July 31, 2024, as presented. Motion seconded by Vanessa Cardwell.

Motion passed. Vote: 7 FOR -0- Oppose 4 Absent 0 Abstain

- V **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 10:09 a.m. and called an Executive Session. Pursuant to Section 551.071 (Items XI, XIII) 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 11:00 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 11:00 a.m.

- VI 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 11:02 a.m. by President Jerry McGuairt.
- II Workshop to review Proposed Budget and Proposed Tax Rate for Fiscal Year ending 09/30/2025.

General Manager Ty Edwards reviewed the proposed budget and proposed tax rate with the Directors. The proposed tax rate will be set at \$0.0195 per \$100 valuation which is the No New Revenue tax rate.

- III Adjourn. President Jerry McGuairt adjourned the hearing at 11:12 am.

**PUBLIC HEARING ON PROPOSED BUDGET AND PROPOSED TAX RATE**

- I Call to Order at 11:12 a.m. by President Jerry McGuairt.
- II Receive public input on Proposed Budget and Proposed Tax Rate for Fiscal Year ending 09/30/2025.

No comments received.

- III Adjourn. President Jerry McGuairt adjourned the hearing at 11:13 am.

**REGULAR BOARD MEETING – CONTINUED at 11:13 a.m.**

- VII Consider and/or approve **Budget for Fiscal Year Ending 09/30/2025 and sign the Resolution to Adopt the Annual Budget.**

General Manager Ty Edwards presented the Resolution and Budget for the fiscal year ending 09/30/2025. Puja Boinpally made a motion to sign the resolution and adopt the annual budget as presented. Motion seconded by Vanessa Cardwell.

Motion passed. Vote: 7 FOR -0- Oppose 4 Absent 0 Abstain

FOR: Jerry McGuairt, Puja Boinpally, Jeff Sims, Allan Childs Jr., Ronald Cooper, Vanessa Cardwell and Weldon Blackwelder

AGAINST: None

ABSENT: Larry Drgac, M.R. Gonzalez, Janet Groth, Alvaro Mandujano, Jr

- VIII Consider and/or adopt a **Proposed Tax Rate for 2024-2025.**

Puja Boinpally made a motion that the proposed property tax rate be decreased by an adoption of a tax rate of \$0.0195 per \$100 valuation, which is the no new revenue tax rate. Motion was seconded by Vanessa Cardwell.

Motion passed. Record Vote: 7 FOR -0- Oppose 4 Absent 0 Abstain

FOR: Jerry McGuairt, Puja Boinpally, Jeff Sims, Allan Childs Jr., Ronald Cooper, Vanessa Cardwell and Weldon Blackwelder

AGAINST: None

ABSENT: Larry Drgac, M.R. Gonzalez, Janet Groth, Alvaro Mandujano, Jr

IX Consider and/or act upon **Setting a Public Hearing Time, Place and set a Meeting Date/Time/Place to Adopt a Tax Rate for 2024-2025.**

Puja Boinpally made a motion to set the public hearing on the proposed tax rate of \$0.0195 to be held at the Middle Pecos Groundwater Conservation District office located at 405 North Spring Drive, Fort Stockton, TX on August 26, 2024, at 5:30 pm and also motion to set the Date to Adopt the Tax Rate on August 26, 2024, following the public hearing. Motion was seconded by Weldon Blackwelder.

Motion passed. Record Vote: 7 FOR -0- Oppose 4 Absent 0 Abstain

FOR: Jerry McGuairt, Puja Boinpally, Jeff Sims, Allan Childs Jr., Ronald Cooper, Vanessa Cardwell and Weldon Blackwelder

AGAINST: None

ABSENT: Larry Drgac, M.R. Gonzalez, Janet Groth, Alvaro Mandujano, Jr

X Consider and/or act upon **Order of General Election for November 5, 2024.**

Ronald Cooper made a motion to Order an Election to be held on November 5, 2024. Motion was seconded by Weldon Blackwelder.

Motion passed. Record Vote: 7 FOR -0- Oppose 4 Absent 0 Abstain

XI Update and Possible action on **San Andres efforts at RRC and TCEQ.**

A prehearing conference with the Railroad Commission was held on 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. The conference was continued to allow for more briefing and introduction of evidence regarding jurisdiction. A second prehearing conference was held on February 6, 2024, which required extensive argument, witness testimony, and examination and questioning by the Judge and accompanying Technical Examiner. The Judge ruled in favor of the RRC and denied the District's request to hold a hearing on the merits. This RRC position is not a surprise, and the procedure was required to exhaust administrative remedies before seeking a judicial opinion about RRC's jurisdiction and duty to plug.

The District filed an original petition for judicial review, declaratory relief, and mandamus relief in the Travis County District Court on August 16, 2024.

The District has met with TCEQ's senior management and program staff and discussed the new grant program to plug wells in Pecos County. Awaiting TCEQ rulemaking.

XII **Update on Fort Stockton Holdings, L.P. (FSH)-MPGCD Joint Study, Implementation, Threshold Water Level Update and Drilling of New Rustler Monitor Well on Williams Farms.**

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>. Ty screen-shared and provided an overview of current data.

Began work on a Rustler Monitor Well Recommendations and beginning scope of work on drilling of well and bid specs for same.

XIII Briefing and take action as necessary on following lawsuits:

A. **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. 23-0742 (Texas Supreme Court)(Cockrell I);**

In Cockrell I, Cockrell timely filed its petition by review. The Court will determine whether to grant, dismiss, refuse, or deny the petition. At least one Justice requested responses to the petition for review, and subsequently, at least three Justices asked for briefing on the merits before deciding how to rule on the petition. To be clear, the Court has not yet decided whether to accept the appeal and issue a decision. Cockrell Investment Partners' briefing deadline is September 13<sup>th</sup> and the District's and FSH's deadline to respond is November 4<sup>th</sup>.

B. **Cockrell Investment Partners, L.P. v. MPGCD and its General Manager in his official capacity, and FSH, Case No. 23-0593 (Texas Supreme Court)(Cockrell II);**

In Cockrell II, the Court has taken the same procedural position as in Cockrell I, and all the parties have the same briefing deadlines as in Cockrell I.

C. **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);**

In Cockrell III, the District Court ruled in favor of FSH and MPGCD by granting their Pleas to the Jurisdiction. Cockrell appealed and timely filed its appellate briefs, then the District and FSH's appellate briefs were timely filed. On October 13<sup>th</sup> Cockrell filed a reply brief. On May 14<sup>th</sup> the Court set for submission without oral argument for June 4, 2024. Waiting for a decision from the Court.

D. **Cockrell Investment Partners, L.P. v. Middle Pecos Groundwater Conservation District**, Cause No. P-8626-83-CV (83<sup>rd</sup> District Court)(Cockrell IV); and

In Cockrell IV, the lawsuit was filed on August 17<sup>th</sup> and served on September 13<sup>th</sup> by agreement. The District's answer and counterclaim were timely filed October 9<sup>th</sup>. FSH has advised that it will intervene and file plea to the jurisdiction. Cockrell filed Plaintiff's First Amended Petition on August 5, 2024.

E. **Cockrell Investment Partners, L.P. v. Middle Pecos Groundwater Conservation District**, Cause No. P-13031-112-CV (112<sup>th</sup> District Court)(Cockrell V).

In Cockrell V, the lawsuit was filed on August 23<sup>rd</sup> and served on September 13<sup>th</sup> by agreement. The District's answer and counterclaim were timely filed October 9<sup>th</sup>. FSH has advised that it will intervene and file plea to the jurisdiction. Cockrell filed Plaintiff's First Amended Petition on August 5, 2024

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

- Briggs Well Blowout
- City of Fort Stockton Well Replacement complete on Well 6
- Golf Course Well acidized and completed
- 2024 Groundwater Summit Agenda
- Cockrell Rule Petition
- Rig Data Report 08-10-2024
- Texas Drought Map 08-15-2024

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

Next Board meetings will be August 26<sup>th</sup> at 5:30 pm (Tax Rate Hearing) and September 17<sup>th</sup> (Regular Board meeting).

XVI **Adjourn** Board meeting.

Vanessa Cardwell made a motion to adjourn the meeting. Motion seconded by Pija Boinpally Motion carried unanimously. The meeting adjourned at 11:44 a.m.

  
M. R. Gonzalez, Secretary/Treasurer

  
Jerry McGuair, President

Date Approved 9-17-24