

**PANHANDLE GROUNDWATER
CONSERVATION DISTRICT
BOARD OF DIRECTOR'S REGULAR MEETING - MINUTES**

DISTRICT OFFICE - Windmill Room
201 W. Third Street, White Deer, Texas
March 11, 2020 - 9:00 a.m.

Those present were:

Phillip Smith	President
Danny Hardcastle	Director
Charles Bowers	Director
F.G. Butch Collard	Director
Brett Britten	Director
CE Williams	General Manager
Steve Shumate	Hydrogeologist
Britney Britten	PR/Education
Kelly Lane	Meters/Field Work

Guests Present: Toni Sides, Jay O'Brian, Jonathan Gresham, Julie Allegretti, Mike Friemel, Dennis Babcock, Jason Sides, Jason Wilson, Kyle Ball, Brandon Sides, Braxton Sides, Dustin Babcock, Harold Sides, Leland Gable

1. CALL MEETING TO ORDER

The meeting was called to order at 9:05 a.m.

2. PUBLIC COMMENT – Please limit comments to 3 minutes.

Dennis Babcock, producer in Carson County asked the Board what the procedure is to request an agenda item for the next meeting. The Board said he just needed to ask and let them know what topic he would like to discuss. He said he wanted an agenda item over the 1-acre foot rule. He said he owns the land and water rights, and he feels the District is taking away his rights with the 1-acre foot rule.

Jay O'Brien, rancher in the District said he is still in strong opposition to the Weather Modification Program. He said he believes the program and cloud seeding breaks up the bigger storms in the District, and that is why we are not seeing as much rain as we have in the past. He said he is working with Parks & Wildlife on a Playa Lake restoration project, and they informed him it takes 3 inches of rain to fill a playa lake, and he believes without these bigger storm systems, we are not fulfilling our duty to the Ogallala Aquifer. He asked to Board to cease the Weather Modification program.

Jason Sides, producer in Carson County said he paid for the land within the District, and the state of Texas says he owns that land and the water underneath it. He said the District is taking away his personal property by restricting how much water he can pump. He said the District needs to help educate him and others how to make better decisions when irrigating instead of restricting him.

Dustin Babcock, producer in the District also spoke in opposition to the 1-acre foot rule. He said the District is implementing unnecessary restrictions making it harder for him to grow crops. He said farmers are already natural stewards of the land and resources available to them, and they are already controlled by markets,

weather and an uninformed public who they are growing crops for. He said at this point, the 1-acre foot rule has not been enforced at all, and he asked the Board to reconsider the rule.

Leland Gable said he was not entirely informed on how the Weather Modification program works, but he has been a participant in the District's Rain Gauge program for many years, and the average rainfall seems to be pretty consistent with the exception of drought years. He said he did not think the program was making it drier or taking rain away from our area.

CE Williams, PGCD General Manager explained that cloud seeding is basically like fertilizing your crops, you do that to get a better crop. By seeding the cloud, you help the cloud grow, hopefully increasing rainfall and extending the life of the cloud. Our goal is to increase rainfall by 10 percent. Cloud seeding must have a candidate cloud in the first place to be able to seed; we cannot simply make it rain.

3. CONSIDERATION AND POSSIBLE ACTION ON MINUTES

- a) January 28, 2020

Danny Hardcastle made the motion to approve the minutes as presented, seconded by Charles Bowers. Motion passed unanimously.

4. CONSIDERATION AND POSSIBLE ACTION ON EXPENDITURES

- a) January 2020
b) February 2020

Charles Bowers made the motion to approve the January 2020 expenditures, seconded by Danny Hardcastle. Motion passed unanimously.

Brett Britten made the motion to approve the February 2020 expenditures, seconded by F.G. Butch Collard. Motion passed unanimously.

A copy of the expenditures is attached to these official minutes.

5. CONSIDERATION AND POSSIBLE ACTION ON AG LOANS

Williams explained the Ag Loan recipients financial statement provided was three years old, and Gary Sutherland did not recommend funding until the statement was updated and reviewed again. Mr. Sutherland said the Board could approve the loan and hold funding until he is able to review the updated financial statement.

Charles Bowers made the motion to approve the ag loan contingent upon Gary Sutherland reviewing the updated financial statement, seconded by Brett Britten. Motion passed unanimously.

6. CONSIDERATION AND POSSIBLE ACTION ON AG LOAN PROGRAM

Williams explained there has not been much interest in the ag loan program over the last year, stating we've only had two people apply for loans, totaling at about \$50,000. He said with the District having to pay the interest and the principal, it has cost us about \$60,000 to keep the funds. Williams said he was not recommending shutting the loan program down but wanted to be transparent with the Board about the financial predicament the District could be in if there isn't more interest in the loan program. Director Hardcastle suggested to table the issue until the next meeting, to see if there is any more interest between now and then

Charles Bowers made the motion to table discussion and action on the Ag Loan Program until the next meeting, seconded by Danny Hardcastle. Motion passed unanimously.

7. CONSIDERATION AND POSSIBLE ACTION ON PRECIPITATION ENHANCEMENT PROGRAM AND METEOROLOGY CONTRACT

Williams gave a short update saying in the last few months, the District's Meteorologist resigned, the chief pilot had a stroke and was moved to hospice this week. Farren Hiscutt expert on the essential telemetry equipment was coming

to fix it in early April and is crucial to running the program. He currently is in isolation in South Africa due to the Coronavirus and cannot travel indefinitely.

With all of those issues, he recommended the Board put the program on hold until he could find proper solutions to continue our program. Williams explained how difficult it is to find a pilot who meets all the criteria required to cloud seed. He also said he is looking for a meteorologist who can work at the District office as opposed to a remote contract. However, the District has two pending meteorology contracts, and he believes either contract would be able to do the work remotely and still have a successful season.

Hardcastle asked if the Board could approve a meteorology contract contingent upon hiring an applicable pilot, fixing the essential equipment and having Williams along with a few other Board members review the contract. Williams said he has reviewed the contracts and they fall in line with previous years' budgets. Williams said he preferred the contract with West Texas Weather Modification Association in San Angelo.

Danny Hardcastle made the motion to approve the meteorology contract with West Texas Weather Modification Association, contingent upon finding a chief pilot, fixing essential equipment and that the contract is reviewed by CE Williams, Director Hardcastle, Director Bowers and Director Britten, seconded by Charles Bowers. Motion passed unanimously.

8. CONSIDERATION AND POSSIBLE ACTION ON INTERLOCAL AGREEMENT WITH THE CITY OF MCLEAN ON ABANDONED PROPERTIES

Williams said this agreement is similar to one the Board approved last March with the City of Clarendon/Howardwick. He explained many of the small towns in our area are doing this to start collecting the tax money on these abandoned properties for improvements.

F.G. Butch Collard made the motion to approve the agreement, seconded by Charles Bowers. Motion passed unanimously.

A copy of the agreement is attached to these official minutes.

9. CONSIDERATION AND POSSIBLE ACTION ON BID FOR STRUCK OFF PROPERTY IN CARSON COUNTY

- a) Parcel 4126, Lots 18-22, Blk 15, OT of Skellytown Bid: \$500

Charles Bowers made the motion to approve the bid in Carson County, seconded by Danny Hardcastle. Motion passed unanimously.

10. CONSIDERATION AND POSSIBLE ACTION POTTER COUNTY SHERIFF SALE PROPERTIES

- a) Lot 2, Blk 24, 1115 NW 21st Ave, North Heights Bid: \$901.00
b) Lot 5, Blk 96, 309 N Virginia St, San Jacinto Heights Bid: \$901.00
c) Lot 5, Blk 226, 402 S Tennessee St, San Jacinto Heights Bid: \$1,001.00
d) Lot 2, Blk 92, 203 N Alabama St, San Jacinto Heights Bid: \$1,001.00
e) Lots 35 & 36, Blk 78, 2424 NW 13th Ave, University Heights Bid: \$3,000.00
f) Lot 8, Blk 48, 4232 SW 15th Ave, Roberts Place Bid: \$17,171.71

Charles Bowers made the motion to approve Potter County Sheriff Sales a-f, seconded by Brett Britten. Motion passed unanimously.

11. CONSIDERATION AND POSSIBLE ACTION ON TAX DEEDS AND PROPERTY CARDS FOR TRUST PROPERTY IN THE CITY OF CLARENDON

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|----------------|---------------|----------------|---------------|
| a) Parcel 3558 | Bid: \$71.00 | e) Parcel 5419 | Bid: \$96.00 |
| b) Parcel 3665 | Bid: \$150.00 | f) Parcel 5452 | Bid: \$410.00 |
| c) Parcel 3872 | Bid: \$71.00 | g) Parcel 6155 | Bid: \$151.00 |
| d) Parcel 3939 | Bid: \$71.00 | h) Parcel 6958 | Bid: \$75.00 |

i) Parcel 7311	Bid: \$50.00	v) Parcel 8268	Bid: \$50.00
j) Parcel 7358	Bid: \$50.00	w) Parcel 8509	Bid: \$300.00
k) Parcel 7436	Bid: \$50.00	x) Parcel 8717	Bid: \$50.00
l) Parcel 7471	Bid: \$50.00	y) Parcel 8739	Bid: \$50.00
m) Parcel 7472	Bid: \$50.00	z) Parcel 8977	Bid: \$50.00
n) Parcel 7571	Bid: \$75.00	aa) Parcel 8991	Bid: \$55.00
o) Parcel 7808	Bid: \$50.00	bb) Parcel 9062	Bid: \$50.00
p) Parcel 7810	Bid: \$50.00	cc) Parcel 9063	Bid: \$50.00
q) Parcel 7811	Bid: \$50.00	dd) Parcel 9267	Bid: \$100.00
r) Parcel 7844	Bid: \$50.00	ee) Parcel 9268	Bid: \$100.00
s) Parcel 7939	Bid: \$50.00	ff) Parcel 9336	Bid: \$50.00
t) Parcel 7985	Bid: \$105.00	gg) Parcel 9338	Bid: \$50.00
u) Parcel 8006	Bid: \$50.00	hh) Parcel 9711	Bid: \$50.00

Director Hardcastle asked if the other taxing entities have approved these bids are not, and Williams said we will find out.

Danny Hardcastle approved bids a-hh, contingent upon all other entities approving them, seconded by F.G. Butch Collard. Motion passed unanimously.

12. CONSENT AGENDA – DRILLING PERMITS

The following items are part of the Consent Agenda. All Well Permit requests have been thoroughly reviewed by staff, are administratively complete and the General Manager is recommending issuance.

RECLASSIFY WELLS –

- a. Hardcastle Farms requests to reclassify irrigation well WH-361-R located in the NE4 of Sec 51, Blk A8, H&GN Survey in Wheeler Co from a 3” to a 2”.

Hardcastle said the Board would need to wait to approve his drilling permit, since there weren’t enough members present to pass or deny his permit without his vote, citing a conflict of interest for him.

Danny Hardcastle made the motion to table the drilling permit until next meeting, seconded by F.G. Butch Collard. Motion passed unanimously.

DRILLING PERMITS FOR WELLS PUMPING MORE THAN 25,000 GALLONS A DAY OR 17.5 GPM

1. DO-504 Barry Fields – An 8” well to be drilled on 2640 ac by Raymond Lichtie by no date in the SW4 of Sec 42, Blk B3, H&GN Survey (being located approx. ½ mi S of Groom on CR DD) Donley County
2. DO-505 Steve Schwertner – A 6” well to be drilled by Raymond Lichtie by no date in the SE4 of Sec 40, Blk C6, GC&SF Survey (being located approx. 2 mi N of Hwy 287 on FM 1260 to FM 2471, then 1 mi E on FM 2471) Donley County

Charles Bowers made the motion to approve drilling permits 1-2, seconded by Brett Britten. Motion passed unanimously.

President Smith said the Board would take a 5-minute break at 10:05. The meeting reconvened at 10:10.

13. OPERATING PERMIT UPDATE

Williams showed the updated Operating Permit map stating he believed compliance throughout the District is in the high 90%. He said there are a few pending permits and said for the most part people are working with the District to get those completed.

Williams explained it was difficult to get an overall average of pumping numbers across the District, because of the new meters that were added during the last year. There were over 120 meters that had a reading of 0 acre-feet, which was skewing the data significantly. He suggested the District continue to collect information during 2020 so the Board will have more data to make an informed decision regarding the pumping allowable rule.

Williams showed examples of meter production reports, and asked Board Members and attendees how they would prefer to receive those. District staff can email or mail them out or they have the capability to upload them to a secure portal and operators will be given a login to review them.

Operator Jason Sides asked if there is any possibility of having a drought rule, where fining will be ceased if we experience a severe drought in our area. He said he didn't like the idea of the District being able to come in and shut his wells off during heavy production time if he was over pumping. Williams said that is not in District Rules, no where in the rules does it say the District will shut down wells. Williams said the District has looked at a few drought rule options, but he hasn't found the right solution yet, but he is still looking into it.

Director Bowers asked attendees if they would prefer a 4-year rolling average over the current 3-year rolling average, and most of the attendees agreed that worked better for them.

Director Hardcastle said he was at the point where he did not care what the production allowable is, whether it is 1-acre foot or 1.5-acre foot, he said what the Directors have to look at is the 50/50 goal, adopted by the District in 1998. He explained to attendees that the best available science we have right now are groundwater availability models, and the more data points we put into the model, the better picture of what is happening District-wide. He agreed with Williams that the District needs to continue collecting data throughout 2020 to get even more data, and then he would be more comfortable spending the money to create another model.

Several attendees expressed concern with waiting a year to change or revisit changing the rules, and Williams explained the lengthy process it takes for the Board to make a rule change, and said even if the Board wanted to make a change to the rules today, it would not be possible without proper notices and a hearing.

No Action Taken during the Operating Permit Update.

14. CONSIDERATION AND DISCUSSION OVER DISTRICT RULES AND POSSIBLE APPOINTMENT OF A STAKEHOLDER COMMITTEE TO DETERMINE A POSSIBLE COMPROMISE

Williams said he has been tossing around several ideas of the best way to put together a committee, and he was open to suggestions. Jonathan Gresham, Director of Utilities for the City of Amarillo, said the City respectfully declines being on the committee, because they feel it is a conflict of interest since they are permit holders. There was discussion over whether representatives from a financial institution, appraisal districts and other stakeholders should be involved in the committee. Director Brett Britten said he thinks each Director needs to go out into their precincts and meet with the constituents and select someone who can best represent the precinct and the issues they have. Williams and Hardcastle both agreed that was the best way to move forward.

Williams noted there will not be more than four Board Members on the committee to avoid having a quorum.

Brett Britten made the motion for each director to be responsible to appoint a representative from each precinct to be on the rules committee, seconded by Danny Hardcastle. Motion passed unanimously.

15. STAFF UPDATES

There were no staff updates.

16. MANAGER'S REPORT

Williams said the only thing he had to report at this time, was a survey he has been contacted about from West Texas A&M University. It is a survey about production practices in our area. Williams was seeking Board approval before sending it out to District producers. The Board agreed without seeing the survey they were uneasy about sending it out.

Brett Britten made the motion to table to survey until next meeting, seconded by Charles Bowers. Motion passed unanimously.

17. CONSIDERATION AND POSSIBLE ACTION TO SET FUTURE MEETING DATES

The next meeting is set for Wednesday, April 29th at 9:00 a.m.

18. ADJOURN

Danny Hardcastle made the motion to adjourn, seconded by Brett Britten. Meeting adjourned at 11:57 a.m.



William B. Breeding, Secretary



Phillip Smith, President