

PANHANDLE GROUNDWATER CONSERVATION DISTRICT

BOARD OF DIRECTORS MEETING
DISTRICT OFFICE - Windmill Room
201 W. Third Street, White Deer, Texas
May 9, 2019 - 9:00 a.m.

Those present were:

Danny Hardcastle	President
Phillip Smith	Vice President
Charles Bowers	Director
Butch Collard	Director
Joy Shadid	Director
John R. Spearman	Director
Jim Thompson	Director
Bill Breeding	Director
C.E. Williams	General Manager
Peter Winegeart	Assistant General Manager
Jennifer Puryear	Meteorologist
Britney Britten	PR/Education
Steve Shumate	Hydrogeologist

Guests Present: Kent Satterwhite, Chad Pernell, Destan Hodges, Lewis Davis, Dennis Babcock, Brett Britten, Brett Friemel, Floyd Hartman, Tick Shadid, David Hodges, Doyle Robinson, Austin Bamert

1. CALL TO ORDER

President Hardcastle called the meeting to order at 9:06 a.m.

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

No public comment.

3. CONSIDERATION AND POSSIBLE ACTION ON MINUTES

a. Special Board Meeting 4/05/19

Bill Breeding made the motion to approve the minutes as written, seconded by Charles Bowers. Motion passed unanimously.

A copy of the Special Board Meeting 04/05/19 Minutes are attached to these minutes.

4. CONSIDERATION AND POSSIBLE ACTION TO RATIFY MARCH 2019 EXPENDITURES

John R. Spearman, Jr. made the motion to ratify the March 2019 expenditures, seconded by Joy Shadid. Motion passed unanimously.

A copy of the March 2019 Expenditures are attached to these minutes.

5. CONSIDERATION AND POSSIBLE ACTION ON QUARTERLY PRODUCTION REPORTS AND OUT OF DISTRICT TRANSPORTATION REPORTS FROM THE CITY OF AMARILLO, CONOCO PHILLIPS, CRMWA, THE CITY OF BORGER, THE CITY OF FRITCH, THE CITY OF MEMPHIS, THE CITY OF CLARENDON, BRICE-LESLEY AND GREENBELT WATER AUTHORITY

During discussion, it was noted the transportation report from Brice-Lesley seemed low for the first quarter, and staff was instructed to check and confirm the numbers. City of Amarillo production report was also discussed, and Floyd Hartman, Assistant City Manager confirmed the production report only showed the production on its Carson County permit, and he would get the production numbers from the Potter County permit to be added into the second quarter's reports.

Charles Bowers made the motion to approve the quarterly production and out of District transportation reports, seconded by Chancy Cruse. Motion passed unanimously.

A copy of the reports is attached to these minutes.

6. CONSIDERATION AND POSSIBLE ACTION TO GRANT ROBERTS COUNTY AUTHORITY TO SELL PROPERTIES ON THE DISTRICT'S BEHALF WHICH WERE PREVIOUSLY STRUCK FROM TAX ROLL
 - a. 312 Kiowa, Miami, Texas
 - b. 222 Wichita, Miami, Texas

Jim Thompson made the motion to grant Roberts County Authority to sell the listed properties on the District's behalf, seconded by F.G. Butch Collard. Motion passed unanimously.

7. CONSIDERATION AND POSSIBLE ACTION ON DONLEY COUNTY SHERIFF'S SALE
 - a. Lots 1-2 and S/2 of Lot 3, Block 17, OT of Hedley Minimum: \$3,400 Bid: \$3,400

Bill Breeding made the motion to accept the bid, seconded by Joy Shadid. Motion passed unanimously.

8. CONSIDERATION AND POSSIBLE ACTION ON AG LOANS

There was a short discussion concerning funds left in our current ag loan account. General Manager, CE Williams said the current loan before the Board would finish out the rest of our loan and notated the District has been approved for another \$1,000,000 in funding. He said we will use reserve funds to pay the remaining balance, if approved, and we should receive funding in the next few weeks from the Texas Water Development Board on the new loan. After discussion over funds, General Manager, CE Williams reported that Gary Sutherland recommended funding for the ag loan requested by Clifford Fraiser.

Phillip Smith made the motion to approve the Ag Loan, seconded by Bill Breeding. Motion passed unanimously.

9. RECLASSIFY WELLS

- a. Lance Williams, CA-971 from an 8-inch to a 5-inch
- b. Spacing Waiver on CA-971

CE Williams informed the Board the property with well CA-971 has sold a few times in the last several years. In 2011, Friemel Farms was operating the property for Lester Lusk when they discovered the well had a hole in its casing. At this time, they decided to drill a new well, contingent upon CA-971 being plugged. However, the well was never plugged. The farm was operated by couple of different operators over the next few years and, it was purchased by Wade Alexander in 2016 who patched the hole in the casing and installed a new pump. Lance Williams bought the property at beginning of this year, and he was informed the well pumped 350 GPM, which would classify it as a 5-inch well. Lance Williams is seeking an exception on the spacing rules, since CA-971 is 245 yards away from the other 8-inch well on the section, making it too close per District spacing rules. Assistant General Manager, Peter Winegeart stated the well is over 600 yards from the nearest property line. President Hardcastle noted the spacing exception the Board granted at their March meeting, granting an exception for a 6-inch well to a 1-inch well, stating the landowner had to sign a waiver relieving the District of any liability over loss or damage to the domestic well. Director Charles Bowers asked if the property had an Operating Permit, and if it contained additional contiguous acres, CE Williams confirmed the property had a permit and there are contiguous acres to the north. He stated Lance Williams has not used the well yet, and he intends to use the well as a backup. Hardcastle asked if the wells were metered through the pivot, and Winegeart confirmed. Hardcastle also said if the Board does approve the exception, he believes we should make it contingent upon a signed waiver relieving the District of liability if the two wells begin to affect each other's efficiency. Bowers also noted if they do grant the exception, and well CA-971 needs to be replaced in the future, he believes it would need to revert to the regular spacing rules. Director Bill Breeding expressed concern with granting exceptions to District Rules, and CE Williams explained the Board has historically granted exceptions on spacing rules as long as the exception is only affecting the landowner or operator requesting the exception. Director John R. Spearman, Jr. noted the other 8-inch well drilled in 2011, was permitted and spaced based on CA-971 being plugged, and CE Williams confirmed. Hardcastle noted the total production for the section will be about 1,500 GPM from all three wells. Also stating, Lance Williams could still drill a new well and not go over the 2,880 maximum allowable rate of production. He stated the situation before the Board today is whether or not they want to give an exception on spacing, also stating he remembers a few exceptions in the past where the Board did grant exceptions in similar situations. Bowers also noted giving exceptions in the past, but stated this current situation is different from previous exceptions.

Hardcastle said this situation is technically not a reclassification issue because the well should not be classified as anything currently since it should be plugged, the main issue today is the spacing. Spearman, Jr. noting the other 8-inch drilled in 2011 well is not a legal well since it was spaced off the CA-971 being plugged.

Bowers stated he also has concerns about granting exceptions and setting a precedence, but he also said that in some situations it is better if you are only harming yourself and reducing offside impact. Hardcastle noted that was good point, and in the future, especially if this exception is not granted, the other outcome might be drilling another well closer to the property line, therefore creating more offside impact. Director Butch Collard expressed his concern with granting a variance, and CE Williams reiterated the Board has given these variances in the past, as long as they are only harming themselves and no other neighboring landowners. Hardcastle asked if the Board should table the item for now and research how many times the Board has granted exceptions and review the situations.

Bill Breeding made the motion to table the item, seconded by Jim Thompson. Motion passed unanimously.

10. 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.

IRRIGATION WELLS –

1. AR-75 David McAnear – An 8” well to be drilled on 640 ac by 4M by unknown date in the NW4 of Section 109, Blk B3, H&GN Survey (being located approx. 2 mi E of FM 294 at Goodnight on Juliett Rd, then approx. 2/10 mi s of Juliett Rd, 3 ½ mi W of Donley County Line) Armstrong County
2. CA-1331 Charlotte Doshier – A 6” well to be drilled on 400 ac by Matt Litchie by 4.4.19 in the SE4 of Section 155, Blk 7, I&GN (being located 3 mi N of I-40 on FM 295, at the intersection of FM 295 & CR 5) Carson County
3. DO-499 Charles Brown – An 8” well to be drilled on 909 ac by Hydro by 5.1.19 in the SW4 of Section 27, Blk C2, GC&SF Survey (being located approx. 2 mi S of I-40 on Hwy 70, on W side of Hwy 70) Donley County

Bill Breeding made the motion to approve consent agenda items 1-3, seconded by Chancy Cruse. Motion passed unanimously.

11. BRIEFING AND DISCUSSION ON PRELIMINARY RESULTS FROM GROUNDWATER AVAILABILITY MODELING INVESTIGATION – Bill Mullican

This agenda item was postponed to a later time due to weather-related travel delays in Dallas.

12. CONSIDERATION AND POSSIBLE ACTION ON AMENDMENTS TO DISTRICT METER STANDARDS

Williams reminded the Board District Meter Standards was intentionally a stand-alone document outside of the District Rules so it would be easier to amend as new technology emerged and things changed over time. He noted the main changes to the Standards are adding remote monitoring control systems (i.e. PivoTrac, AgSense, FieldNET) and TCEQ Reports as acceptable metering methods, in addition to traditional flow meters. Hardcastle explained the way his monitoring system (AgSense) calculated total gallons pumped is based on target pressure and the number of hours ran. He said he observed elevation differences seemingly have an affect on the total calculation, but also agreed they are very accessible and easy to use.

Williams explained municipalities are required to keep an hour timer on their wells, and then use an electronic flow test to calculate their total gallons. The municipalities are then required to send the information to TCEQ monthly. These reports were added as an acceptable metering method since it generates the information the District is requiring.

President Hardcastle asked about the procedure for obtaining the control system records and Williams informed him that operators would be required to submit their login and password to District staff. He also asked if an installation such as the control system would be eligible for cost-share, and Williams said that was not the case at this time, but we might look at doing something like that in future.

Winegeart said a few operators have shared their login information with us, and after review he found remote monitoring control systems to be as accurate, and in some cases more accurate than a traditional flow meter. He said if the traditional flow meter is installed correctly and used properly, the monitoring systems he reviewed are within two percent of the flow meter.

When the traditional flow meter was not installed correctly, he believed the monitoring system was closer to the actual usage. He also addressed the concern with the manipulation of the data, and changing the nozzle package, in his opinion, the operator would only be hurting themselves and their crop. He also noted the traditional flow meters will read air, which will confuse the data and read higher. Bowers asked if he has done any research on digital meters, and he said since we started this process he has learned more about the digital meters. He said if he had a well that needed a meter, he would choose the digital meter since they require less run and there are fewer moving parts than the mechanical meters, the battery is all you need to replace every five years. The only downside is they are more expensive but noted the District's cost-share program would help with the additional expense. He also said there are flanged meters that require even less run than the digital meters, but he has not installed or worked with a flanged meter yet. He explained the run requirement for meters varies depending on the diameter of the pipe, with the mechanical meter requiring the most run, digital meters requiring 3 times the diameter up and 1 time the diameter down, and the flanged meter requires 2 times the diameter up and 1 time the diameter down.

Hardcastle asked if the notification requirement regarding downtime was the same, and Williams confirmed that requirement was the same and operators have five business days to contact the District if they find an issue with their acceptable metering method.

Bowers asked what the difference in price is between a mechanical and a digital meter. Winegeart said the mechanical meter is about \$1,200 and the digital meter is about \$2,000-\$2,500.

Bowers inquired about the District allowing a one-time cost-share to replace a mechanical meter with a digital meter, since it seems the mechanical meters have more margin of error, due to wind and more moving parts. Williams said over the next couple of years, we will monitor the mechanical meters and compare the data with the digital meters to see if they are truly more accurate. Winegeart agreed, and said mechanical meters are very accurate, as long as they are installed and used correctly.

Bowers brought up a concern with older wells, possibly ones in the old Study Areas, that were required to get a meter years ago, and maybe at that time they did not have the option for the digital meters like we do now. He said maybe it would be prudent to offer a one-time cost-share to upgrade those meters to a digital meter to ensure we are receiving and collecting the most accurate data. Hardcastle said continuing on that thought, he said in the future it might be cost effective for the District to encourage the remote monitoring system, and possibly cost-share the initial installation cost. Especially if the systems are as accurate or even more accurate than traditional flow meters. Williams said in the next few years, he believes we will be able to review the data from all forms of meters to decide on those future cost-share programs.

Director Breeding asked President Hardcastle to ask the attendees in the audience if they had any input regarding the District Meter Standard amendments. Brett Britten said the monitoring systems are going to be most cost effective and easiest way to meter the pivots in the long-term. He said from the District's stand point, it will be cost effective because you will not have to send the Field Technicians out to the field since there are no moving parts like the mechanical meters. Hardcastle asked if he agreed operators would be more likely to notice if something is happening with their pivot via the remote monitoring system, and Britten agreed the system sends you a text message if there is an issue. They agreed you would know faster than you would if you had a non-operational meter. Bowers asked about the cost of the monitoring systems compared to the meters, and Hardcastle said the cost of the two are about the same, however you have an annual subscription fee for monitoring control systems. He noted he was only speaking about AgSense and was uncertain about the other monitoring systems. Dennis Babcock said it seemed prudent to him to allow the operators to use the technology since it accomplishes what the District is wanting and is also allowing him to have better control over his water. Britten also addressed the concern of manipulation, and said he believed it would be hard for an operator to manipulate the numbers especially since the District has the classification of the wells and the information on what the wells could potentially pump. Austin Bamert added he believes the reason most of the producers installed these systems was to have more accountability of what their pivots were doing, and they know in real time if a pivot is down, and that helps them conserve water.

Chancy Cruse made the motion to approve the amendments to District Meter Standards, seconded by Bill Breeding.

During discussion, Phillip Smith asked if we needed to add a timespan on the checking of the accuracy of meters. Williams said he believed that would be taken care of during the Operating Permit process, which must be completed before 2020. In order for the Permits to be approved, they must have a functional approved metering method.

Motion passed unanimously.

13. STAFF UPDATES

a. Update on Operating Permits

Williams and District Hydrogeologist, Steve Shumate presented a current map of the approved and pending Operating Permits, showing each county individually. Williams noted that most of Donley County is complete. He also stated that many of the pending permits are waiting for meters, whether they decide to use a traditional meter or monitoring system.

14. CANVASS MAY 4 ELECTION RETURNS

Williams reported from the official Election Return Sheet and Tally List, and stated in Precinct 6 Brett Friemel received two early votes and 33 election day votes, giving him a total of 35 votes. Jim Thompson received three early votes and 50 election day votes, giving him a total of 53 votes. In Precinct 2, Johnny Crawford received 3 early votes and 9 election day votes, giving him a total of 12 votes. Jamie Rocha received 10 early votes and 17 election day votes, giving him a total of 27 votes. Brett Britten received 45 early votes and 117 election day votes plus two provisional votes, giving him a total of 164 votes.

15. CERTIFICATION OF ELECTION

Williams certified for the Director Election scheduled for May 4, 2019, only one person signed a petition to run for the position in Precinct Four and Eight of the Panhandle Groundwater Conservation District. Therefore, each candidate is unopposed and is duly elected.

Certification of Election is attached to these minutes.

16. STATEMENT OF OFFICERS

The Statement of Officers is attached to these minutes.

17. ADMINISTER OATH OF OFFICE TO NEWLY ELECTED DIRECTORS

- The Honorable Lewis Powers, Carson County

The Oath of Office is attached to these minutes.

18. ELECT OFFICERS TO BOARD OF DIRECTORS

Before nominations, President Hardcastle let the other Board Members know he would like to step back from being the presiding chair at this time.

Bill Breeding made a motion for Phillip Smith to be the President, seconded by Jim Thompson. In a vote of 8 for and 1 against, motion passed.

Charles Bowers made a motion for Chancy Cruse to be Vice President, seconded by Bill Breeding. Motion passed unanimously.

Charles Bowers made a motion for Bill Breeding to be Secretary, seconded by Chancy Cruse. Motion passed unanimously.

19. BOARD MEMBER TRAINING – Kristin Fancher

This agenda item was postponed to a later time due to weather-related travel delays.

20. MANAGER'S REPORT

Williams gave a short legislative update, saying he was tracking a few bills, and noted the end of session is approaching quickly. He did not believe there was anything too significant to the District at this time. Director Bowers requested a discussion of the District's Rule be included on the next meeting's agenda.

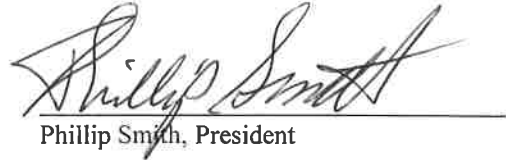
21. CONSIDERATION AND POSSIBLE ACTION TO SET FUTURE MEETING DATE

The next meeting is scheduled for Thursday, June 27 at 9:00 a.m.

22. ADJOURN

Chancy Cruse made a motion to adjourn, seconded by John R. Spearman, Jr. The meeting adjourned at 11:37 a.m.


Bill Breeding, Secretary


Phillip Smith, President