

**PANHANDLE GROUNDWATER
CONSERVATION DISTRICT
PUBLIC HEARING ON RULE AMENDMENTS
MINUTES**

DISTRICT OFFICE - Windmill Room
201 W. Third Street, White Deer, Texas
January 11, 2024– 9:00 a.m.

Those Present Were:

Chancy Cruse	President
Devin Sinclair	Vice President
Charles Bowers	Director
William Breeding	Director
John R. Spearman, Jr.	Director
David Hodges	Director
Wes Stockett	Director
Marcus Hardcastle	Director
Britney Britten	General Manager
Ashley Ausbrooks	Hydrogeologist/PM
Payton Holtkamp	PR/Education Director
Jake Robinson	Meter Specialist
Rita Poor	Administrative Assistant
Katie Hodges	Office Manager
Julie Bennett	Permitting Administrator

- Guests Present: Benjamin Orr, City of Amarillo; Tim Rocha, Gerald Berry, Trevor Friemel, Barrett Pierce, Zach Berry, Corey Gaither, Mike Friemel, Dennis Babcock, Lance Williams, Michael Lawrence, C.E. Williams, Wes Williams, Craig Cowden, and John Homen.

1. CALL PUBLIC HEARING TO ORDER

President Chancy Cruse called the Rules Hearing to order at 9:34 a.m.

2. INTRODUCTIONS

All Board Members, Staff, and attendees introduced themselves.

3. DISCUSSION OF PROPOSED AMENDMENTS TO DISTRICT RULE 3.3

General Manager Britney Britten presented the proposed amendments to Rule 3.3. She outlined the Rules Committee has met many times over the last two years. She added the Committee's goal was to define future steps to ensure compliance with the one-acre-foot production rule and

the District's 50/50 Management Goal while treating all Operators equally. During their meetings, the Rules Committee identified issues with the enforcement of the 4-year rolling average which may result in Operators being fined multiple times for the same offense. In response to this, the Board proposes that Operating Permits with four years of data be evaluated by staff and any Permits with an average over the one acre-foot per contiguous acre owned or leased will be assessed as a penalty in 2024.

General Manager Britten stated that with the proposed changes, beginning in January 2025, production for compliance will be evaluated in a two-step process. In step one, staff will evaluate permits with a 4-year average and any permit over the one acre-foot per contiguous acre owned or leased will be evaluated under step two. Permits that are not over the average in step one will have no penalty assessed. In step two, staff will evaluate the current year of production. If the current year of production is also over the 1 acre-foot per contiguous acre owned or leased, then staff will assess a penalty. If the current year of production is not over the average in step two, then no penalty will be assessed. With the proposed amendments, both the 4-year average and the current year's production must be over the one acre-foot production rule per contiguous acre owned or leased for a penalty to be assessed. New Operating Permits or any Permit without 4 years of production data will continue to acquire data until the Permit has a 4-year average, and the average will be evaluated. Once the permit has more than four years of data, the proposed two-step process will be implemented. If at any point, a Permit produces more than 4 acre-feet per contiguous acre owned or leased, a penalty will automatically be assessed. Operators can reset the fine schedule for their Operating Permits by bringing the 4-year average into compliance with the one acre-foot production rule.

Director Bowers reiterated that Operators may reset the enforcement schedule when they bring the 4-year average back in compliance with the one acre-foot production rule. He also stated that failing to do so would result in a subsequent offense which would have an increased fine for the violation; however, the fine moving forward would apply to the current year of production. General Manager Britten also noted that not all permits are for agricultural purposes.

4. PUBLIC COMMENT – Public questions and comments on District proposed Rule amendments (limited to 5 minutes each; please fill out a “Request to Speak” form prior to the discussion of the agenda item.

President Cruse opened the floor for public comments.

C.E. Williams of Carson County expressed his concerns regarding District staff assessing fines, the lack of acknowledgment within the rules of climate conditions, and the fine structure.

President Cruse announced that the only official public comment request was from Mr. Williams. He asked if anyone else had any questions at this time.

Many of the attendees expressed concern with the one acre-foot per year rule, and said it affects what they can grow and land values. There was also some discussion regarding the State controlling groundwater rights and production.

Director Sinclair recognized that many of those who were in attendance were unhappy with the one-acre-foot rule, and stated that for this hearing, the Board wanted to present the changes to Rule 3.3 because they felt this was a step in the right direction for the District. Sinclair asked the public if anyone felt the proposal the Board was presenting was problematic, and if so, could any concerns with Rule 3.3 be addressed? Attendees agreed the rule change before the Board was a step in the right direction.

More discussion regarding large-scale Operators, such as the Canadian River Municipal Water Authority (CRMWA), took place. General Manager Britten clarified that Operators such as CRMWA follow the same rules as other Operators within the District.

There was further discussion of water sales and exports out of the District.

Director Sinclair reiterated that today's hearing is focused on the proposed changes to Rule 3.3 which is advantageous to Operators compared to how the rule is currently written. Sinclair stated he is open to having further discussions regarding the District's rules and the direction the Board should take, but it is necessary to dive deeper into the finer details of the rules as a whole before proposing additional changes at this stage.


President Cruse stated that many concerns outside of the proposed changes to Rule 3.3 will be taken into consideration, but only the changes to Rule 3.3 are being considered today. He then requested the Board to move to discussion item number five.

5. CONSIDERATION AND POSSIBLE ACTION ON DISTRICT RULE 3.3 REGARDING ENFORCEMENT OF RULES

Director Breeding motioned to approve and adopt the proposed rule changes to District Rule 3.3, seconded by Director Bowers. The motion passed unanimously.

6. ADJOURN PUBLIC HEARING

Director Sinclair motioned to adjourn the Public Hearing, seconded by Director Hodges. The motion passed unanimously. The Hearing adjourned at 10:57 a.m.



Chaney Cruse



Lee Peterson