

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

DISTRICT OFFICE - Windmill Room
201 W. Third Street, White Deer, Texas
February 23, 2021 – 9:00 a.m.

The Board of Directors of Panhandle GCD held a regular meeting on Tuesday, February 23, 2021 at 9:00 a.m., via Zoom or Telephone* to discuss and, if appropriate, act upon the following items:

***To Participate Follow Option 1 or Option 2 below:**

<https://zoom.us/j/6685936480?pwd=ZzgrN25RUW5NUnZ2ZXBLTnZPZktwZz09>

Meeting ID: 668 593 6480

Passcode: V4g4LT

One tap mobile

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+1 253 215 8782 US (Tacoma)

+1 669 900 9128 US (San Jose)

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Board members or staff present in person or via Zoom:

Phillip Smith	President
William Breeding	Secretary
Charles Bowers	Director
F.G. Butch Collard	Director
David Hodges	Director
John R. Spearman	Director
Jim Thompson	Director
CE Williams	General Manager
Britney Britten	Asst. General Manager
Kelly Lane	Compliance Officer
Julie Bennett	Permitting Administrator

Guests Present in Person or via Zoom: Justin McGee, Producer; Matt Lichtie, Well Driller; Ryan Berry, Producer; Zach Berry, Producer; Gerald Berry, Producer; Troy Ritter, Producer; Dennis Babcock, Producer; Lee Peterson, Well Driller; Zach Robinson, Producer; Doyle Robinson, Producer; Chris Ollinger, Producer; Ken Burger, Producer; Austin Bamert, Producer; Tim Rocha, Friemel Farms; Larry Koetting, Producer; Kelvin Ollinger, Producer; Mike Friemel, Producer; Brett Friemel, Producer; Lance Ollinger, Producer; Leland Gabel, Producer; Lance Williams, Producer; Kent Satterwhite. CRMWA; Chad Pernell, CRMWA; Jennifer Puryear, Floyd Hartman, City of Amarillo; Destan Hodges, Producer; Bill Mullican, Kevin Welch

1. CALL MEETING TO ORDER

The meeting was called to order at 9:03 a.m.

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

Ryan Berry, a producer from the District, addressed the Board stating that he hopes they recognize the potential ramifications of the 12-acre inch rule. He added that when the 12-acre inch rule was voted in the Board assured them they would be flexible and reasonable. He hopes that the Board will listen, respond and work with the producers moving forward.

Mr. Berry also presented a spreadsheet he created showing the substantial fines a producer could incur per the fine schedule in the current rules. The spreadsheet reflected fines on an average of a 2% pumping coverage over 8 years with 3, 4 and 5-year rolling averages and on an average of a 1% pumping coverage over 10 years with a 3, 4 and 5-year rolling average. Berry added that the meters being used to measure production are not accurate to 2%.

The Board made Mr. Berry aware that the 4th offense fine of \$10,000 is the maximum amount the District may fine for any offense of the District rules per Chapter 36 of the Texas Water Code, however the District has never fined the maximum amount.

Several attendees expressed concern that the current fine structure could drive the younger generation of producers out of farming. Dennis Babcock stated that producers need to know what the rules are before they start pumping another season. Concern was also expressed about the one-acre foot rule not being feasible without a large amount of contiguous acres, especially in a drought year. The topic of establishing a committee with an appointee from each precinct along with four board members to review the rules and propose changes was revisited.

The Board stated the rules are in place to encourage water conservation, and state laws require they be written to apply to farming, municipal, oil and gas exploration and industrial uses equally. They also stated that they will be re-examining the fine schedule and are open to forming a committee with constituents from each precinct to review the rules.

The Board recessed at 10:10 a.m. and reconvened at 10:18 a.m.

3. CONSIDERATION AND POSSIBLE ACTION ON JANUARY 19, 2021 MINUTES

Jim Thompson made the motion to approve the January 19, 2021 minutes with the correction that John R. Spearman was not present at the meeting, seconded by Charles Bowers. Motion passed unanimously.

A copy is attached to these minutes.

4. CONSIDERATION AND POSSIBLE ACTION ON JANUARY 2021 EXPENDITURES

William Breeding made the motion to approve the January 2021 expenditures, seconded by Butch Collard. Motion passed unanimously.

A copy of the financial statement(s) is attached to these minutes.

5. CONSIDERATION AND POSSIBLE ACTION TO CANCEL BOARD OF DIRECTOR ELECTIONS ON MAY 1, 2021 IN PRECINCTS 3, 5, AND 7

William Breeding made the motion to approve the cancellation of the Board of Directors Elections on May 1, 2021 in Precincts 3, 5, and 7, seconded by John R. Spearman. Motion passed unanimously.

6. CONSIDERATION AND POSSIBLE ACTION ON REQUEST FROM WHEELER COUNTY LANDOWNER REGARDING BACK TAXES

Assistant General Manager Britney Britten stated the owner of an oil & gas lease in Wheeler County is requesting the District waive back taxes she owes in the amount of \$3.60. The owner was not receiving tax statements and was not aware any taxes were owed because of the way her lease was worded. The landowner now owes several years of back taxes to all the taxing entities in Wheeler County.

William Breeding made the motion to decline the request to waive the \$3.60 in back taxes owed to the District, seconded by Butch Collard. Motion passed unanimously.

7. 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

Jim Thompson made the motion to approve the quarterly production and out of District transportation reports, seconded by William Breeding. Motion passed unanimously.

8. CONSIDERATION AND POSSIBLE ACTION ON AG LOANS

No action taken.

9. CONSIDERATION AND POSSIBLE ACTION ON RAINWATER HARVESTING REBATE APPLICATION

No action taken.

10. CONSIDERATION AND POSSIBLE ACTION TAX DEEDS AND PROPERTY CARDS FOR TRUST PROPERTY IN THE CITY OF HOWARDWICK

- | | |
|------------------------------|------------------------------|
| a. Parcel 6917 Bid: \$310.00 | g. Parcel 8843 Bid: \$210.00 |
| b. Parcel 8053 Bid: \$126.00 | h. Parcel 8893 Bid: \$126.75 |
| c. Parcel 8729 Bid: \$164.00 | i. Parcel 9048 Bid: \$150.00 |
| d. Parcel 8754 Bid: \$131.50 | j. Parcel 9503 Bid: \$100.00 |
| e. Parcel 8757 Bid: \$127.76 | k. Parcel 9586 Bid: \$176.26 |
| f. Parcel 8758 Bid: 126.75 | |

William Breeding made the motion to approve items a-k, seconded by Jim Thompson. Motion passed unanimously.

11. CONSIDERATION AND POSSIBLE ACTION OF DISTRICT IRS DEPLETION PROGRAM

Per the Board's instructions at the January meeting Assistant General Manager Britney Britten researched the IRS Depletion Program stating that the program does not say it is a required service of the District. Britten added that since there are several participants in the program the staff proposes an updated policy requiring participants submit an annual application by November 1st of each year. Applications will be complete with up-to-date property location(s).

John R. Spearman, made the motion to continue the IRS Depletion Program, approve the updated policy presented by the Staff and provide the information free of charge, seconded by Williams Breeding. Motion passed unanimously.

A copy of the policy is attached to these minutes

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 – None

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

1) Nick Bamert – An 8” well to be drilled on 640 ac by Lichtie Drilling by 3.1.21 located in the NW4 of Sec 43, Blk T, H&W Survey (being located NW of Panhandle at the intersection of FM 1342 & CR 15, W side of FM 1342, S side of CR 15) **CARSON CO**

2) Zach Stone – A 4” well to be drilled on 480 ac by Zach Stone by 3.1.21 located in the SW4 of Sec 96, Blk C6, GC&SF Survey (being located 5 mi S of Lelia Lake, S side of CR Y) **DONLEY CO**

3) LDR Farms/Lewis Davis – An 8” well to be drilled on 1355 ac by Hydro Resources by 3.1.21 located in the SW4 of Sec 140, Blk 2, I&GN Survey (being located approx. 1 mi N of the Gray Co line at the intersection of FM 282 & Morrison Ranch Rd, E side of Morrison Ranch Rd & N side of FM 282) **ROBERTS CO**

John R. Spearman made the motion to approve item 1, seconded by William Breeding. Motion passed unanimously.

John R. Spearman made the motion to approved item 2, seconded by David Hodges. Motion passed unanimously.

John R. Spearman made the motion to approve item 3, seconded by Charles Bowers, motion passed unanimously.

13. DISSCUSSION ON DISTRICT RULE AMENDMENTS

The Board discussed minor changes to the rules submitted by the Staff.

No action taken.

14. STAFF UPDATES

a) Annual Production Report

Compliance Officer Kelly Lane reviewed and discussed the 2020 water usage totals of all the counties in the District with the Board.

15. MANAGER'S REPORT

General Manager C.E. Williams gave a legislative update.

No Action taken.

16. CONSIDERATION AND POSSIBLE ACTION ON FUTURE MEETING DATES

The next meeting date is set for Thursday March 25, 2021 at 9:00 a.m.

17. EXECUTIVE SESSION CONCERNING PERSONNEL

**The Board recessed into Executive Session under Texas Open Meetings Act Chapter 551 Government Code 551.074 Personnel Matters and Code 551.071 Consultation with Attorney at 11:40 a.m.
The Board reconvened into open session at 12:38 p.m.**

Charles Bowers requested that the State Attorney General's opinion on the Potter County boundary issue be put on the next agenda.

William Breeding made the motion increase all District employees' salaries by 5% effective immediately, seconded by Butch Collard. Motion passed unanimously.

William Breeding made the motion to put Assistant General Manager Britney Britten as authority over the employees and day-to-day operations of the District, and General Manager C.E. Williams will serve only as a manager consultant to Britten.

18. ADJOURN

Jim Thompson made the motion to adjourn the meeting at 12:44 p.m., seconded by David Hodges.
Meeting Adjourned.


William Breeding, Secretary


Phillip Smith, President