

PANHANDLE GROUNDWATER CONSERVATION DISTRICT

BOARD OF DIRECTORS MEETING
DISTRICT OFFICE - Windmill Room
201 W. Third Street, White Deer, Texas
June 27, 2019 - 9:00 a.m.

Those present were:

Phillip Smith	President
Chancy Cruse	Vice President
Bill Breeding	Secretary
Charles Bowers	Director
Butch Collard	Director
John R. Spearman	Director
Jim Thompson	Director
Brett Britten	Director
Danny Hardcastle	Director
C.E. Williams	General Manager
Bill Mullican	Professional Geoscientist
Jennifer Puryear	Meteorologist
Britney Britten	PR/Education
Steve Shumate	Hydrogeologist

Guests Present: Kent Satterwhite, Chad Pernell, David Hodges, Floyd Hartman, Lance Williams and Kristen Fancher

1. CALL TO ORDER

President Phillip Smith called the meeting to order at 9:00 a.m.

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

No public comment.

3. CONSIDERATION AND POSSIBLE ACTION ON MINUTES

a. Board Meeting 05/09/19

Bill Breeding made the motion to the approve the minutes as written, seconded by John R. Spearman, Jr. Motion passed unanimously.

A copy of the 05/09/19 Minutes are attached to these minutes.

4. CONSIDERATION AND POSSIBLE ACTION TO RATIFY EXPENDITURES

a. April 2019

b. May 2019

Danny Hardcastle made the motion to approve the April 2019 Expenditures, seconded by Chancy Cruse. Motion passed unanimously.

John R. Spearman, Jr. made the motion to approve the May 2019 Expenditures, seconded by Bill Breeding. Motion passed unanimously.

A copy of the April 2019 and May 2019 Expenditures are attached to these minutes.

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

District Consultant, Bill Mullican, PG gave a presentation based on the groundwater availability modeling conducted by Intera, Inc. Mullican showed decline levels at 1 acre-foot, 1.25 acre-foot and 1.5 acre-foot based on pumping at quarter-mile intervals District-wide. Mullican noted all the counties are currently operating at or a little above the 1 acre-foot per estimated contiguous acre allowable. Mullican explained it is imperative to have the Operating Permit information so the modeling can be conducted again based on actual contiguous acreage tracts.

A copy of the presentation is attached to these minutes.

6. CONSIDERATION AND DISCUSSION OF DISTRICT RULES

Director Charles Bowers stated his concern with the current rules is the landowner who is landlocked and unable to go out and purchase additional land or water rights. He said the landowner or operator is at a disadvantage. Director Hardcastle said if we were to limit leasing or our definition of leasing, he believes we would set ourselves up for a takings lawsuit. Meeting attendee, Lance Williams agreed the rules put some landowners at a competitive disadvantage when you are landlocked or next to an owner who will not lease. He also stated he believes producers in our District are at a competitive disadvantage when the neighboring water districts have higher maximum allowable volumes than PGCD. Lance Williams questioned why the maximum allowable volume could not be raised and alleviate the landlocked issue, especially when Mr. Mullican's presentation showed the District meeting the 50/50 Desired Future Condition (DFC) at 1.25 acre-foot and 1.5 acre-foot. General Manager CE Williams said it is Board policy, which was adopted last year, that each individual contiguous acreage tract meets the 50/50 DFC, not necessarily the District as a whole. CE Williams said it is impossible to have the full picture without getting all the Operating Permits issued and approved. He recommended the Board move forward and continue with the permitting process and revisit the rules once we have all the contiguous acreage tract information.

Bill Breeding made the motion to continue moving forward with the Operating Permit process and revisit the rules after the first of next year, seconded by Charles Bowers. Motion passed unanimously.

7. CONSIDERATION AND POSSIBLE ACTION TO SET HEARING FOR THE DISTRICT'S MANAGEMENT PLAN

Danny Hardcastle made the motion to set the Management Plan Hearing in conjunction with the next meeting scheduled for July 25, 2019, seconded by Bill Breeding. Motion passed unanimously.

8. RECLASSIFY WELLS

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

Lance Williams spoke briefly about the situation and requested the Board to grant a reclassification and allow him to pump the well at the 5-inch rate, and also grant the spacing waiver from the reclassified 5-inch to the other 8-inch well on the property. He said he only needs a little more water to pump, and if the reclassification is denied he will be forced to drill a new well and cause more off-side impact. He said at this point, using the existing well will only negatively affect him, and not the adjoining landowners. Director Hardcastle said if the reclassification and waiver is granted, he would like for Mr. Williams to sign a waiver stating the District is not liable if the two wells begin to affect each other's efficiency. Mr. Williams said he would sign the waiver.

F.G. Butch Collard made the motion to reclassify the well from an 8 to a 5-inch and grant the spacing waiver, contingent upon Mr. Williams signing a liability waiver, seconded by Jim Thompson. In a vote of 8 for and 1 against, the motion passed.

The Board took a short recess from 10:48 to 10:58.

9. CONSIDERATION AND POSSIBLE ACTION ON SEALED BIDS FOR PROPERTIES IN CARSON COUNTY
 - a. Lot 9 and 10, Block 21, at 508 Lindberg, Skellytown, TX Bid: \$50
 - b. Lot 11 and 12, Block 21, at 510 Lindberg, Skellytown, TX Bid: \$50
 - c. Section 6, Block 3, AB&M, at 632 Cherokee Rd, Fritch, TX Bid: \$5,000

Bill Breeding made the motion to accept the sealed bids as presented, seconded by Danny Hardcastle. Motion passed unanimously.

10. CONSIDERATION AND POSSIBLE ACTION ON TAX DEED AND PROPERTY CARDS FOR TRUST PROPERTY IN THE CITY OF HOWARDWICK
 - a. Lot 253, Section Nocona Hills, an addition of Howardwick, TX (Parcel 8591) Bid: \$700
 - b. Lot 254, Section Nocona Hills, an addition of Howardwick, TX (Parcel 8592) Bid: \$700
 - c. Lot 144, Pueblo Section of Sherwood Shores IX, Howardwick, TX (Parcel 9084) Bid: \$550
 - d. Lot 143, Pueblo Section of Sherwood Shores IX, Howardwick, TX (Parcel 9083) Bid: \$550
 - e. Lot 170 and 171, Huron Section of Sherwood Shores IX, Howardwick, TX (Parcel 8124) Bid: \$600
 - f. Lot 141, Huron Section of Sherwood Shores IX, Howardwick, TX (Parcel 8099) Bid: \$300
 - g. Lot 213 and 214, Saints Roost 1 Section of Sherwood Shores IX, Howardwick, TX (Parcel 9749) Bid: \$450
 - h. Lot 730 and 731, Red Feather Section of Sherwood Shores, Howardwick, TX (Parcel 9170) Bid: \$50
 - i. Lot 36, Carrol Creed Section of Sherwood Shores IX, Howardwick, TX (Parcel 7254) Bid: \$50

Bill Breeding made the motion to accept the bids as presented, seconded by Chancy Cruse. Motion passed unanimously.

11. CONSIDERATION AND POSSIBLE ACTION ON CONTRACT FOR TAX ASSESSMENT AND COLLECTION SERVICES WITH WHEELER COUNTY

Danny Hardcastle made the motion to approve the Tax Assessment and Collection Services with Wheeler County, seconded by Jim Thompson. Motion passed unanimously.

12. CONSIDERATION AND POSSIBLE ACTION TO APPROVE CARSON COUNTY APPRAISAL DISTRICT'S BUDGET

Charles Bowers made the motion to deny the Carson County Appraisal District's budget, seconded by Brett Britten. Motion passed unanimously.

13. CONSIDERATION AND POSSIBLE ACTION TO APPOINT BUDGET COMMITTEE

Bill Breeding made the motion to appoint, Chancy Cruse, Danny Hardcastle, Brett Britten and Jim Thompson as the alternate, to the budget committee, seconded by F.G. Butch Collard. Motion passed unanimously.

14. CONSIDERATION AND POSSIBLE ACTION ON ANNUAL REVIEW OF DISTRICT INVESTMENT POLICY

CE Williams said the changes made to the policy were concerning signature changes and requirements of the TWDB Ag Loan fund.

Danny Hardcastle made the motion to approve the District Investment Policy, seconded by Jim Thompson. Motion passed unanimously.

15. CONSIDERATION AND POSSIBLE ACTION ON DISTRICT'S INSURANCE DEDUCTIBLE REIMBURSEMENT POLICY FOR EMPLOYEES

CE Williams explained it has been a long-standing policy of the District to reimburse employees up to \$500 of their out of pocket health insurance deductible, however, staff was unable to locate the Board minutes when the policy was adopted. Williams also explained this has been a line item on the District's budget for the last several years. Williams requested the Board take formal action on the policy to have a record moving forward.

Brett Britten made the motion to reimburse District employees up to \$500 on their out of pocket health insurance deductible, seconded by Charles Bowers. Motion passed unanimously.

16. CONSIDERATION AND POSSIBLE ACTION ON BOARD OF DIRECTORS' PUBLIC OFFICIAL BOND FROM CNA SURETY

F.G. Butch Collard made the motion to approve the Public Official's Bond for the requirement minimum amount of \$10,000 for each Director, seconded by Danny Hardcastle. Motion passed unanimously.

17. 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 –

1. State Well #545508 Sam Pakan from a 6" irrigation well to a 4" irrigation well located in the NW4 of Sec 127, Blk 23, H&GN Survey in Wheeler County
2. State Well #664711 David McAnear – from an 8" irrigation well to a 6" irrigation well located in the NE4 of Sec 70, Blk B3, H&GN Survey in Armstrong County

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

IRRIGATION WELLS –

1. AR-79 Anthony Bass – A 6" well to be drilled on 640 ac by Matt Lichtie by June 1, 2019 in the SE4 of Section 148, Blk B3, H&GN Survey (being located at the intersection of Hotel Rd and FM 294, on the W side of FM 294) Armstrong County
2. RO-235-R Phoebe Reynolds – An 8" well to be drilled on 944 ac by Hydro by June 24, 2019 in the NC of Section 10, Blk 2, I&GN Survey (being located 10 mi NE of Pampa at the intersection of Ranch Rd 282 and Nelson Rd) Roberts County **REPLACEMENT WELL**
3. WH-358 Sam Pakan – A 4" well to be drilled on 1440 ac by Kelly Faulk by May 31, 2019 in the NW4 of Section 127, Blk 23, H&GN (being located approx. 4 mi N of I-40 on FM 453 at intersection of FM 453 and CR W, on E side of FM 453) Wheeler County **WELL #1**
4. WH-360 Sam Pakan – A 4" well to be drilled on 1440 ac by Kelly Faulk by May 31, 2019 in the NW4 of Section 127, Blk 23, H&GN Survey (being located approx. 4 mi N of I-40 on FM 453, at intersection of FM 453 and CR W, on E side of FM 453) Wheeler County **WELL #2**

John R. Spearman, Jr. stated before voting, he would abstain from voting on Irrigation Well #2 because of a conflict of interest.

Bill Breeding made the motion to approve Irrigation Wells 1, 3 and 4, seconded by Charles Bowers. Motion passed unanimously.

Bill Breeding made the motion to approve Irrigation Well 2, seconded by Charles Bowers. In a vote of 8 for and 1 abstention by John R. Spearman Jr., the motion passed.

18. STAFF UPDATES

- a. Update on Contiguous Acreage Tracts

CE Williams and District Hydrogeologist, Steve Shumate gave a short presentation showing the maps of the approved and pending Operating Permits throughout the District.

19. BOARD MEMBER TRAINING WORKSHOP – Kristen Fancher

Kristen Fancher provided Board Member training pertaining to the Texas Opening Meetings Act, Public Information Act, Written Communication, Walking Quorums, Board Governance and new legal cases.

A copy of the presentation is attached to these minutes.

20. MANAGER'S REPORT

- a. CRMWA Weather Modification Project

CRMWA representative, Chad Pernell spoke on behalf of the project, and said the project is still in the discussion stages, but is being met with some resistance, and CRMWA is going to speak with their Board of Directors at their upcoming meeting in July.

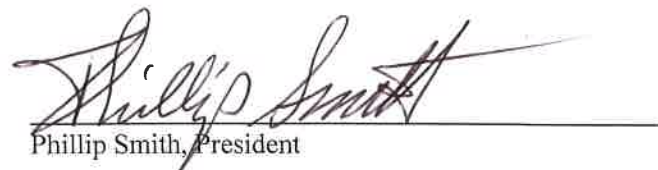
21. CONSIDERATION AND POSSIBLE ACTION TO SET FUTURE MEETING DATES

The next meeting is scheduled for Thursday, July 25th at 9:00 a.m.

22. ADJOURN

Danny Hardcastle made the motion to adjourn, seconded by Brett Britten. Meeting adjourned at 12:20 p.m.


William. W. Breeding, Secretary


Phillip Smith, President