

**PANHANDLE GROUNDWATER
CONSERVATION DISTRICT**
**PUBLIC MEETING, BOARD OF DIRECTOR'S REGULAR MEETING,
& PGCD RULES WORKSHOP**
DISTRICT OFFICE - Windmill Room
201 W. Third Street, White Deer, Texas
November 14, 2019 - 9:00 a.m.

Agenda – Amended

Those present were:

Phillip Smith	President
Bill Breeding	Secretary
John R. Spearman, Jr.	Director
Jim Thompson	Director
Charles Bowers	Director
F. G. Butch Collard	Director
Brett Britten	Director
C.E. Williams	General Manager
Bill Mullican, PG	District Consultant
Jennifer Puryear	Meteorologist
Steve Shumate	Hydrogeologist
Britney Britten	PR/Education

Guests Present: Reagan Hales, Floyd Hartman, Julie Allegretti Kent Satterwhite and Chad Pernel

1. CALL PUBLIC MEETING TO ORDER

The Public Meeting was called to order at 8:59 a.m.

2. INTRODUCTIONS

Board, Staff and guests present each introduced themselves.

3. EXPLANATION OF DISTRICT TAX ABATEMENT GUIDELINES AND CRITERIA

General Manager CE Williams explained if the District opted to participate in Tax Abatements, new legislation requires it have guidelines and criteria to do so. Williams said we would use the same application process as the entity who begins the abatement process, but the District will also ask pertinent water conservation questions of the business or person seeking the abatement.

Reagan Hales with Amarillo EDC gave a presentation over Bovina Burger LLC, the company requesting the abatement.

Williams asked Ms. Hales if she knew how much water Bovina Burger projected to use. Ms. Hales and Floyd Hartman, Assistant City Manager of Amarillo said their projected use was between one and two million gallons per day. Hartman said the water will be provided by the City of Amarillo, and they do have the water within their current permit to meet those needs.

A copy of the District's Tax Abatement Guidelines and Criteria and Ms. Hales' presentation is attached to these official minutes.

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

No public comment.

5. ADJOURN PUBLIC MEETING

Public Meeting adjourned at 9:25 a.m.

6. CALL REGULAR MEETING TO ORDER

Regular Meeting was called to order at 9:25 a.m.

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

No public comment.

8. CONSIDERATION AND POSSIBLE ACTION ON THE ELECTION TO PARTICIPATE IN TAX ABATEMENTS UNDER CHAPTER 312 OF THE TEXAS TAX CODE

F. G. Butch Collard made the motion to participate in Tax Abatements under Chapter 312 of the Texas Tax Code, seconded by William Breeding. Motion passed unanimously.

9. CONSIDERATION AND POSSIBLE ACTION TO ADOPT RESOLUTION FOR GUIDELINES AND CRITERIA FOR PROPERTY TAX ABATEMENTS

Jim Thompson made the motion to adopt the resolution for the guidelines and criteria for property tax abatements, seconded by Brett Britten. Motion passed unanimously.

A copy of the Resolution with the District's Tax Abatement Guidelines and Criteria is attached to these official minutes.

10. CONSIDERATION AND POSSIBLE ACTION ON AN APPLICATION FOR PROPERTY TAX ABATEMENT UNDER CH. 312 OF THE TEXAS TAX CODE, DESCRIBED AS FOLLOWS:

- Property Owner: Amarillo Economic Development Corporation
- Applicant for Tax Abatement: Bovina Burger LLC, an Idaho limited liability company (real property), and SSI Foods LLC, a Nevada limited liability company (personal property)
- Reinvestment Zone: No. 10 (17.10 acres in Amarillo EDC's CenterPort Business Park)
- Anticipated Improvements: Construction of a no-less-than 75,000 square foot new meat production and processing facility; Installation of meat production and processing equipment and related facilities
- Estimated Cost of the Improvements: Facility: \$19,000,000; Equipment: \$23,000,000 (Total: \$42,000,000)

Jim Thompson made the motion to approve the tax abatement at 100% for 10 years, seconded by William Breeding. Motion passed unanimously.

11. CONSIDERATION AND POSSIBLE ACTION ON MINUTES

- a. Board Meeting 9/17/19

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

A copy of the 9/17/19 Board Minutes is attached to these official minutes.

12. CONSIDERATION AND POSSIBLE ACTION ON EXPENDITURES

- a. September 2019
- b. October 2019

Williams noted the District's end of the fiscal year ended in September, he said overall the District ended well within budget, with about \$100,000 in surplus. He said the reason for the surplus was mainly due to the meter cost-share program and not having as many operators take part in the program and anticipated. He said some operators have opted to use the remote monitoring control systems, like PivoTrac and AgSense instead of traditional flow meters.

William Breeding made the motion to approve September 2019 Expenditures, seconded by Jim Thompson. Motion passed unanimously.

Jim Thompson made the motion to approve October 2019 Expenditures, seconded by F.G. Butch Collard. Motion passed unanimously.

A copy of the September and October 2019 Expenditures is attached to these official minutes.

13. 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

Williams asked Hartman, the City of Amarillo representative, if they were permitted for the 20,962 acre-feet per year, or if the report was missing the allotment from their other permit. Hartman confirmed the number should be closer to 40,000 acre-feet per year, and he would check to see what else needed to be added to our production report.

Director Breeding asked why the Canadian River Municipal Water Authority's production was higher than the trend of previous quarters. Chad Pernell, representative from CRMWA said he would double check their report, and was afraid they made a typo when sending the report to the District.

Williams said the Staff would double check the reports and make necessary changes to ensure they are correct.

Jim Thompson made the motion to approve the production and transportation reports, seconded by Charles Bowers. Motion passed unanimously.

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

- a. Parcel 7793 Bid: \$50.00
- b. Parcel 7794 Bid: \$50.00
- c. Parcel 7797 Bid: \$900.00
- d. Parcel 7885 Bid: \$60.00
- e. Parcel 9273 Bid: \$50.00

William Breeding made the motion to approve the tax deeds and property card for the City of Howardwick, seconded by Charles Bowers. Motion passed unanimously.

15. CONSIDERATION AND POSSIBLE ACTION ON CONTRACT FOR ASSESSMENT AND COLLECTION SERVICES WITH DONLEY COUNTY

Williams explained several of the appraisal districts in our District have started to send over contracts for tax assessment and collection in recent years, and this was a contract with Donley County giving our permission for them to do so.

F.G. Butch Collard made the motion to approve the contract for assessment and collection services with Donley County, seconded by Brett Britten. Motion passed unanimously.

16. CONSIDERATION AND POSSIBLE ACTION TO VOTE ON A MEMBER TO THE ARMSTRONG COUNTY APPRAISAL DISTRICT BOARD OF DIRECTORS FOR 2020-2021

William Breeding made the motion to divide the votes equally between each candidate, seconded by Jim Thompson. Motion passed unanimously.

17. CONSIDERATION AND POSSIBLE ACTION TO VOTE ON A MEMBER TO THE GRAY COUNTY APPRAISAL DISTRICT BOARD OF DIRECTORS

Charles Bowers made the motion to give Kevin Hunt 7 votes and the rest of the candidates 4 votes, seconded by John R. Spearman, Jr. Motion passed unanimously.

18. 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

IRRIGATION WELLS – None

1. CA-1336-R Corby Shadid – An 8” well to be drilled on 640 ac by Matt Litchie by 10.1.19 in the SE4 of Sec 65, Blk T, AB&M Survey (approx. 5 mi W of Panhandle on FM 293, on the W side of the FM 293 & CR H intersection) Carson County Texas **REPLACEMENT WELL**
2. DO-501-MUN-R Red River Water Authority – A 4” well to be drilled on 37 ac by unknown driller by unknown date in the SW4 of Sec 3, Blk C3, TT RR Survey (being located on the E side of Howardwick on Pampa Dr, on the edge of the city limits) Donley County Texas **REPLACEMENT WELL**
3. WH-361-R Hardcastle Farms – A 3” well to be drilled on 465 ac by Roy’s Well Service by 11.1.19 in the NE4 of Sec 51, Blk A8, H&GN Survey (being located approx. ¼ mi S of Wheeler City limits, between CR 14 & CR 15) Wheeler County Texas **REPLACEMENT WELL**

Charles Bowers made the motion to approve consent agenda 1-3, seconded by William Breeding. Motion passed unanimously.

19. STAFF UPDATES

There were no staff updates.

20. CONSIDERATION AND POSSIBLE ACTION ON DISTRICT METER MAINTANENCE POLICY

Williams presented the Board with a cost sheet of average meter repairs the District is currently funding. The average cost to repair a meter is about \$500. Currently, the District is covering the costs of parts, labor and mileage to repair meters. Williams made the recommendation to continue installing and repairing meters until the end of the year. Staff member Jennifer Puryear also brought up the liability issue with District employees repairing and installing meters, which is the tool for compliance regarding production moving forward. Director Bowers expressed concern over who would repair meters if the District no longer offered the service. Williams said there are other businesses in the area who repair and install meters.

F.G. Butch Collard made the motion to continue meter installation and repairs through the end of 2019, seconded by Charles Bowers. Motion passed unanimously.

21. CONSIDERATION AND POSSIBLE ACTION TO SET FUTURE MEETING DATES

The next meeting date is scheduled for Tuesday, January 7, 2020. *This meeting date has since been changed to Tuesday, January 28, 2020 at 9:00 a.m.*

22. MANAGER'S REPORT

A copy of the Manager's Report is attached to these official minutes.

The Board recessed at 10:55 a.m. to begin the Workshop regarding District Rules. Workshop minutes are continued below.

23. ADJOURN

Jim Thompson made the motion to adjourn, seconded by William Breeding. The meeting adjourned at 12:04 p.m.

WORKSHOP REGARDING DISTRICT RULES UPON ADJOURNMENT

Williams began the Workshop stating there are several issues that need to be addressed as we continue with Rule amendments in the future. He said a few of the recommendations from staff are amendments that were in previous editions of the Rules, but were left out of the current Rules, and the staff believes they need to be added back. For example, "Exploratory Holes" otherwise known as test holes need to be added back into Rule 5 with registrations.

Williams also explained there are a few Operating Permits with small tracts of less than 160 acres, who are having a hard time complying with the 2,880 Rule. In most cases they are pumping less than 1-acre foot per contiguous acre, but they are producing more than 4.5 gallons per minute per acre. Williams recommended a waiver for tract sizes less than 160 acres. Upon further discussion, Board of Directors decided to enforce the Maximum Rate of Production Rule for all tract sizes, which says wells can pump no more than 2,880 gallons per minute per section or 4.5 gallons per minute per acre. Williams was instructed to speak with those operators not complying and let them know they need to remain within the Maximum Rate of Production.

Williams told the Board he believes there will be some operators who fail to obtain their Operating Permit by January 1, 2020. The Board discussed giving operators a grace period to complete their permits. But decided to enforce Rule 4 which says any owner/operator of a well pumping more than 17.5 gallons per minute must obtain an Operating Permit by January 1, 2020, the Rule also says the Operating Permit must be completed at that time. The Board agreed to fine operators \$1,500 for failure to obtain an Operating Permit as stated in Rule 3. Staff members were instructed to send out a letter as a final reminder to operators who had not started the permit process and operators who had pending permits.

The Board discussed a 3- or 5-year rolling average. Director Bowers said he was in favor of a 5-year rolling average because he believes it will take that long to get the data to convince operators that 1-acre foot is enough. Director Britten said he was in favor of a 3-year rolling average versus the 5-year rolling average. Director Collard agreed that a 3-year rolling average would be his preference, especially if the District experiences another 2011, he said those years will stick with an operator longer with a 5-year rolling average. Williams said this is an issue the Board needs to be considering before we propose amendments.

Director Britten asked if Staff has reviewed the completed Operating Permits and of those reviewed, would they all meet the 1-acre foot requirement. Williams said not in all cases. Britten said he believes the District needs to be economically competitive with the surrounding Districts which have a 1.5-acre foot requirement. President Smith said increasing the maximum allowable volume to 1.5-acre foot would not be conserving water. Britten said by increasing the allowable, it would force operators who are currently over-pumping to conserve and be more aware of their water usage. Williams said that is why it is crucial for the District to continue with the Operating Permit process to ensure we have all of the data to make an informed decision.

Britten agreed saying he believes the Operating Permits will be critical in moving forward with future District water management plans, as long as the data is completely and entirely accurate. Williams agreed the data will be accurate.

The Directors also had a short discussion and the production enforcement schedule, and Staff recommended the Rules need a clear policy on how to enforcement multiple offenses.

The workshop adjourned at 12:02 p.m.



William W. Breeding, Secretary



Phillip Smith, President