

PANHANDLE GROUNDWATER CONSERVATION DISTRICT BOARD OF DIRECTORS MEETING

DISTRICT OFFICE
Windmill Room
201 W. Third St, White Deer

January 26, 2018
9:00 A.M.

Agenda

1. CALL TO ORDER
2. PUBLIC COMMENT – Please limit comments to 3 minutes

ACTION ITEMS

3. CONSIDERATION AND POSSIBLE ACTION ON MINUTES.
 - a. Board Meeting 11/30/2017
4. CONSIDERATION AND POSSIBLE ACTION TO RATIFY EXPENDITURES.
 - a. November 2017
 - b. December 2017
5. CONSIDERATION AND POSSIBLE ACTION ON AG LOAN(S) TO FARMERS.
 - a. Mark Urbanczyk
6. CONSIDERATION AND POSSIBLE ACTION TO “ERROR” OFF ALL TAXES THAT ARE ONE DOLLAR AND LESS TOTALING \$39 FOR 2017 TAX ROLL.
7. CONSIDERATION AND POSSIBLE ACTION ON DONLEY COUNTY SHERIFF’S SALE.
 - a. Lots 165 – 167, Arrowhead, Howardwick, Texas. Minimum: \$750 Bid: \$750
 - b. Lot 6, Blk 29, OT, Clarendon, Texas Minimum: \$ 70 Bid: \$ 70
8. CONSIDERATION AND POSSIBLE ACTION TO EXTEND CITY OF AMARILLO MULTI WELL PERMIT CP-1117A-MULT-M17 TO JANUARY 31, 2019.
9. CONSIDERATION AND POSSIBLE ACTION TO APPROVE 2016-2017 AUDIT.
10. CONSIDERATION AND POSSIBLE ACTON ON JOINING IN PROTEST AGAINST AP#17904749; SEC 188 B2, H&GN SURVEY, GRAY COUNTY, TEXAS – ANNIE #10.
11. CONSIDERATION AND POSSIBLE ACTION ON WEB SITE REDESIGN AND METER ONLINE PORTAL.
12. 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.

13. CONSIDERATION AND POSSIBLE ACTION ON INTERA MODEL RESULTS AND METHODOLOGY OF DISTRICT ACHIEVEMENT OF DFC.

14 . CONSENT AGENDA – DRILLING PERMITS

The following items are a part of the Consent Agenda. All Well Permit requests in **Agenda Items A – B** have been thoroughly reviewed by staff, are administratively complete and the General Manager is recommending issuance.

RECLASSIFY WELLS - None

A Drilling Permits for wells with 4” pump or smaller
DOMESTIC WELLS

1. CA-1302-DW Kelvin Ollinger 4.98 ac 1” to be drilled by Matt Lichtie by 12/15/17 NW4 Sec 93, Blk B3, H&GN Survey (being located on E side of FM 295 approx. 136 yds N of Cemetery’s N fence line, just N of Groom, Texas) Carson County, Texas.
Easement on File
2. CA-1307-DW Scott Alexander 5 ac 1” to be drilled by K-Ran by no date NW4 Sec 21, Blk A4, H&GN Survey (being located approx. 1/3 mi S of FM 2575 on Co Rd A on E side of road and approx. 1/3 mi N of I-40 and approx. ½ ;mi E of Potter County Line) Carson County, Texas.
3. GR-780-DW-R Gary Cummings 1 1/5 ac 1” to be drilled by 3T by 12/15/17 SE4 Sec 125, Blk 3, I&GN Survey (being located from Price Rd and Kentucky Ave Intersection, ¼ mi W on Co Rd E, approx. ¼ mi N on Plum St to Randy Matson Ave, then W on Randy Matson to 3rd house on N side of Randy Matson Ave, just W of Pampa City Limits) Gray County, Texas.
4. PO-545-DW Frank Hooper 5.09 ac 1” to be drilled by Etter Water Well by no date SE4 Sec 114, Blk 9, BS&F Survey (being located @ 13701 Old Mill Rd in Bishop Estates #1, Lot Block 0001, Tract 31, from FM 1061 turning S on Estates Dr going approx. 4 mi then turning L on Old Mill Rd approx. 4/10 mi then R on Butte Circle going a short distance with well on N side of Butte Circle) Potter County, Texas.
5. PO-546-DW-R Stanley Olson 3.09 ac 1” to be drilled by K-Ran by no date NW4 Sec 96, Blk 2, AB&M Survey (being located @ 7500 Monk St in East Mesilla Park #1 on Lot 1, Blk 1, approx. 1/10 mi S of E Willow Creek Rd on N Lakeside, then W on Monk St approx. 6/10 mi to property road then S with well on N side of road as it curves west, and approx. 8/10 mi N of FM 1912 intersection with N Lakeside) Potter County, Texas.
Replacement Well
6. PO-547-DW Stator Enterprises LLC 2.5 ac 1” to be drilled by K-Ran by no date SW4 Sec 47, Blk 9, BS&F Survey (being located approx. 4/10 mi N of intersection of N Soncy and RM 1061 then E on Amarillo Creek Rd, then approx. 3/10 mi (road will curve S)to well location on W side of road) Potter County, Texas.

B. Drilling Permits for wells larger than 4” -

1. CA-1300 Justin Homen 160 ac 6” to be drilled by 3T by 12/15/17 SW4 Sec 42, Blk 7, I&GN Survey (being located approx. 1 3/10 mi S of White Deer on FM 294, then approx. 3/10 mi E to well location) Carson County, Texas.

2. CA-1308 Simms & Son 1894.5 ac 8" to be drilled by Hydro by 1/30/2018
NW4 Sec 55, Blk 7, I&GN Survey (being located E of FM 2385 as it curves north or on E
side of Co Rd R before it turns into FM 2385 near the pivot in that NW4, approx. 1 9/10
mi N of Hwy 60 on Co Rd R) Carson County, Texas. **In Study Area 14-1**
CA-1302-R approved on 10/23/2017 was not a good well. Drilling this one instead.

15. CONSIDERATION AND POSSIBLE ACTION TO SET FUTURE MEETING DATES.

16. STAFF UPDATES – Jennifer Puryear - Consideration and possible action to approve Weather Modification
Annual Review

17. MANAGERS REPORT

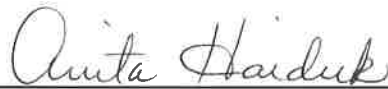
18. ADJOURN

At any time during the meeting and in compliance with the Texas Open Meetings Act, Chapter 551, Government Code, Vernon's Texas Codes, Annotated, the Panhandle Groundwater Conservation District Board of Directors may meet in executive session on any of the above agenda items for consultation concerning legal matters (§551.071; deliberation regarding real property (§551.072); deliberation regarding prospective gift (§551.073); personnel matters (§551.074); and deliberation regarding security devices (§551.076), or for any other purpose authorized by Chapter 551 of the Texas Government code. Any subject discussed in executive session may be subject to action during an open meeting. **The presiding officer of the Board, prior to the Board meeting in executive session, will announce that a closed meeting will be held and will publicly identify the section or sections of the Government Code Chapter 551 under which the closed meeting is to be held.**

PUBLIC NOTICE

This notice complies with Section 551.043, of the Open Meetings Act, requiring posting of the items to be considered at least 72 hours prior to the meeting. Notice has been filed with the Secretary of State's office in Austin, at a place convenient to the public in the administrative office of the District and on the District's internet website, in compliance with Section 551.053 of the Open Meetings Act.

Posted this 19th day of January, 2018, at 201 W. Third St., White Deer, Texas, at 10:51 (a.m./p.m.)



Anita Haiduk, Panhandle GWCD

**PANHANDLE GROUNDWATER
CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING**
District Office – Windmill Room
201 W. Third Street, White Deer, Texas

Friday January 26, 2018

Those present were:

- | | |
|---------------------|---------------------------|
| Danny Hardcastle | President |
| Phillip Smith | Vice-President |
| Chancy Cruse | Secretary |
| Charles Bowers | Director |
| Butch Collard | Director |
| Joy Shadid | Director |
| John R Spearman, Jr | Director |
| Jim Thompson | Director |
| C.E. Williams | General Manager |
| Peter Winegeart | Asst. Manager |
| Britney Britten | PR/Education |
| Jennifer Puryear | Meteorologist |
| Steve Shumate | Hydrogeologist |
| Bill Mullican | Professional Geoscientist |
| Julie Bennett | Admin. Asst. |

Guests Present: James Allen, CPA; Kent Satterwhite, CRMWA

AGENDA ITEM 1 – CALL TO ORDER
President Hardcastle called the meeting to order at 9:05am

AGENDA ITEM 2 – PUBLIC COMMENT
President Hardcastle opened the floor for public comments.

No one spoke during public comment

AGENDA ITEM 3 – CONSIDERATION AND POSSIBLE ACTION ON MINUTES
a. Board Meeting 11.30.17

Butch Collard made the motion to approve the minutes as written, seconded by Jim Thompson, motion passed unanimously.

A copy is attached to these minutes

AGENDA ITEM 10 – CONSIDERATION AND POSSIBLE ACTION ON JOINING IN PROTEST AGAINST AP #17904749; SEC 188, B2, H&GN SURVEY, GRAY COUNTY, TEXAS – ANNIE #10

Charles Bowers addressed the Board stating that he is not asking the District to join the protest. He is just making them aware that he has filed a protest to the Railroad Commission against PETCO Petroleum for a permit to produce more water from a rig supply well, located on property he owns, for water flooding. Mr. Bowers explained that his issue with the request is that Petco doesn't own the water rights but is using old oil & gas leases for water use, which he feels doesn't apply to water flooding, but does for the drilling and completion of an oil or gas well. Mr. Bowers also stated that per District Rule landowners are allotted up to one-acre foot of water per contiguous acre owned annually; therefore, if Petco is allowed to pump the well it decreases the amount of water he can pump on his own property using the water that he owns.

Discussion ensued about the District filing a protest against Petco if the request for increased pumping puts them in violation of their District Permit due to pumping more than they are permitted for, and if the amount of pressure being used could cause contamination to the aquifer

After further discussion Jim Thompson made the motion to table Agenda Item 10 until further information concerning Petco's request can be obtained, seconded by Butch Collard, motion passed with Charles Bowers abstaining.

AGENDA ITEM 11 – CONSIDERATION AND POSSIBLE ACTION ON WEB SITE REDESIGN AND METER ONLINE PORTAL

District PR/Education Director Britney Britten addressed the Board seeking approval of a proposal from Run Business Solution for a redesign of the District's web site, with an interactive map. The map will allow landowners and tenants to access their meter information using a custom log in. The cost will be an initial \$2,500 and \$45.00 a month thereafter.

After discussion Chancy Cruse made the motion to approve the proposal from Run Business Solution, seconded by Joy Shadid, motion passed unanimously.

AGENDA ITEM 12- 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

The Board was made aware that the District had not received Brice-Lesley's quarterly report.

After review John R. Spearman, Jr. made the motion to approve the quarterly production and out of District transportation reports, Joy Shadid seconded, motion passed unanimously.

A copy of the report is attached to these minutes

AGENDA ITEM 14- CONSENT AGENDA DRILLING PERMITS

The following items are a part of the Consent Agenda. All Well Permit requests in **Agenda Items A -B** have been thoroughly reviewed by staff, are administratively complete and the General Manager is recommending issuance.

RECLASSIFY WELLS – None

A Drilling Permits for wells with 4” pump or smaller

DOMESTIC WELLS

1. **CA-1302-DW-KELVIN OLLINGER** A 1” well to be drilled by Matt Lichtie by 12.15.17 on 4.98 ac located in the NW4 of Sec 93, Blk. B3, H&GN Survey (being located on E side of FM 295 approx. 136 yds N of Cemetery’s N fence line, just N of Groom, Texas) Carson County Texas **Easement of File**
2. **CA-1307-DW-SCOTT ALEXANDER** A 1” Well to be drilled by K-Ran Drilling by no date on 5 ac in the NW4 of Sec 21, Blk. A4, H&GN Survey (being located approx. 1/3 mi S of FM 2575 on Co Rd A on E side of road and approx. 1/3 mi N of I-40 and approx. ½ mi E of Potter County Line) Carson County Texas
3. **GR-780-DW-R-GARY CUMMINGS** A 1” well to be drilled by 3T by 12.15.17 on 1 1/5 ac in the SE4 of Sec 125, Blk. 3, I&GN Survey (being located from Price Rd and Kentucky Ave intersection, ¼ mi W on Co Rd E, approx. ¼ mi N on Plum St to Randy Matson Ave, then W on Randy Matson to 3rd house on N side of Randy Matson Ave, just W of Pampa City Limits) Gray County Texas
4. **PO-545-DW-FRANK HOOPER** A 1” well to be drilled by Etter Water Well by no date on 1 ac in the SE4 of Sec 114, Blk. 9, BS&F Survey (being located @13701 Old Mill Road in Bishop Estates #1, Lot Block 0001, Tract 31, from FM 1061 turning S on Estates Dr going approx. 4 mi then turning L on Old Mill Rd approx. 4/10 mi then R on Butte Circle going a short distance with well on N side of Butte Circle) Potter County Texas
5. **PO-546-DW-R-STANLEY OLSON** A 1” well to be drilled by K-Ran by no date on 3.09 ac in the NW4 of Sec 96, Blk. 2, AB&M Survey (being located @ 7500 Monk St in East Mesilla Park #1 on Lot 1, Blk 1, approx. 1/10 mi S of E Willow Creek Rd on N Lakeside, then W on Monk St approx. 6/10 mi to property road then S with well on N side of road as it curves west, and approx. 8/10 mi N of FM 1912 intersection with N Lakeside) Potter County Texas
6. **PO-547-DW-STATOR ENTERPRISES, LLC** A 1” well to be drilled by K-Ran by no date on 1” in the SW4 of Sec 47, Blk. 9, BS&F Survey (being located approx. 4/10 mi N of intersection of N Soney and RM 1061 then E on Amarillo Creek Rd, then approx. 3/10 mi (road will curve S) to well location on W side of road) Potter County Texas

Charles Bowers made the motion to approve Agenda Item 14 A, 1-6, seconded by Chancy Cruse, motion passed unanimously.

B. DRILLING PERMITS FOR WELLS LARGER THAN 4"

1. **CA-1300 – JUSTIN HOMEN** A 6" well to be drilled by 3T by 12.15.17 on 160 acres in the SW4 of Sec 42, Blk 7, I&GN Survey (being located approx. 1 3/10 mi S of White Deer on FM 294, then approx. 3/10 mi E to well location) Carson County Texas
2. **CA-1308 – SIMMS & SON INC** – An 8" well to be drilled by Hydro by 1/30/18 on 1894.5 acres in the NW4 of Sec 55, Blk 7, I&GN Survey (being located just E of FM 2385 as it curves north on E side of Co Rd R before it turns into FM 2385, near the pivot in that NW4, approx. 1 9/10 mi N of Hwy 60 on Co Rd R) Carson County, Texas **In Study Area 14-1 CA-1302-R approved on 10/23/17 was not a good well. Drilling this one instead.**

Phillip Smith made the motion to approve Agenda Item 14 B 1&2, seconded by Jim Thompson, motion passed unanimously.

AGENDA ITEM 16 – STAFF UPDATES

Jennifer Puryear – Consideration and Possible Action to approve Weather Modification Annual Review

District Meteorologist Jennifer Puryear presented the 2017 Precipitation Enhancement Operations final report, which included the annual project evaluation completed by Dr. Arquimedes Ruiz-Columbiè, Texas Tech Professor and owner of Active Influence and Scientific Management. Jennifer also reviewed rainfall data and the drought monitor.

John R. Spearman, Jr. made the motion to approve the precipitation enhancement operation final report and annual project evaluation, seconded by Charles Bowers, motion passed unanimously

Report attached to these minutes

AGENDA ITEM 13-CONSIDERATION AND POSSIBLE ACTION ON INTERA MODEL RESULTS AND METHODOLOGY OF DISTRICT ACHIEVEMENT OF DFC

District Consultant Bill Mullican made a presentation highlighting several places within, Chapter 36 of the Texas Water code, requiring water districts to implement a DFC. Mr. Mullican stated that it is mandatory that the District's management goals and rules work toward achieving the DFC. Bill strongly emphasized the importance of the Board enforcing those rules, along with the repercussions of not enforcing them, per the Water Code.

Mr. Mullican then turned the Boards attention to the official TWDB DFC model simulation and the results of the modified model simulation the Board requested at the November 30th meeting. The modified simulation assigned one-acre foot per acre being pumped in areas of the District already being actively produced over 50 years. The results showed that, due to different pumping patterns being used, the modified simulation reflected more draw down than was reflected in the DFC model, and not meeting the 50/50 DFC. Bill added that the comparison of the two models shows that it is essential that the District clearly establish its management goal in respect to the scale to be used in achieving the DFC.

General Manager C.E. Williams began, stating that when the DFC process started in 1998 there weren't any meters to gather data from, so a network of wells to measure was established to track the decline. Mr. Williams presented a map of meter locations showing that the process worked resulting in meters being installed in highly produced areas, along with a map of the network of wells measured. C.E. added that in comparing the maps it was evident that the meters are providing more data points in heavily pumped areas than the monitoring wells, which is why he feels the District should transition to meters as the best available science we have to a clearer path to achieving the DFCs.

C.E. continued presenting three options of how the District is to achieve its DFC to the Board.

Option 1

- Continue achieving DFCs on an individual property basis (contiguous acreage), but shift from depletion as a final trigger to a rule based on use of meters and allowable production rate of one-acre foot per acre as trigger
- Issue operating permits for all non-exempt wells District wide based on contiguous acres associated to the wells(s)
- All wells 3 inch or greater required to install a meter
- Using 3-4 years of meter data the Board will evaluate the appropriateness of one-acre foot allocation to achieve PGCD DFC

Option 2

- Transition to new policy based on achieving DFCs on either a county or district wide basis

Option 3

- Continue Study Area process, with necessary modifications, achieving DFCs through enforcement of depletion rules using a revised Conservation Area process, requiring the following amendments to Rule 15
- Role of meters in Study Area and Conservation area designation needs to be standardized
- Clarify that Rule 15 only applies to wells three inch or larger
- The process for using one-acre foot per acre per year in conjunction with contiguous acreage determinations needs to be clarified as part of Rule 15
- In order to clearly demonstrate achievement of DFCs, once final policy is adopted by PGCD Board of Directors, administration of and execution policy should be delegated to General Manager, as is the case with other priority PGCD rules.

After much discussion the Board agreed that the scale to use in achieving the District's DFC should be on an individual property basis-contiguous acreage, and instructed the staff to expand on options 1 and 3 for the next meeting.

A copy to the presentation is attached to these minutes

AGENDA ITEM 15 – CONSIDERATION AND POSSIBLE ACTION TO SET FUTURE MEETING DATES


The next meeting date is Thursday March 22, 2018


AGENDA ITEM 17 – MANAGERS REPORT

Manager's Report Attached – No Action Taken

AGENDA ITEM 18 - ADJOURN

The meeting adjourned at 1:18 pm


Chanoy Cruse, Secretary


Danny Hardcastle, President