

**PANHANDLE GROUNDWATER  
CONSERVATION DISTRICT  
CALLED BOARD OF DIRECTORS MEETING**

District Office – Windmill Room  
201 W. Third Street, White Deer, Texas

OR  
Teleconference

Thursday July 6, 2017

Those present were:

Danny Hardcastle	President
Phillip Smith	Vice-President
Chancy Cruse (via teleconference)	Secretary
Charles Bowers	Director
Bill Breeding	Director
Butch Collard (via teleconference)	Director
Joy Shadid	Director
John R Spearman, Jr.	Director
Jim Thompson (via teleconference)	Director
C.E. Williams	General Manager
Bill Mullican (via teleconference)	Professional Geoscientist
Monique Norman(via teleconference)	Attorney
Peter Winegeart	Field Technician/Policy
Jennifer Puryear	Meteorologist
Steve Shumate	Geoscientist
Julie Bennett	Admin. Asst.

Guests present: Peggy Crow, Panhandle, TX; Norman Mullin, Enviro-Ag; Shane Self, Enviro-Ag; Dillon Pool, Enviro-Ag; Alicia Adams, Enviro-Ag; James Martin, Carson Co Commissioner.; Dan Looten, Carson County Judge; Margie Braidfoot, Panhandle TX; Frank Simms, Panhandle TX; Lori Simms, Panhandle TX; Cary Franks, Idalou TX; Wade Alexander, Panhandle TX; Brenda Robinson, Panhandle TX; Glenna McLeod, Panhandle TX; Kay Burk, Panhandle TX; Shawna Harper, White Deer TX; Scott Honeyfield, PSC; Jennifer Phillips, Panhandle TX; Mark Urbanczyk, Panhandle TX; Lance Williams, Panhandle TX; Westin Williams, Panhandle TX; Sheri Urbanczyk, Panhandle TX; Dena Hileman, Panhandle TX; Karrie Smith, Panhandle; Pat Brinkley, Panhandle TX; Derek Heck, Panhandle TX; Nikki Biggs, Panhandle TX; Pam Biggs, Panhandle TX; Ben Weinheimer, TCFA; Craig Cowden, Canadian TX; Terry Coffee, City Manager, City of Panhandle; Doyle Robinson, Mayor, City of Panhandle; Scott Kennedy, Panhandle TX; Johnny Crawford, Panhandle TX; Denny Babcock, Groom TX; Dustin Babcock, Groom TX; John Lovell, Amarillo TX; Glenda Holt, Panhandle TX; Susan Tripplehorn, Pampa TX; David Fields, Groom TX; Kim Ballard, White Deer TX; Joe Wheeley, Pampa TX; Raven Spratt, Pampa TX; Lance Weaver, Pampa TX; Chandler Bowers, Pampa TX; Janyth Bowers, Pampa TX; Chance Bowers, Pampa TX; Dane Morphis, Plainview TX; Collin Bowers, Spearman TX; Georgia Cook, Miami TX; Vernon Cook, Miami TX; Bill N. McLeod, Panhandle TX; Kent Satterwhite, Fritch TX; Chad Pernel, CRMWA; Dana B. Adams, Panhandle TX; Mike Jennings, Carson Co. Commissioner; Charles Burk, Panhandle TX; Lynn Burger, Gray Co TX; Ken Burger, Gray Co TX; Howdi Allison, Panhandle TX; Betty Robertson, Panhandle TX; John Robertson, Panhandle TX;

Katia McElhannon, Panhandle TX; David Dozier, Panhandle TX; Lewis Davis, Pampa TX; Billy Bob Brown, Panhandle TX; Kay Barton, Conway

#### AGENDA ITEM 1 – CALL TO ORDER

President Hardcastle called the meeting to order at 1:34 pm

All Present introduced themselves

#### AGENDA ITEM 2 – PUBLIC COMMENT

President Danny Hardcastle addressed the public stating that the Board is acting as a stakeholder and is not in a position to judge or act on any permit concerning the building of a dairy in Carson County. This meeting is for the Board to consider authorizing the Staff to proceed with filing a comment letter and or pursue a contested case hearing on the proposed dairy to the Texas Commission on Environmental Quality.

President Hardcastle stated that comments from the public will only be heard during this time, unless a Board Member or Staff has a question for an individual, and will be limited to three minutes. President Hardcastle asked that all comments be directed to the TCEQ Permit No. TXG921475 for a proposed Dairy to be located in Carson County, and to the Board.

President Hardcastle opened the floor for public comments.

Susan Tripplehorn from Gray County addressed the Board stating that she questions two (2) agenda items. The first being agenda item #3 the comparison of water decline in Castro County vs Carson County. Ms. Tripplehorn questioned why a comparison was being done with Castro County, even though that is where the dairy is coming from, and not a comparison done with counties within the District, like Gray County for instance. In Gray County there are two (2) dairies, two (2) large feed lots and a large hog operation that houses approximately 50,000 animals, which is within the District's jurisdiction and already have data on. Secondly, she questioned agenda item #4, the expense of hiring an outside attorney to attempt to intervene in the permitting of the proposed dairy in Carson County. Ms. Tripplehorn stated in her experience dealing with CAFO permitting, procedures and processes TCEQ has all the expertise needed to confidently issue these permits. Once the rules are followed by the individuals seeking the permit the permit will be issued; therefore, she asked the Board to reconsider the expense of hiring an attorney to intervene in this issue and to consider her comments as these issues are deliberated.

Peggy Crow from Panhandle directed her comment concerning agenda item #4 to Director Charles Bowers. Ms. Crow respectfully questioned Mr. Bowers on the comment, "it was a done deal that that permit has already been issued" he made in Panhandle and for verification, asked for the permit issue number he had received

Director Charles Bowers responded stating that in Panhandle he was there as an individual, today he is in attendance as a Director of the Panhandle Groundwater District and will vote his position and his constituents position. Mr. Bowers added that he has a record of voting in this District for the rules and regulations and may end up agreeing with the rest of the Board; therefore, he believes someone else needs to answer the question.

General Manger C.E. Williams addressed the question stating that TCEQ's Administrator has reviewed the permit and recommended for approval, but the final decision will not be made until the hearing to be held in August or September.

Chandler Bowers addressed the Board stating that his family's involvement in the dairy does not mean to do any harm to the Panhandle community or any surrounding community. Mr. Bowers asked that the decisions be made based on the facts of the permit and not let emotion get in the way.

Sheri Urbanczyk addressed the Board concerning the conflicts of interests that are clearly seen on this Board. Ms. Urbanczyk stated that if a member has a financial interest, such as this dairy coming to fruition, they should recuse themselves and refrain from trying to influence the decision of this Board.

The District's Attorney Monique Norman responded stating that any board member that has a business or financial interest in an issue before the Board would have to abstain from voting, and any discussion the director participates in would be as the property or business owner, not as a board member.

Mark Urbanczyk stated that he farms in an area that has shown water level decline the last several years and in a study area adjacent to the proposed dairy location, and believes that the study area needs to be broadened to include not just the proposed dairy location, but other sections not included in the study area with heavy water use.

General Manager C.E. Williams responded to Sheri Urbanczyk's request to explain a study area. Mr. Williams explained that a study area is an area that has shown a greater than 1.25% water level decline for two (2) consecutive years. C.E. added that he has a presentation that explains the District's rules concerning the delineation of study areas, allotted water use and how the District views the building of a dairy.

Pam Biggs a Panhandle resident asked the Board if the District is required to follow any EPA rules concerning contamination, and any harm to playa lakes that could affect the wildlife that use the playa lakes.

General Manager C.E. Williams made Ms. Biggs aware that the District has no jurisdiction over any surface water. Surface water is under the purview of TCEQ.

Derrick Heck from Panhandle stated that due to the statement made by the District's attorney Monique Norman concerning Director Bowers role at this meeting, is wondering if any action had been taken by the Board previously that Mr. Bowers took part in that might need to be reviewed.

General Manager C.E. Williams responded to Mr. Heck stating that the District was not aware of the proposed dairy until the day before the last meeting on June 8<sup>th</sup>; therefore, there has not been any action taken by the Board concerning the dairy.

Doyle Robinson, Mayor City of Panhandle stated that he believes the District needs to be looking at Castro County's history of decline. It shows the long-term effect on the water supply, which could happen here and needs to be examined. Mr. Robinson added that he feels the District is on the right track by looking at the long-term as well as the short-term effects on the water supply.

Kent Satterwhite stated that his biggest concern is the abandoned wells that may be inadequately plugged were the CAFO is and the other irrigated properties in the area.

Terry Coffee, Panhandle City Manager made the Board aware that since the meeting in Panhandle thirteen-hundred (1300) people have either sent comments or signed petitions to TCEQ regarding the dairy. Mr. Coffee added that water consumption is important; however, the economic impact on the city of Panhandle like property values and the school system, due to the close proximity of the dairy to Panhandle is also a concern. Terry added that three (3) families are being uprooted from their homes, because of the location of waste from the dairy and would like the Board to take all of this into consideration when making their decision.

Shauna Harper asked, that if the Board does decide to intervene, how does the District go about it and what kind of weight would it carry with TCEQ.

Attorney Monique Norman responded stating that there are two (2) types of permit path. There is a general permit path and individual permit path, this one is a general permit path. A General permit is only subject to comment. However, the Executive Director has the authority to switch it to an individual permit process, which is subject to a hearing request. Ms. Norman added even with the water quality and quantity issue the District has no more influence than any other stake holder submitting comment; however, it is political and it just depends on how much pressure the Director receives as to whether or not he would consider switching the permit from general to individual.

Chandler Bowers requested to speak again about the discussion concerning the capped/abandoned wells and the application of the manure, compost and waste water. Mr. Bowers stated that there is a huge misconception that every bit of the waste that will come from this facility will be applied to the four (4) farms highlighted on the maps.

The manure will be sold, traded between the farmers, dairy owners and feed lot owners, and will be spread all over, which is already being done in agriculture. Chandler added that the gentlemen who wrote the permit are present and could explain the procedures on the capped wells and the requirements the dairies must implement to keep groundwater contamination from happening. Bowers continued stating that there are two (2) dairies and a large feed yard within the district that are staying in compliance and is confident that the dairy will not be using as much water as perceived and probably less for the actual dairy than is being used now. Chandler asked President Hardcastle if the Board would like to hear from Enviro-Ag.

President Hardcastle responded stating that they are welcome to speak under public comment and will be held to the three (3) minutes, but reiterates that if Staff or a Board Member has questions for them during deliberation of the agenda item they will be able to speak at that time.

Craig Cowden addressed the Board stating that he helps manage a confined cattle feeding facility in Hemphill County and would like to address item #5 on the agenda concerning contamination of groundwater. Cowden stated that under the permit that TCEQ will prepare there will be huge protocol the dairy will have to go through. TCEQ will inspect and everything concerning runoff will have to be permitted and documented. Cowden continued addressing the migratory bird issue, stating that the settling ponds around the cattle feed lots in Gray County have some of the best water fowl hunting around, so he contests that it enhances wildlife. Mr. Cowden addressed the contamination to land, stating he agrees with Chandler Bowers in that it is an opportunity to sell product, and that phosphorus levels on anything sold coming out of the ponds will be regulated by TCEQ. Lastly Mr. Cowden questions the Board on the concern of use of groundwater within the district for economic benefit when there is a huge water field within the district that sends water all the way to Lamesa for houses and to keep yards green.

Scott Honeyfield addressed the Board stating that he a Professional Engineer representing the City of Panhandle. Mr. Honeyfield stated that there are twenty-three (23) wells identified in the permit application that will be irrigated where the waste water and manure will be disposed of. Honeyfield expressed concern of a well under the CAFO itself that will be plugged and due to the concentration of manure he feels the well needs to be considered very closely as to how it was constructed and how it will be plugged. Honeyfield continued adding the CAFO is setting over one of the thickest formations in the county and the City of Panhandle has a well in the same saturated thickness, so if the aquifer is contaminated by any of the twenty-three 23 wells it will affect the city of panhandle.

President Hardcastle closed the public comment portion of the agenda, and added that agenda item #4 will be considered after item #5, due to item #4 being contingent on action taken on #5

### AGENDA ITEM 3 – REVIEW DATA COMPLIED BY STAFF ON WATER LEVEL DECLINE COMPARISON OF CASTRO COUNTY AND CARSON COUNTY.

General Manger C.E. Williams addressed the public stating that except for one gentleman he thinks everyone else present are his constituents, so he hopes that this presentation will show that the District is here to treat everyone fairly, equitably and doing our job to protect the aquifer as a whole.

Mr. Williams began the first presentation giving some history of the District's 50/50 management standard, reviewing the PGCD depletion rules and implementation and study area process. Williams presented data on the proposed dairy location from the last five (5) years, stating that the area has stayed within the District's rules producing well under the one-acre foot per year.

President Danny Hardcastle directed a question to Chandler Bowers stating that he assumes Mr. Bowers is well aware of the rules and procedures of the District involving production, water usage and maximum decline of a study area, asking if that is correct. Mr. Bowers answered, "yes sir". President Hardcastle asked if the members of the dairy involved in this project are aware of these procedures. Chandler answered, "yes sir" Hardcastle continued asking if it is there intent to operate within the rules of this District. Chandler answered, "yes, very much"

General Manager Williams continued with the second presentation of the decline comparison of Carson & Castro Counties (with disclaimers that this is not an in depth scientific study, but merely a quick comparison of published data). Williams stated that he visited dairy south of Dimmitt and it appears they run a good operation for as much as

he knows about dairies. However, felt compelled to research the decline of the aquifer in the area the dairy is located using the publication from the High Plains Underground Water District. C.E. added that even though there are several dairies & CAFOs in the area he feels the drastic decline shows what the potential is for the area of the proposed dairy, and feels the District needs to take steps to keep this from happening by requesting assurances from the dairy operators that all PGCD rules will be followed.

Williams continued with the presentation comparing the decline in Castro County with the decline of the area of the dairy in Carson County, which shows Castro with two to three times the decline looking at the averages/medians over one, five and ten years over Carson. Williams also identified ten (10) wells that the District needs to work with the Bowers and the dairy on to insure the integrity.

Lance Williams asked why the District only identified 10 wells, but the permit identifies 23 wells.

Alicia Bartley with Enviro-Ag Engineering responded stating, that when a permit of this type is written TCEQ requires that all available databases within the State of Texas concerning water wells be researched, and that research can identify wells that are fifty to sixty years old that weren't registered with the District, wells that aren't visible and wells that were capped 70 years ago. Alicia went on to make the Board aware that there are procedures in place by TCEQ making sure due diligence is done to find the wells that are located within the LMU that are being irrigated over making sure they are properly capped. A buffer of one hundred fifty feet for stock and domestic wells and 100 feet for irrigation wells is required to be maintained on all wells that are identified in the permit and that waste water will never be applied over wells. Alicia concluded stating that the CAFO will be inspected periodically by Region 1 of TCEQ, and dairies hire companies like Enviro-Ag to stay in compliance, with the companies making quarterly visits to ensure their permit is up to date. Any changes or updates to permits are sent to Austin for review, and permits are filed every five years for renewal.

Williams added another concern is the crops referenced in the permit application are grain crops and not the typical crop used in dairies.

Director John R. Spearman, Jr. asked Chandler Bowers if the dairy is currently following the district rules where they are at. Chandler answered, "yes sir, to my understanding yes". Director Spearman asked Mr. Bowers if it's his understanding that they are going to meet our rules. Chandler answered, "that is their every intent, they don't want to come with a red flag on them".

General Manager Williams concluded stating that we all need to move forward together to make sure the water lasts as long as it can. Even in the Panhandle Groundwater District the water is going down every day. Williams added it's like I've told people in Austin "it's like taking dollar bills out of an account and putting pennies in. There is going to be an end to it. I don't care how big the pot is".

A copy of these presentations are attached to these minutes

AGENDA ITEM 5 – CONSIDERATION AND POSSIBLE ACTION TO AUTHORIZE STAFF TO PROCEED WITH FILING A COMMENT LETTER AND OR PURSUE A CONTESTED CASE HEARING ON THE PROPOSED DAIRY, PERMIT NO. TXG921475, IN CARSON COUNTY TO TEXAS COMMISSION ON ENVIRONMENTAL QUALITY.

Director John R. Spearman stated that the District rules that to the apply to the dairy are not any different to all other water users. In the past, our history has been about being fair and equal to everybody. The District has been told several times that we can't pick on one segment or we will be in violation of state law and will be sued. What we are here for is to address the water and it is my opinion, that the dairy needs to follow our current rules. The District can't single the dairy out, can't single CRMWA out, can't single the corn farmer out, everyone is entitled to the use of their water by state law and our rules. I understand concerns but this meeting is about water. I think TCEQ will require the dairy meet their rules and if there is an issue of over producing water our rules will catch them at some point. The Board is considering amending District rules that may address these types of issues but our intent will to always to be as fair and treat everybody as equally as we can.

Director Bill Breeding asked General Manager Williams C.E. if any of the CAFOs in Wheeler County and Gray County are out of compliance with District water rules. Williams answered, "not that I'm aware of at this time".

President Danny Hardcastle stated that of the two (2) feed yards in Wheeler County, the one that is not currently in operation is in a study area, the one still operating is on the edge of a study area.

Director Spearman added that the Red River Dairy has been coming before us with well drilling permits that we've been approving because they meet our rules.

***John R. Spearman, Jr. made the motion for the District to not proceed with filing a comment letter or pursue a contested case hearing on the proposed Dairy Permit No. TxG921475, in Carson County Texas to the Texas Commission on Environmental Quality, seconded by Bill Breeding adding "that none of the District rules have been broken yet, I'll be the first if they break some rules that comes down on them pretty hard", motion passed 7-1 with Joy Shadid voting against. President Hardcastle did not call on Director Charles Bowers to vote, on advice of legal counsel.***

**AGENDA ITEM 4- CONSIDERATION AND POSSIBLE ACTION TO AUTHORIZE DANNY HARDCASTLE AND C.E. WILLIAMS TO HIRE A CONSULTING ATTORNEY SPECIALIZING IN CONFINED FEEDING OPERATIONS**

***Bill Breeding made the motion to not authorize Danny Hardcastle and C.E. Williams to hire a consulting attorney specializing in confined feeding operations, seconded by John R. Spearman, Jr., motion passed 8-0. President Hardcastle did not call on Director Charles Bowers to vote, on advice of legal counsel.***

President Danny Hardcastle stated that it's the duty of the Board that oversees the Panhandle Groundwater Conservation District to make sure everyone complies with the rules of the District regardless of if it is a confined feeding operation or an individual, and if we do not do that job we need to be called to task.

President Hardcastle thanked everyone for coming and for their participation.

Charles Bowers addressed the public stating that he is not speaking as a board member. He stated that his family is concerned about the effect, one way or another, on the City of Panhandle. Charles continued stating that he takes his position on the board very seriously and when this dairy first came up with his sons he immediately started thinking about whether or not the dairy can meet the rules of the district and the issue of contamination. Charles added that he feels his reputation should speak for itself and would never do anything to the City of Panhandle or Carson County that would be harmful and not beneficial to the area; therefore, he has taught his sons that there is not a piece of land worth leasing, buying or selling that is worth stepping on somebody for or losing a neighbor or over. Charles stated that he doesn't know if the permit will go through or not, but is willing to do everything in his power to help people understand that this dairy is not going to be the detriment that is perceived, and welcomes and encourages anyone with questions to stay after the meeting to visit with himself, the representatives from Enviro-Ag and the dairy, and they will try to provide the best information they have. The company building the dairy has the reputation of running the best dairies in Texas and New Mexico with virtually no violations with TCEQ, and intend to follow the rules of the District. Mr. Bowers add that we farm in two of the areas that are in study areas and take our role as agricultural people very seriously. We are not just going to sell a leave.

**AGENDA ITEM 6 - ADJOURN**

President Danny Hardcastle adjourned the meeting at 3:00 pm

  
Phillip Smith, Vice-President

  
Danny Hardcastle, President