

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

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

Thursday May 24, 2018

Those present were:

Danny Hardcastle	President
Phillip Smith	Vice-President
Charles Bowers	Director
Bill Breeding	Director
Joy Shadid	Director
John R Spearman, Jr	Director (joined the meeting @ 10:40 am)
Jim Thompson	Director
C.E. Williams	General Manager
Monique Norman	Attorney
Bill Mullican	Professional Geoscientist
Peter Winegeart	Asst. Manager
Britney Britten	PR/Education
Jennifer Puryear	Meteorologist
Steve Shumate	Hydrogeologist
Julie Bennett	Admin. Asst.

Guests Present: Kent Satterwhite, CRMWA

AGENDA ITEM 1 – CALL TO ORDER

President Danny Hardcastle called the meeting to order at 9:07

AGENDA ITEM 2 – PUBLIC COMMENT

President Hardcastle opened the floor for public comments.

There were no public comments

AGENDA ITEM 3 – CONSIDERATION AND POSSIBLE ACTION ON MINUTES

a. Board Meeting 4.12.18

After review Bill Breeding made the motion to approve the minutes as written, seconded by Joy Shadid, motion approve unanimously.

A copy is attached to these minutes

AGENDA ITEM 4 – CONSIDERATION AND POSSIBLE RATIFY THE EXPENDITURES

- a. February 2018
- b. April 2018

President Danny Hardcastle reminded the Board that the February 2018 financials were inadvertently left off the April 12th BOD Meeting Agenda.

After review Jim Thompson made the motion to approve the February 2018 financials, seconded by Bill Breeding, motion passed unanimously.

After review Joy Shadid made the motion to approve the April 2018 financials, seconded by Charles Bowers, motion passed unanimously

A complete copy of the financial statement(s) are attached to these minutes

AGENDA ITEM 5 – CONSIDERATION AND POSSIBLE ACTION ON DONLEY CO SHERIFF’S SALE:

- | | | |
|---|---------------------|-------------|
| a. Lot 332, Misty Grove, Howardwick, Texas. | Minimum Bid: \$952 | Bid: \$952 |
| b. Lot 82, Nocona Hills, Howardwick, Texas | Minimum Bid: \$410 | Bid: \$410 |
| c. Lot 4, Blk 109, OT, Clarendon, Texas | Minimum Bid: \$1493 | Bid: \$1493 |
| d. Lot 159, Pueblo, Howardwick, Texas | Minimum Bid: 1208 | Bid \$1208 |

Bill Breeding made the motion to accept the minimum bids on a-d received at the Donley County Sheriff’s sale, seconded by Jim Thompson, motion passed unanimously.

AGENDA ITEM 6– CONSIDERATION AND POSSIBLE ACTION ON QUARTERLY PRODUCTION REPORTS AND OUT OF DISTRICT TRANSPORTATION REPORTS FROM THE CITY OF AMARILO, 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

After review Phillip Smith made the motion to approve the quarterly production and out of District transportation reports, seconded by Bill Breeding, motion passed unanimously.

AGENDA ITEM 7 – CONSIDERATION AND POSSIBLE ACTION ON AG LOAN (S) TO FARMERS

- a. Blain Eubank

Charles Bowers made the motion to approve the Ag Loan request from Blain Eubank in the amount of \$74,186.40 for the installation of a 2018 7 Tower 1,281’ Center Pivot Irrigation System, to be located on the W2 of Section 148, Block 3, I&GN, Gray County Texas, seconded by Phillip Smith, motion passed with Joy Shadid abstaining.

- b. Wade Ritter

Bill Breeding made the motion to approve the Ag Loan request from Wade Ritter in the amount of \$69,568.88 for the installation of a 2018 8 Tower 1,404’ Zimmatic Center Pivot Irrigation System, to be located on Section 131, Block 7, I&GN, Carson County Texas, seconded by Charles Bowers, motion passed unanimously.

AGENDA ITEM 8 – CONSIDERATION AND POSSIBLE ACTION ON POTTER COUNTY BOUNDARY

General Manager C.E. Williams made the Board aware that in 2010 High Plains UWCD notified Potter-Randall Appraisal District that the boundary between High Plains and PGCD was incorrect, and that in 2012 himself, Jim Conkwright for High Plains and Jim Childers for PRAD held a meeting concerning the boundary. After discussion

it was decided to use the boundary set in 1951; however, a resolution by both Boards was never ratified confirming the change. Mr. Williams stated that after realizing that in 2013, after Jim Conkwright left, High Plains began using a new GIS generated boundary, he met with High Plains General Manager Jason Coleman and High Plains Director Lynn Tate on November 9, 2017 in Amarillo. Williams suggested reviewing and ratifying the agreement made by Jim Childers, Jim Conkwright and himself in 2012, due to serious permitting issues the boundary conflict has caused, since PGCD has been using the same tax boundary since 2000 when the rest of Potter County was annexed into the District. He was told they would take it under advisement. Williams continued stating that, on January 31, 2018 he contacted Mr. Tate inquiring on what needed to be done to proceed with the issue. Mr. Tate responded on February 1, 2018 stating that there appeared to be some High Plains permitted wells in the Panhandle area. Confirming that there were High Plains permits in sections 195 & 196 located in PGCD's District, he made a presentation to the High Plains Board at their February 13, 2018 meeting concerning the boundary. The Board stated they would take the issue up with their legal counsel. Williams continued stating that on March 12, 2018 he received an email from Jeff Dagley the current Chief Appraiser for the Potter-Randall Appraisal District stating that the High Plains Board had requested that the boundary be shifted to the new boundary using the legal document and the GIS shape file furnished by High Plains. Mr. Dagley added that 1366.73 acres would need to be moved from Panhandle to High Plains affecting approximately 1400 accounts, which is approximately \$350 million in tax base and about \$35,000 in tax revenue. Williams presented several maps detailing the difference between the PGCD boundary and the High Plains boundary and pointed out that one section would be split as many as 4 times between PGCD and High Plains boundaries if High Plains GIS boundary is used.

C.E. stated that during his research of the High Plains boundary it was discovered that the description of the boundary is very subjective and does not use meets and bounds; therefore, he contacted Mr. Edward W. Collins a Research Scientist with the Bureau of Economic Geology at the University of Texas at Austin, sending him the description asking if he could clarify the boundary issue. In his response he stated that he didn't know the standard for determining a unique line or boundary for the phrases "High Plains escarpment", "caprock of the High Plains escarpment" or "meanders of the caprock", and that the description doesn't define the term caprock. Mr. Collins concluded stating that "I regret I cannot offer a solution for determining a boundary for regulatory purposes other than having all involved groups meet to discuss possible ways to best define a boundary, which C.E. stated is what he is having a hard time getting High Plains to agree to. The District's Attorney Monique Norman stated that the 1951 boundary map adopted by the Texas Board of Water Engineers when the High Plains District was created is what our District considers the official map. C.E. added that this map is very similar to what High Plains used up to 2013. Ms. Norman also stated that the District along with the Potter-Randall Appraisal District at our urging have requested multiple times for High Plains to provide the basis of their map but have yet to receive a response.

President Hardcastle reminded the Board that the boundary issue came to light when last year K-Ran Drilling drilled a well in the PGCD District without first obtaining the proper paperwork. The driller thought the well location was in High Plains' District due to the confusion with the boundary between High Plains and PGCD in Bushland.

After discussion President Hardcastle asked the Board if everyone was in agreement that the 1951 boundary is the official boundary. All agreed. Ms. Norman stated that the next step is to send an amicable but serious letter on her letter head to High Plains outlining our evidence and stating that the Board would like to move forward in resolving this issue.

After further discussion Bill Breeding made the motion to have the District's Attorney Monique Norman draft a letter to the High Plains Underground Water Conservation District Board of Directors, stating that the Board does not agree with their boundary and recognizes the original 1951 boundary as the official boundary, and to give the Staff the ability to negotiate delineating the boundary by section lines in order to provide consistency with past and future well permitting, seconded by Jim Thompson, motion passed unanimously

AGENDA ITEM 9 - CONSIDERATION AND POSSIBLE ACTION ON DRAFT RULES 3 AND 4 AMENDMENTS

General Manager C.E. Williams discussed the amendments made to draft rules 3 and 4 after the April 12, 2018 meeting. Mr. Williams stated that at the last meeting it was decided to keep permitting 1" wells drilled on 10 acres

or less; therefore, a Small Tract Permit was created under 4.1 (3) to handle the 10 acres or less permitting. C.E. added that the information under Rule 15 was moved to Rules 3 & 4 with the 50/50 Standard now being under Rule 3, 3.1(a) and the Operating Permits are in Rule 4, 4.2. C.E. continued stating that there have not been any specific penalties established for over producing in Rule 3.

District Consultant Bill Mullican stated that it was realized that the language in Rule 4 has become real foundational and its content is going to drive all the other rules; therefore, before the next meeting all the other rules will be reviewed to ensure that they are in sync with Rule 4. Mr. Mullican added that there is an averaging provision in place on annual meter readings. Bill continued making the Board aware that the District's depletion program of measuring wells and creating maps showing areas of high decline will continue for education purposes and reported in the annual July newsletter and the IRS depletion map is still required and both will stay in the management plan and be reported in the annual report, they just won't be captured in the rules. Bill stated that after the rules are amended and approved the next step will be to immediately amend the Management Plan to bring it into line with the new rules.

After much discussion the Board instructed the Staff to review and amend all other rules as needed and send a red line strike-through version of amendments to all board members before the August board meeting.

AGENDA ITEM 10- 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. PO-551-DW – SERGIO MENDOZA – A 1” well to be drilled on 1.1 ac by Etter Water Well by 5/15/18 in the SW4 of Section 5, Blk 2, AB&M Survey (being located in Highland Ranches Addn. #1, Lot 002, Block 0001, 7/10 mi W of Carson County Line @ 2804 Raef Rd) Potter County, Texas
2. PO-552-DW – CLAYTON HOMES - A 1” well to be drilled on 5 ac by 4M Drilling by 4/13/18 in the SW4 of Section 218, Block 2, AB&M Survey (being located @ 3500 Marshall Dr approx. 3 ½ mi N of 335 Loop E on N Western St then E on Marshall Dr nearly 5/10 mi with the well on N side of road, N of Amarillo City Limits) Potter County Texas
3. PO-553-DW – DANIEL WOODRUFF- A 1” well to be drilled on 5.5 ac by Etter Water Well by 5/4/18 in the SW4 of Section 17, Block 2, AB&M Survey (being located @ 1210 FM 1912, approx. ¼ mi N of FM 2575 on E side of FM 1912 just outside Amarillo City Limits) Potter County Texas
4. PO-554-DW – CYNTHIA LANHAM- A 1” well to be drilled on 1.21 ac by K-Ran Drilling by 5/4/18 in the NW4 of Section 56, Block 9, BS&F Survey (being located on Lot 31, Lot 6, Block 3, Bishop Hills @ #5 Lancaster Rd. approx. 2/10 mi N from Ranch Rd 1061 on Judd Blvd, then E to well location, outside Amarillo City Limits) Potter County Texas

OTHER WELLS

5. DO-481 – R&C FAMILY LTD PARTNERSHIP- A 4” well to be drilled on 640 ac by John Morrow by 5/11/18 in the NW4 of Section 74, Block C6, GC&SF Survey (being located 3.2 mi S of Clarendon on E side of Hwy 70 South) Donley County Texas
6. WH-345 – RONALD R BROWN- A 4” well to be drilled on 362 ac by First Priority by 5/18/18 in the SW4 of Section 50, Block 24, H&GN Survey (being located on the E side of Co Line Rd approx. 7/10 mi S of Ranch Rd 2473 Just E of Gray County Line) Wheeler County Texas

John R. Spearman, Jr. made the motion to approved Agenda Item 10 A 1-6, seconded by Charles Bowers, motion passed unanimously.

B. DRILLING PERMITS FOR WELLS LARGER THAN 4"

1. **DO-483 – DEREK G HOWARD** – A 6" well to be drilled on 200 ac by John Morrow by 4/16/18 in the NW4 of Section 6, Block C9, LH Carhart Survey (being located approx. 2 1/10 mi N of Hwy 287 on Co Rd 13 then E to well location) Donley County Texas
2. **WH-344 – JOHN RICHARD HEFLEY** – A 5" well to be drilled on 330 acres by First Priority by 5/1/18 in the NW4 of Section 56, Block 13, H&GN Survey (being located approx. 8 ½ mi E of Shamrock on I-40, then N approx. 2/3 mi, then E to well location) Wheeler County Texas
3. **GR-781– WILLEM HARTMAN** – A 5" well to be drilled on 320 acres by 3T by 5/11/18 in the NW4 of Section 56, Block 13, H&GN Survey (being located approx. 1 mi S of Pampa City Limits on S Barnes St that turns into FM 749 in the SE corner of intersection of FM 749 and S Loop 171) Gray County Texas
4. **GR-784-R – NANCY CERVI** An 8" well to be drilled on 335 ac by Hydro Resources by 5/8/18 in the SE4 of Section 1865, Block M2, BS&F Survey (being located 13 mi NE of Pampa on US Hwy 60, then S approx. ½ mi then W to well location) Gray County Texas
5. **CA-1311 – FRIEMEL FAMILY FARMS** A 6" well to be drilled on 640 ac by Hydro Resources by 5/11/18 in the SE4 of Section 39, Block M4, H&GN Survey (being located approx. 9 mi W of Groom on N side of I-40 approx. ½ mi on W side of Co Rd T) Carson County Texas
6. **CA-1313 – LANCE OLLINGER** A 6" well to be drilled on 320 ac by 3T Drilling by 5/24/18 in the SW4 of Section 228, Block B2, H&GN Survey (being located approx. 4 ¾ mi N of I-40 & FM 295 intersection, on FM 295 to Co Rd 7, then E 1 ½ mi then S nearly 1 mi to well location) Carson County Texas
7. **CA-1314 – CHARLES BRITTEN** A 6" well to be drilled on 588 ac by Raymond Lichtie by no date in the NW4 of Section 157, Block B3, H&GN Survey (being located approx. 3 ¾ mi W of Groom City Limits on S Side of I-40) Carson County Texas
8. **CA-1316-R – M&S URBANCZYK CHILDRENS TR** An 8" well to be drilled on 1920 ac by Hydro by 5/25/18 in the NW4 of Section 3, Block M4, JH Gibson Survey (being located approx. 5 ½ mi W of Panhandle on FM 293 on S side of FM 293) Carson County Texas
Replacement for CA-1305 approved on 3/1/18 which sanded in – In Study Area 12-1

John R Spearman, Jr. made the motion to approve Agenda Item 10, B, 1-8, seconded by Jim Thompson, motion passed unanimously.

AGENDA ITEM 11 – CONSIDERATION AND POSSIBLE ACTION TO SET FUTURE MEETING DATES

The next meeting date is set for Thursday July 12, 2018 at 9:00 am

AGENDA ITEM 12 – STAFF UPDATES

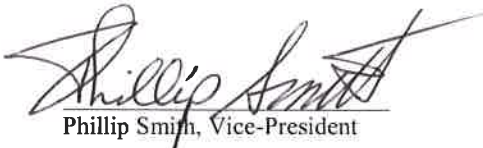
There were no staff updated

AGENDA ITEM 13 – Managers Report

Manager's report attached – No Action Taken

AGENDA ITEM 14 – Adjourn

Joy Shadid made the motion to adjourn, seconded by Bill Breeding, meeting adjourned at 11:55 am


Phillip Smith, Vice-President


Danny Hardcastle, President