

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

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

Thursday September 27, 2018

Those present were:

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

Guests Present: Chad Pernell, CRMWA

AGENDA ITEM 1 – CALL TO ORDER

President Danny Hardcastle called the meeting to order at 9:10 am

AGENDA ITEM 2 – PUBLIC COMMENT

President Hardcastle opened the floor for public comments.

No public comments were made at this time

AGENDA ITEM 3 – CONSIDERATION AND POSSIBLE ACTION ON MINUTES

a. Board Meeting 8.16.18

Phillip Smith made the motion to approve the minutes as written, seconded by Jim Thompson, motion passed. Director Collard was in attendance via conference call and in agreement with the motion but did not vote.

A copy is attached to these minutes

AGENDA ITEM 4 – CONSIDERATION AND POSSIBLE RATIFY THE EXPENDITURES

- a. August 2018

Joy Shadid made the motion to approve the July 2018 expenditures, seconded by Jim Thompson, motion passed. Director Collard was in attendance via conference call and in agreement with the motion but did not vote.

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

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

- | | | | |
|----|------------------------------------------|--------------------|------------|
| a. | Lot 66, Peyton Place, Howardwick, TX | Minimum Bid: \$570 | Bid\$570 |
| b. | Lots 76-77 Peyton Place, Howardwick, TX | Minimum Bid: \$730 | Bid: \$730 |
| c. | Lots 62-63, Peyton Place, Howardwick, TX | Minimum Bid: \$570 | Bid: \$570 |

Jim Thompson made the motion to approve items a-c of the Donely Co Sheriff's sale, seconded by Phillip Smith, motion passed. Director Collard was in attendance via conference call and in agreement with the motion but did not vote.

AGENDA ITEM 6 – CONSIDERATION AND POSSIBLE ACTION TO AMEND 2017-2018 BUDGET CATEGORIES

General Manager C.E. Williams made the Board aware that in anticipation of the rule change concerning meters he ordered sixty meters at a cost of approximately \$66,000. This purchase exceeds the 17-18 budgeted amount for meters; however due to the fact the overall budget for 17-18 is underbudget an amendment is not required, per District auditor James Allen's office. No action taken.

AGENDA ITEM 7 – CONSIDERATION AND POSSIBLE ACTION ON AUDIT CONTRACT WITH JAMES ALLEN CPA

Phillip Smith made the motion to approve the contract with Allen & Ortega CPA to perform the District's FY 2017-2018 annual audit, seconded by Charles Bowers, motion passed. Director Collard was in attendance via conference call and in agreement with the motion but did not vote.

AGENDA ITEM 8 - CONSIDERATION AND POSSIBLE ACTION ON BOUNDARY ISSUES BETWEEN HIGH PLAINS AND PANHANDLE GROUNDWATER CONSERVATION DISTRICTS

General Manager C.E. Williams made the Board aware that himself, Board President Danny Hardcastle and Board Vice-President Phillip Smith met with representatives from the High Plains Water District, the Potter-Randall Appraisal District and State Representative Four Price at Mr. Price's office in Amarillo on Monday September 24th to discuss the boundary dispute between High Plains and Panhandle Groundwater Districts. Mr. Williams stated that not much progress was made and recommends going into executive session with the District's Attorney to discuss a course of action.

At 9:26 am the Board recessed into Executive Session under Texas Open Meetings Act Chapter 551 Government Code 551.071 Attorney Privilege

President Hardcastle reconvened the meeting at 10:39 am

Phillip Smith made the motion to instruct the District's Attorney Monique Norman to notify Armstrong County Appraisal District in writing that the District does not agree with the changes proposed by High Plains Water District to the taxable boundary between them and the Panhandle Groundwater

Conservation District, seconded by Bill Breeding, motion passed. Director Collard was in attendance via conference call and in agreement with the motion but did not vote.

Phillip Smith made the motion to instruct the District's Attorney Monique Norman to notify High Plains Water District in writing that the District will remain with the appraisal district's taxable boundary between High Plains Water District and the Panhandle Groundwater Conservation District in Armstrong and Potter Counties following the sections lines. The District will concede sections 195, 196 and 126 in block 9, BS&F survey, Potter County, and approximately 30 acres of the southeast quarter of the southeast quarter of section 77, block 9, BS&F survey, Potter County owned by Delbert Hollis to High Plains Water District, due to the fact that they have permitted wells in these sections. Have the agreed to boundary memorialized by legislative resolution in 2019 by the Texas Legislature. Should the resolution conceding these sections not pass, then the District will revert to following the current appraisal district lines. Seconded by Jim Thompson, motion passed. Director Collard was in attendance via conference call and in agreement with the motion but did not vote.

AGENDA ITEM 9 – REPORT ON ANNUAL REVIEW OF DEPLETION

General Manager C.E. Williams stated that due to the fact we are still under the current rules the management plan requires that the cumulative percent decline analysis be presented to the Board annually

District Hydrogeologist Steve Shumate reviewed and discussed the depletion analysis with the Board. Mr. Shumate highlighted several wells throughout the District exceeding the percent decline, commenting on an area in Wheeler County that exceeds the percent decline due to thin saturated thickness rather than production, confirming that saturated thickness effects the percent decline. Steve added that all the wells highlighted except the one in Wheeler County are in existing study areas, and under the current rules would meet the criteria to be placed in a conservation area.

The presentation is attached to these minutes

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-557-DW – JOHN SMITH – A 1” well to be drilled on 3.14 ac by Etter Water Well by 8/16/18 in the SW4 of Section 164, Blk 2, AB&M Survey (being located ¼ mi W of Hwy 2587 on W Willow Creek Dr., then N on McLemore Lane to second house on W side of street, approx. ¼ mi W of Amarillo City Limits) Potter County, Texas
2. PO-558-DW – LINDA WILLIAMS - A 1” well to be drilled on 9 ac by Etter Water Well by 8/31/18 in the SE4 of Section 113, Block 9, BS&F Survey (being located @ 1301 Mule Deer Rd on W side of Mule Deer Rd, being approx. 3 mi W of Amarillo City Limits on Indian Hill Rd, then N on S Dowell Road continuing N onto Mule Deer Rd to 3rd house on the W) Potter County, Texas
3. PO-559-DW – STEPHANIE BAEZA- A 1” well to be drilled on 1 ac by Etter Water Well by 9/11/18 in the NE4 of Section 134, Block M19, AB&M Survey (being located @ 3120 Padron Ave on Glenn Estates #3, Lot 041, Blk 0003 in the SE part of the E end of Padron Ave, ½ mi N of Amarillo City Limits) Potter County Texas
4. PO-560-DW – HOME BY LYONS LLC- A 1” well to be drilled on 7.95 ac by Currie Drilling by 9/20/18 in the SW4 of Section 17, Block 2, AB&M Survey (being located @ 16161 FM 2575 approx. 2/10 mi E of FM 1912 on FM 2575 then on N side of road) Potter County Texas

5. **PO-561-DW – HENRY KULCZYK**- A 1" well to be drilled on 1.028 ac by Currie Drilling by 9/21/18 in the SE4 of Section 77, Blk 9, BS&F Survey (being located in the NW corner of intersection of Indian Hills road and Girl Scout Rd, approx. 1 ½ mi W of Amarillo City Limits and approx. 182 mi N of I-40) Potter County, Texas
6. **CA-1320-DW – ROGER & MARY CAFFEE** – A 1" well to be drilled on 4 ac by Magic Circle by 9/15/18 in the SW4 of Section 4, Block B4, H&GN Survey (being located approx. ½ mi N on Co Rd 305, then E, then N on 305 on E side of 305 @ 348 Co Rd 305 in Web Bragg Addn, E of Amarillo on N side of I-40) Carson County, Texas
7. **DO-486-DW-R – BARBARA HELMS** – A 1" well to be drilled on 3 blocks by Morrow Drilling by no date in the SW4 of Section 33, Block C6, GC&SF Survey (being located in block 175 in Clarendon City Limits at the intersection of Allen and 8th Streets) Donley County, Texas **Replacement**

John R Spearman, Jr. made the motion to approve Agenda Item 10, A, 1-7, seconded by Bill Breeding, motion passed. Director Collard was in attendance via conference call and in agreement with the motion but did not vote.

OTHER WELLS

8. **AR-73-SW-Oth – CLAUDE ISD** - A 1" well to be drilled on 5 ac by K-Ran by 8/31/18 in the SW4 of Section 194, Block B4, H&GN Survey (being located 2/3 mi S of CR 14 & Hwy 1151 on E side of CR 14, approx. ½ mi SW of Claude City Limits) Armstrong County Texas
9. **DO-485-MUN – CITY OF CLARENDON**- A 2" well to be drilled on 5.77 ac by John Morrow by 9/1/18 in the SE4 of Section 33, Block C6, GC&SF Survey (being located on lots 13-24, Block 42 & Lots 7, 8 & part of 9, Block 61 and Block 139 in Clarendon City Limits, 20 feet E of intersection of S Kearney & W 5th Streets) Donley County Texas **3 Easements on file**

Bill Breeding made the motion to approve Agenda Item 10, A, 8 & 9, seconded by Joy Shadid, motion passed. Director Collard was in attendance via conference call and in agreement with the motion but did not vote.

B. DRILLING PERMITS FOR WELLS LARGER THAN 4"

1. **RO-233-R – BOB ADCOCK** – A 10" well to be drilled on 960 ac by Hydro by 9/17/18 in the NW4 of Section 32, Block 2, I&GN Survey (being located approx. 5/10 N of Stone Rd & Turkey Track Rd intersection then W approx. 5/10 mi to well location) Roberts County Texas. **Replacement Well**

Bill Breeding made the motion to approve Agenda Item 10, B, 1, seconded by Jim Thompson, motion passed. Director Collard was in attendance via conference call and in agreement with the motion but did not vote.

AGENDA ITEM 11 – STAFF UPDATES

Assistant Manager Peter Winegeart presented graphs of production information using existing study areas mapped with contiguous acreage information and information from meters that had 3 years of data. The graphs identified the number of producers exceeding the one-acre foot allowable and what crops they are producing. Mr. Winegeart also presented a map using the depletion rule methodology to identify over production in comparison to using meter reading data in identifying over production. Peter drew the Boards attention to sections in Carson County that per

the meter data is exceeding the one-acre foot, but not being identified using the depletion rule methodology due to saturated thickness.

General Manager C.E. Williams stated that he feels this data makes the case for moving to meter data in identifying where the production is taking place.

The presentation is attached to these minutes

AGENDA ITEM 12 – CONSIDERATION AND POSSIBLE ACTION ON DRAFT RULES

General Manager C.E. Williams reviewed and discussed the final draft of the proposed rule changes with the Board. Mr. Williams stated that the fine schedule for violation of the one-acre foot allowable was lowered to be what the Staff feels is a more reasonable amount. Discussion followed concerning when the fine schedule resets after the first violation for a producer who exceeds the one-acre foot allowable. It was decided that after the first violation the producer must go 3 years without a violation in order to reset the fine. After further discussion it was decided to set a date for the public hearing on the rule changes.

Joy Shadid made the motion to set the public hearing date for Thursday December 20th, seconded by Bill Breeding, motion passed. Director Collard was in attendance via conference call and in agreement with the motion but did not vote.

Mr. Williams continued stating that the new rules will require meters on all wells 2" or greater so the Board agreed at the August 16th meeting to offer a cost share program on the cost of the meter; however, the amount of the cost share was never decided. After discussion concerning the amount of the cost share, who the responsible party for the maintenance and repair of the meters is and the possibility of charging the producer for parts to repair the meters it was decided to bring these issues back to the October meeting for further discussion.

AGENDA ITEM 13 – CONSIDERATION AND POSSIBLE ACTION SCHEDULING OF PROPOSED EDUCATION TOUR

The Staff will begin scheduling the educational meetings. No action taken

AGENDA ITEM 14 – MANAGERS REPORT

Managers Report Attached – No Action Taken

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

The next meeting date is set for Tuesday October 23rd at 9:00 am

AGENDA ITEM 16 – Adjourn

Joy Shadid made the motion to adjourn the meeting at 12:24 pm, seconded by Phillip Smith, meeting adjourned

Joy Gray Shadid
Phillip Smith, Vice President
Joy Gray Shadid, Acting Sec.

Danny Hardcastle
Danny Hardcastle, President