

**PANHANDLE GROUNDWATER  
CONSERVATION DISTRICT  
BOARD OF DIRECTOR'S REGULAR MEETING**

DISTRICT OFFICE - Windmill Room  
201 W. Third Street, White Deer, Texas  
August 6, 2024– 9:00 a.m.

Those Present Were:

Devin Sinclair	Vice President
Lee Peterson	Secretary
Charles Bowers	Director
John R. Spearman Jr.	Director
David Hodges	Director
Wes Stockett	Director
Marcus Hardcastle	Director
Britney Britten	General Manager
Ashley Ausbrooks	Hydrogeologist/PM
Jake Robinson	Meter Specialist

Guests Present: Benjamin Orr, City of Amarillo; and Chad Parnell, CRMWA.

1. CALL MEETING TO ORDER

Vice President Sinclair called the Regular Meeting to order at 9:05 a.m.

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

None.

3. CONSIDERATION AND POSSIBLE ACTION ON MINUTES FROM JUNE 6, 2024

a) First Meeting's Minutes

***Director Peterson motioned to approve the minutes from the June 2024 Regular Meeting minutes on June 6, 2024. Director Stockett seconded. The motion passed unanimously.***

b) Second Meeting's Minutes

***Director Hardcastle motioned to approve the minutes from the second meeting on June 6, 2024, to approve the Public Hearing minutes on the District's Management Plan, seconded by Director Spearman. The motion passed unanimously.***

4. CONSIDERATION AND POSSIBLE ACTION ON EXPENDITURES

a) May 2024

***Director Spearman motioned to approve the May 2024 expenditures, seconded by Director Bowers. The motion passed unanimously.***

b) June 2024

General Manager Britten noted that we are currently on track to be under budget for the 2023-2024 fiscal year.

***Director Hodges motioned to approve the June 2024 expenditures, seconded by Director Peterson. The motion passed unanimously.***

5. 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

General Manager Britten stated that all entities reported for this quarter.

***Director Spearman motioned to approve all Quarterly Production Reports and out-of-District transportation reports, seconded by Director Stockett. The motion passed unanimously.***

6. CONSIDERATION AND POSSIBLE ACTION REGARDING ENFORCEMENT PENALTIES UNDER DISTRICT RULE 3.3 – This agenda item is not to discuss District Rules or the penalty schedule as laid out in Rule 3.3. This is a discussion item and possible action regarding operators who have not paid overdue penalties, and to discuss where these penalty fees are placed in the District's budget.

General Manager Britten reported that one Operator on the current list paid their penalty the previous afternoon which leaves two Operators with an outstanding balance from penalties for overproduction on the maximum allowable volume based on their Operating Permits. She stated that she sent certified letters to all Operators who were over the production limit on May 2, 2024, with balances due on June 6, 2024. She noted that she has followed up with both Operators and invited them to the Board Meeting. Director Bowers suggested that another certified letter be sent to the Operators informing them of the fines assessed and that they may be contacted by the District's attorney in order to have all penalty fines collected. He also stated the letters should inform them that they would be liable for any related attorney fees and for them to contact the District office before the next regular meeting to make any payment arrangements.

Further discussion regarding the use of any penalty fees collected by the District led Directors to agree that the fees should be used towards public education for all ages.

***Director Hardcastle motioned to send certified letters to all Operators with outstanding balances with balances due by the next regularly scheduled Board meeting, seconded by Director Bowers. The motion passed unanimously.***

7. CONSIDERATION AND POSSIBLE ACTION ON STRATEGIC PLANNING REGARDING THE DISTRICT'S EDUCATION PROGRAM

General Manager Britten reminded the Board that they approved the purchase of the property behind the District office earlier this year. She stated that the current house on the property would not be adequate for future plans regarding an educational center and stated that the District does have a sealed bid for the building to be purchased and removed at the bidder's expense. She also stated that she has been in discussions with various contractors for options to have the home demolished, if necessary. Britten detailed options for the Board to consider regarding the current property being used for a new

educational center and stated that funding for a new building may require the use of some funds from District reserves.

*No action taken.*

8. CONSIDERATION AND POSSIBLE ACTION ON APPOINTING A BUILDING COMMITTEE

General Manager Britten informed the Board that a building committee may be an option for decisions regarding the new educational center to be built. She stated that all decisions regarding the building and expenditures would come before the entire Board.

*This item has been tabled until a later meeting.*

9. CONSIDERATION AND POSSIBLE ACTION ON SEALED BIDS ON 308 OMOHUNDRO, WHITE DEER, TEXAS

The District Board opened up all sealed bids and accepted the bid in the amount of \$751 from bidder J. Daniels.

*Director Stockett motioned to approve the bid from Ms. Daniels in the amount of \$751, seconded by Director Bowers. The motion passed unanimously.*

10. REPORT FROM THE BUDGET COMMITTEE AND CONSIDERATION AND POSSIBLE ACTION ON THE 2024-2025 BUDGET

Director Spearman reported that the budget committee met on August 5, 2024. He highlighted that the budget is similar to the previous year with a slight decrease in property tax income due to fluctuations with oil and gas production in some counties. He noted that District reserves have increased over time and the committee has decided to move some funds from reserves into the main account. General Manager Britten stated that the District found a new health insurance provider which saved a substantial amount while having minimal changes to employee benefits. She also noted that the precipitation enhancement program may need some additional review in the future due to aging equipment.

*Director Spearman motioned to approve the 2024-2025 Budget, seconded by Director Stockett. The motion passed unanimously.*

11. CONSIDERATION AND POSSIBLE ACTION ON SETTING THE PROPOSED 2024-2025 TAX RATE

General Manager Britten and the Budget Committee recommended the Board adopt the proposed no-new-revenue tax rate of \$0.008163/\$100 valuation.

*Director Peterson motioned to adopt the proposed tax rate of \$0.008163/\$100 valuation for the 2024-2025 tax year, seconded by Director Hardcastle. The motion passed unanimously.*

12. CONSIDERATION AND POSSIBLE ACTION ON ANNUAL REVIEW OF THE DISTRICT'S WATER QUALITY NETWORK

- Ashley Ausbrooks, PG, District Hydrogeologist

District Hydrogeologist Ashley Ausbrooks presented the District's biennial water quality results for the 2024 sampling season. Ausbrooks stated that District staff sampled 85.2% of the wells in Carson, Gray,

and Donley (Water Quality 2) counties this summer. She noted that for the biennial 2023-2024 water quality season 256 of 304 network wells (84.2%) were sampled overall which meets the District Management Plan performance standard 6.1a. Objective 6.1a of the District's Management Plan states 80% of the wells in the District Water Quality Network will be sampled on a biennial basis.

To view all water quality results for the 2024 sampling season, please reference the full presentation attached to the minutes.

***Director Bowers motioned to accept the 2024 water quality results, seconded by Director Hodges. The motion passed unanimously.***

### 13. CONSENT AGENDA – DRILLING PERMITS

The following items are a part of the Consent Agenda. All Well Permit requests have been thoroughly reviewed by the staff, are administratively complete and the General Manager and Permitting Administrator recommend issuance.

#### **RECLASSIFY WELLS –**

1. Justin Dauer requests to reclassify well #646707 located in the SW4 of Section 18, Blk 2, TT RR Survey in Carson County, from an 8” to a 6” well
2. Taufiq Mithani with Wattrabbit requests to reclassify well #639253 located on the SE4 of Section 18, Blk 4, I&GN Survey in Carson County from a 2” well to a 1” well

General Manager Britten stated that all wells to reclassify have been flow tested and are confirmed to meet the recommended issuance.

***Director Spearman motioned to approve all well reclassification requests, seconded by Director Hodges. The motion passed unanimously.***

#### **DRILLING PERMITS FOR WELLS PUMPING LESS THAN 25,000 GALLONS A DAY**

1. Wattrabbit – A 1” well to be drilled on 4 acres by Howell Drilling to be drilled by 6.20.24 located in the SE4 of Section 18, Blk 4, I&GN Survey (being located approx. 3 mi N of White Deer at the intersection of CR 20 & CR Y) **CARSON COUNTY WELL #1**
2. Wattrabbit – A 1” well to be drilled on 4 acres by Howell Drilling to be drilled by 6.20.24 located in the SE4 of Section 18, Blk 4, I&GN Survey (being located approx. 3 mi N of White Deer at the intersection of CR 20 & CR Y) **CARSON COUNTY WELL #2**

Permitting Administrator Julie Bennett informed the Board that approval of the second Wattrabbit listed above would risk putting them out of compliance with District Rule 4.2(g) which states the maximum allowable rate of production is 4.5 gallons per minute per contiguous acre. Wattrabbit currently owns a four acre tract which allows them up to 18 gallons per minute (gpm) of production. Item two listed for reclassification currently produces 4 gpm and the two wells listed to be permitted for drilling both produce approximately 15 gpm. General Manager Britten confirmed that by approving both listed wells above, the Operator would be considered out of compliance with District rules. She also noted that the Operator has elected to be metered, but the rate of production is the main concern since the wells drilled meet spacing requirements.

Director Peterson noted that it would make sense to deny the drilling permit for one of the two wells until the Operator can come into compliance with the maximum allowable rate of production and stated that the Operator could install a Dole Flow regulator to help maintain a defined and acceptable flow rate. He added that additional options may be available for compliance and once the Operator is compliant with Rule 4.2(g), the Board can reconsider approving the permit for the well.

***Director Peterson motioned to approve item 1 and deny item 2 of the drilling permits for wells pumping less than 25,000 gallons a day, seconded by Director Spearman. The motion passed unanimously.***

**DRILLING PERMITS FOR WELLS PUMPING MORE THAN 25,000 GALLONS A DAY  
OR MORE THAN 17.5 GPM-**

1. Justin Dauer – An 8” well to be drilled on 1017 acres by Lichtie Drilling to be drilled by 6.3.24 located in the SW4 of Section 18, Blk 2, TT RR Survey (being located SE of Panhandle approx. 5 mi on Hwy 207, approx. 1 mi E of CR Q, ¾ mi S of CR 7) **CARSON COUNTY**
2. CRMWA – An 8” well to be drilled on 433,253 acres by Hydro Resources to be drilled by 6.14.24 located in the NE4 of Section 30, Blk 2, I&GN Survey (being located approx. 5 mi E of Hwy 70, approx. 2 mi NE of Turkey Track Rd, approx. 5 mi W of FM 2699) **ROBERTS COUNTY**
3. CRMWA – An 8” well to be drilled on 433,253 acres by Hydro Resources to be drilled by 6.14.24 located in the NE4 of Section 45, Blk 2, I&GN Survey (being located approx. 5 mi E of Hwy 70, Approx 4 mi W of FM 2699, Approx 1 ½ mi NW of Turkey Track Rd) **ROBERTS COUNTY**
4. CRMWA – An 8” well to be drilled on 433,253 acres by Hydro Resources to be drilled by 6.14.24 located in the SW4 of Section 29, Blk 2, I&GN Survey (being located approx. 5mi E of Hwy 70, approx. 5 mi W of FM 2699, approx. 2 mi N of Turkey Track Rd) **ROBERTS COUNTY**
5. CRMWA – An 8” well to be drilled on 433,253 acres by Hydro Resources to be drilled by 6.14.24 located in the SW4 of Section 28, Blk 2, I&GN Survey (being located approx. 5 mi E of Hwy 70, approx. 5 ¼ mi NW of FM 2399, approx. 3 ¼ mi N of Turkey Track Rd) **ROBERTS COUNTY**
6. TR Land & Cattle/Ron Brown – a 6” well to be drilled on 362 acres by First Priority Drilling to be drilled by 7.3.24 located in the NW4 of Section 50, Blk 24, H&GN Survey (being located NE of Mclean at the Gray/Wheeler County line at the intersection of County Line Rd & FM 2473, E side of County line Rd, S side of FM 2473) **WHEELER COUNTY**

***Director Peterson motioned to approve the drilling permits for wells pumping more than 17.5 gallons per minute, seconded by Director Bowers. The motion passed unanimously.***

**14. CONSIDERATION AND POSSIBLE ACTION TO NOMINATE CANDIDATES PLACED ON THE BALLOT FOR ELECTION TO THE ARMSTRONG COUNTY APPRAISAL DISTRICT BOARD OF DIRECTORS**

General Manager Britten stated that two board members, Clint Cornell and Lucas Minkley, are running for reelection to the Armstrong County Appraisal District Board of Directors.

***Director Spearman motioned to place Clint Cornell and Lucas Minkley on the ballot for election to the Armstrong County Appraisal District Board of Directors, seconded by Director Peterson. The motion passed unanimously.***

15. DISCUSSION OF DISTRICT RULES

No discussion.

16. STAFF UPDATES

None.

17. MANAGER'S REPORT

a) GMA 1 Update

General Manager Britten presented her report to the Board of Directors in the Board Packets, which included past and upcoming meetings, District public education events, District well statistics, and a weather update. Britten also stated that GMA 1 met on July 18<sup>th</sup> and that the Texas Water Development Board (TWDB) is conducting model verifications and refinement. The planning group for GMA 1 is waiting to see the results of the verification before moving forward with the current modeled available groundwater numbers (MAG) in order to ensure agreement with the models. This may result in Intera updating the MAG to 2020 due to enforcement procedures in the North Plains GCD.

18. CONSIDERATION AND POSSIBLE ACTION TO SET FUTURE MEETING DATES

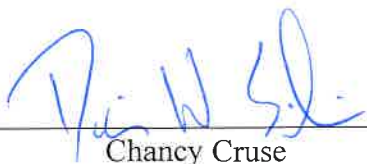
The next Regular Board of Directors meeting is scheduled for Tuesday, September 17, 2024, at 9:00 a.m.

19. EXECUTIVE SESSION ON LISTED AGENDA ITEMS

None.

20. ADJOURN

***Director Peterson motioned to adjourn the meeting at 11:20 a.m., seconded by Director Hardcastle. The motion passed unanimously.***



---

Chancy Cruse



---

Lee Peterson