

PANHANDLE WATER PLANNING GROUP

Minutes

January 24, 2012

A meeting of the Panhandle Water Planning Group (PWPG) was held on Tuesday, January 24, 2012, at 1:30 p.m. in the PRPC Board Room, 415 West Eighth Avenue, Amarillo, Potter County, Texas.

Chairman C.E. Williams presided

MEMBERS PRESENT:

Dr. Nolan Clark, David Landis, Cleon Namken, Grady Skaggs, Nicholas Kenny as designated alternate for Dr. John Sweeten, Joe Baumgardner, Steve Walthour, Tonya Kleuskens, Judge Vernon Cook, Charles Cooke, Emmett Autrey, Jim Derington, Rick Gibson, Beverly Stephens as designated alternate for Sandy Keys, C.E. Williams, Bob Meyer, John Williams, Doug Shaw, Temple McKinnon, Simone Kiel, Kent Satterwhite and Charles Munger.

MEMBERS ABSENT:

Janet Guthrie, Janet Tregellas, Lynn Daniel, Rusty Gilmore, Bill Hallerberg, Tom Bailiff, Ben Weinheimer and Steve Jones.

OTHERS PRESENT:

Cindy Cockerham, Sara Clifton, Heather Langkor, Clayton Scales, Tim Raines, George Ozuna, James Beech and Dale Hallmark.

STAFF PRESENT:

Jamie Allen, Local Government Services Coordinator, Kyler Estes, Local Government Services Program Specialist

1. CALL TO ORDER

C.E. Williams called the meeting to order thanking Cindy Cockerham and Sara Clifton for being in attendance and welcoming the rest of those in attendance as well.

2. **ROLL CALL OF MEMBERS TO ESTABLISH QUORUM AND ACKNOWLEDGEMENT OF ANY DESIGNATED ALTERNATES**

Mrs. Allen called the roll and established that a quorum was present. She also recognized the designated alternates as presented above in the members present list.

3. **CONSIDER – THE MINUTES FROM THE REGULAR MEETING HELD ON SEPTEMBER 22, 2011.**

Dr. Nolan Clark noted that under item number 7, 8nd should read 82nd. David Landis made a motion to approve the minutes as corrected and Steve Walthour seconded the motion. Motion carried unanimously.

4. **CONSIDER – THE MINUTES FROM THE DECEMBER 2, 2011 PWPG AGRICULTURE COMMITTEE MEETING**

Dr. Nolan Clark noted that the meeting time should have been 9:00a.m. instead of 1:30p.m. and moved the minutes be approved as amended. John Williams seconded the motion and the motion carried unanimously.

5. **CONSIDER – THE MINUTES FROM THE DECEMBER 2, 2011 PWPG MODELING COMMITTEE MEETING**

John Williams noted that Bill Hutchison was noted under members present and should have been listed under others present. He also asked that Doug Shaw and Matt Nelson be listed as representing the TWDB. Mr. Williams then made a motion to approve the minutes as amended and Charles Cooke seconded the motion. Motion carried unanimously.

6. **DISCUSS AND ACTION AS NEEDED – QUARTERLY PWPG FINANCIALS**

Dr. Nolan Clark reviewed the financials and noted that the statement discussed is as of November 30, 2011. He noted a balance of \$116, 205 representing the \$63,686 new monies received for dues. He noted expectation that another \$8,000 to \$10,000 additional monies will be received exceeding the dues as paid in 2011. He noted that funds have stayed consistent each year with several Economic Development Corporations having participated recently. He also noted a new state contract was executed in October 2011 and that an initial payment of \$27,362 had been provided by TWDB with a total contracted amount of approximately \$127,000. He made a motion to approve the financial report and Judge Cook seconded the motion. Motion carried unanimously.

7. **DISCUSS AND ACTION AS NEEDED – AGRICULTURE DEMAND PROJECTIONS PROVIDED BY THE TEXAS WATER DEVELOPMENT BOARD**

Dr. Clark noted that the Ag Committee met on December 2, 2011 and that TWDB representatives were in attendance. In summary, Dr. Clark noted a 29% difference in TWDB projections from the projections as made by the PWPG with some counties being as far off as 200%. He noted discrepancies in water application rates between neighboring counties on the same crops. He noted that the Ag Committee recommended to the TWDB that the PWPG be allowed to utilize its own estimates instead of those estimates provided by TWDB. A letter was submitted stating that request and the response letter was in front of members at their table. He also noted that a different amount of water per animal was utilized to determine livestock

demands than the TWDB used. Dr. Clark stated that a considerable amount of time was spent during the last planning cycle to determine water use per animal estimations and that those estimates are different in the PWPG area than they may be in other parts of the State. The response states that PWPG may estimate base numbers while the TWDB will then develop estimates for the next 5 decades based upon those projections. Ms. Kiel concurred noting that the rate of change PWPG utilized for the 2011 plan would be used moving forward. She asked Doug Shaw if the same rate of change was used to get to the 2070 estimates and he answered in the affirmative. John Williams asked if that methodology would take care of all of the variations in application rates as pointed out by Dr. Clark. Ms. Kiel answered in the affirmative, but noted that a small amount of effort would be required to establish base numbers. Ms. Kiel also pointed out that Steve Amason noted that he needed to look back at the data for application rates and livestock variations. It was discussed that 2010 would be the base number with the 2020 numbers being the first estimated numbers. Dr. Clark then asked if the appropriate step moving forward would be to ask Freese and Nichols to come back with proposed cost estimates for additional work with Ag Committee review of those numbers. Ms. Kiel stated that an estimate has been developed by Mr. Amasson. She asked TWDB whether or not monies could be moved from pre-authorized funding or if additional monies could be requested. Temple McKinnon stated that a clear picture of local effort has not been presented to TWDB to date. She stated that 35% of overall budgeted non-municipal need could be moved into different categories or that a contract amendment could be requested to move money from the municipal demand section to the non-municipal demand with approval from PWPG. She noted that category 4D money could not be used for this purpose. Dr. Clark noted that funding options should be reviewed. Chairman Williams asked TWDB if they had a preference for how to proceed. She recommended that the Ag Committee review the scope of work first then review the funding requirements for that. Charles Cooke then made a motion to allow the PWPG Ag Committee to further investigate the matter and be empowered to work with TWDB and Freese and Nichols to see what options exist. Emmett Autrey seconded the motion. Motion carried unanimously.

8. DISCUSS AND ACTION AS NEEDED – GROUNDWATER MODELING METHODOLOGY AND FIGURES PROVIDED BY THE TEXAS WATER DEVELOPMENT BOARD

Ms. Kiel noted that the Modeling Committee agreed that the MAGs that have been developed by TWDB were published utilizing the previous GAM, developed by Alan Dutton. The group came to the conclusion that the Intera GAMs would be used to assess supplies for water user groups, but that until new MAGs were adopted, no changes would be made. With regards to how the new MAGs looked compared to the numbers utilized in the last round of planning, Ms. Kiel noted that comparison charts were currently in production but were not yet complete for dissemination. She noted that based on initial comparisons, there is no real issue or problem with MAG values and availability numbers used in the last round of planning for the Ogallala aquifer. She noted slight changes in the Dockum Aquifer for one or two water user groups. John Williams added that the Modeling Committee observed that the manner of allocation of the available supplies may have been different than used in the previous rounds. He also noted that in the past the PWPG has updated the model as necessary, but that opportunity may not be available through the Regional Water

Planning process, but only through the GMA process. He noted the only role the PWPG would play is to plug in information into the model, not actual model modifying, except in cases of special study allowances by TWDB. Ms. Kiel continued that TWDB maintains the GAM models. Chairman Williams noted that in the foreseeable future, no changes would be made to that process and Ms. McKinnon agreed.

9. **DISCUSS AND ACTION AS NEEDED – SURFACE WATER SUPPLIES APPROACH**

Ms. Kiel began by stating that one of the requirements for Regional Water Planning is that the TWDB discusses specific rules on how to assess surface water supplies in the region. Specifically, they require PWPG to utilize availability models created and maintained by TCEQ as the primary tool for determining supplies. She noted that if the planning group makes any changes to those tools, a letter must be sent to the Executive Director of TWDB requesting permission to make changes and explaining the need for those changes and what the changes are. Additional request is made that if any available supply other than a Firm Yield Analysis is suggested for use that a request stating such will also be sent to the Executive Director of TWDB. She noted a draft letter to the TWDB E.D. and that a letter similar has been sent each planning round. The letter, she noted, discusses Lake Meredith, the Palo Duro Reservoir and the Greenbelt Reservoir. She noted that because of the situation with Lake Meredith, the TCEQ WAMs only include hydrology through 1998 which does not include the drastic drop in inflow as experienced in recent years. The letter is proposing that hydrology for Lake Meredith be extended through 2011 so yield analysis may be appropriately estimated. She explained that until the current drought ends, a firm yield cannot be perfectly estimated and that current numbers are overestimating the yield of Lake Meredith. Also in the letter, Greenbelt has recently completed a study on that lake and that the results of that study should be utilized for supply purposes. In regards to the Palo Duro reservoir, the current thought is that waiting to estimate those numbers would be appropriate as that supply is not slated for use for at least 20 years. Ms. Kiel also noted that a safe yield may be utilized in regards to available surface water supplies. The definition of safe yield, she noted, is the amount of water that can be diverted from a reservoir on an annual basis through the drought of record while leaving a 1 year supply in the reservoir at all times. John Williams pointed out that even utilizing the safe yield, the results will be conditional on some amount of recovery on Lake Meredith because if storage isn't recovered, projections will be different. Ms. Kiel agreed and answered that the numbers will be used for supply but that distribution of supply may be limited for Regional Planning Purposes. Mr. Williams made a motion to approve the draft of the letter as presented and send it to the TWDB and Dr. Clark seconded that motion. Motion carried unanimously.

10. **DISCUSS AND ACTION AS NEEDED – OTHER NON-MUNICIPAL WATER DEMANDS INCLUDING: MINING, MANUFACTURING AND STEAM ELECTRIC POWER**

James Beech presented a Power Point presentation outlining non-municipal projection numbers. He noted that the manufacturing and steam electric projections haven't changed much since the numbers were approved in the previous planning cycle. However, he noted that mining projections were significantly different in some counties. He noted that mining projections are reflective of the B.E.G. report reducing the demand from oil and gas drilling. Ms. Kiel asked the group if a decline in manufacturing water use in Gray County between 2050 and 2060 could be explained.

Judge Cook asked if those declinations reflect the closing of the Celanese plant and C.E. Williams noted that he would think those numbers would have been projected to have dropped more quickly. Ms. Kiel noted that perhaps that was an oversight in the approval of the last plan. John Williams asked about the Potter County manufacturing increases and what may be the cause of that. Mr. Beech answered that where discrepancies between data may be related to an economic analysis and projection from the Bureau of Economic Development. Mr. Williams inquired as to whether or not the City of Amarillo is planning some large scale manufacturing increase in the coming years and whether or not that increase can be attributed to any specific industry increase. Judge Cook noted that Roberts County may have increased numbers due to mining amounts. Ms. McKinnon asked the group to be aware of any demands they see as being different than what is reported and let TWDB know. Ms. Kiel noted that TWDB would like to adopt demand numbers in the Summer of 2012 and stated that suggested changes could be presented to PWPG at a late Spring meeting. Mr. Beech added that he would continue to work with B.E.G. to develop changes based upon information received. Chairman Williams suggested that any recommended changes should be sent to Ms. Kiel and the Executive Committee for initial discussion. No action necessary.

11. DISCUSS AND ACTION AS NEEDED – WATER MANAGEMENT STRATEGIES

Ms. Kiel stated that there is still a need to develop demand and supply numbers prior to creating management strategies. She suggested developing an approach on how to identify water management strategies which are not feasible and determine criteria for retaining water management strategies which are feasible. She asked the group for input on how strategies should be screened. John Williams noted that strategies which were not fully discussed during the last round of planning will have to be discussed because of the current drought situation. Mr. Walthour asked if this has been done anywhere else in the state and whether or not there is a document created on how to determine criteria. Ms. Kiel answered that TWDB has a legislated list of aspects to be considered but that planning groups need to add additional criteria for consideration. No action necessary.

12. DISCUSS AND ACTION AS NEEDED – REGIONAL APPROACH TO POPULATION DEMAND FIGURES PROVIDED TO THE PWPG BY THE TEXAS WATER DEVELOPMENT BOARD

Ms. Kiel stated that TWDB is working on developing population demand projects and corresponding municipal demand projections. It appears that the end of April is the new estimated delivery timeframe for these numbers. She stated that consultants have worked closely with PRPC in soliciting input from municipalities in the Region as well as County Judges and that is the plan for this plan as well. She also stated that PWPG will be working with wholesale providers to develop demand projections and that FNI will take lead on that survey. Mr. Williams asked if there will be an opportunity to compare survey results to the numbers set forth by TWDB and Ms. Kiel answered in the affirmative. No action necessary.

13. DISCUSS AND ACTION AS APPROPRIATE – SCOPE OF WORK DEVELOPMENT FOR SUPPLEMENTAL FUNDING APPLICATION FOR 2016 REGIONAL WATER PLANNING CYCLE

Chairman Williams asked if TWDB had any feel for supplemental funding possibilities. Ms. McKinnon noted that TWDB has \$6.2 million for water planning and that funding will be decided upon in March 2012. She noted that decisions for funding would be based upon TWDB rule revisions. She then added that the \$6.2 million statewide is to be used to determine needs with the remainder of the money to be utilized for evaluating strategies. Chairman Williams asked if the monies will be distributed competitively and Ms. McKinnon answered that it will probably be based upon formulas yet to be developed. She continued that special studies have no line item in the current funding budget. No action necessary.

14. DISCUSS AND ACTION AS APPROPRIATE – GMA #1 REQUEST OF THE TEXAS WATER DEVELOPMENT BOARD RELATING TO THE DESIGNATION OF THE NORTHERN OGALLALA GROUNDWATER AVAILABILITY MODEL

Chairman Williams noted that a letter has been sent from GMA#1 to TWDB requesting that the Northern Ogallala model be the Intera model. Ms. McKinnon noted that no action has been taken by TWDB on that request. Mrs. Allen then noted that Danny Krienke is no longer the Chairman of GMA#1 and that John Spearman is the new Chairman of that group. Mr. Meyer asked if the new update will show DFC differences and Chairman Williams answered that he didn't think so and that in his understanding, TWDB would simply accept the recommendation or not. No action necessary.

15. DISCUSS AND ACTION AS APPROPRIATE – PROPOSED TWDB RULE REVISIONS: PWPG REVIEW AND COMMENT ON PROPOSED REVISIONS

Ms. McKinnon noted that a draft of proposed rule revisions has been disseminated with comments requested to be received back by January 31, 2012 at which time comments will be compiled and how comments were interpreted. A draft with proposed revisions will be taken to TWDB in March and a 30 day public comment period will then be opened. After the public comment period, revisions will be made and the final draft will be presented in May or June. Chairman Williams noted that it was difficult to navigate the new draft. Ms. McKinnon stated that the intent of the revisions was to simplify the rules, remove redundancies and add new statutory requirements from the 82nd legislature. She explained the methodology and mark-up of changes in the rules. Ms. McKinnon also noted collaboration with Texas Parks and Wildlife and the Texas Commission on Environmental Quality in rule revisions. Chairman Williams then asked if a secondary draft will be presented after revisions are made and Ms. McKinnon answered in the affirmative. She also noted intent to indicate what comments were received and how they were or were not implemented in the revisions and that the next draft may look more like the traditional rules document to make it easier to read. There was general discussion of supply vs demand figures in groundwater vs. surface water dependant planning groups. Mr. John Williams then asked about the definition of safe yield and noted that the definition as put forth by TWDB is different than the definition PWPG is using and Ms. Kiel agreed. She then noted that comments would be submitted on this, as well as other issues. Ms. McKinnon added that TWDB was trying to encompass and accommodate all of the definitions for Safe Yield as taken by planning groups across the State. Mr. Walthour asked if there may be a need for PWPG to create a committee to review the document and Chairman Williams answered that the Executive Committee could act as that committee. Ms. McKinnon then added that there is still a public comment period after initial stakeholder comments are taken but that comments on this initial draft could be

taken from anyone until January 31, 2012. Mr. Walthour moved that PWPG review the initial and secondary draft of the rule revisions and present a comment document to the during the next comment period. Mr. Autrey asked for clarification and Mr. Walthour answered that the group as a whole should examine the document, as well as separately. Mrs. Allen then added that a meeting should be called once the document is released with individual members having reviewed the document prior to the meeting. At the called meeting, discussions will take place and if it appears as though the comments will be too lengthy for a full PWPG discussion, perhaps then the Executive Committee could call a meeting to discuss it further. Mr. Walthour agreed to that clarification. Emmett Autrey then seconded the motion by Mr. Walthour. Motion carried unanimously.

16. DISCUSS AND ACTION AS APPROPRIATE – PWPG BYLAWS RELATED TO MEMBERSHIP, GMA REPRESENTATIVES AND INTEREST GROUPS

Mr. Williams noted that GMA #1 appointed Bob Meyer from High Plains to fill the position of GMA #1 representative on the PWPG, contingent upon the approval of the PWPG. He explained that at the last meeting, an agriculture seat was converted to the GMA #1 representative position leaving 3 agriculture seats instead of 4 as had been previously. He then explained that if an additional GMA position is added, there would be 2 GMA positions and 4 Water Group positions. Mr. Walthour then added that the bylaws should read that positions should be classified as “terms” instead of “draws.” Mr. John Williams also noted that the bylaws, in many places, refer to 31 T.A.C. Section 357.4(g)(4) and asked if that provision still existed. Ms. McKinnon answered that it does, but will change once rules are adopted. Judge Vernon Cook then made a motion to approve the bylaw amendments as noted and also change the word “draw” to “term” under Section 1, Composition. Dr. Clark seconded that motion. Motion carried unanimously. There was then general discussion of the GMA/PWPG membership and the dynamic of the GMA positions on the PWPG.

17. REGIONAL REPORTS – REGION B AND REGION O

Region Representatives gave their reports

18. REPORT OR COMMENTS FROM TWDB PERSONNEL

Ms. McKinnon formally introduced Doug Shaw as the TWDB representative to the PWPG and the group welcomed him and thanked Ms. McKinnon for her work.

19. OTHER BUSINESS, CLOSING COMMENTS FROM CHAIRMAN AND BOARD MEMBERS

Steve Walthour mentioned the Drought Workshop that the Panhandle Groundwater Conservation District organized for February and Chairman Williams outlined the program.

20. PUBLIC COMMENT

15. ADJOURN

There being no further business to come before the Group, the meeting adjourned at 3:20 p.m.