

**MINUTES OF THE AUGUST 9, 2011
BOARD OF DIRECTORS MEETING OF
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

The Board of Directors of North Plains Groundwater Conservation District met in regular session August 9, 2011 at 9:30 am in the Board Room of the District office at 603 East First Street in Dumas, Texas. The following persons were present:

Members Present:

Daniel L. Krienke;
Bob Zimmer
Gene Born;
Phil Haaland;
Wesley Spurlock; and,
Brian Bezner.

Staff Present during part or all of the meeting:

Steve Walthour, General Manager;
Dale Hallmark, Assistant Manager/District Hydrologist;
Kristen Alwan, Administrative Assistant;
Randy Coon, Natural Resource Specialist;
Pauletta Rhoades, Finance and Administration;
Christie Frost, Production Specialist;
Karen Mannis, Permit Specialist; and,
Laura West, Natural Resource Specialist

Others present during part or all of the meeting:

Dr. Leon New;
Kevin McCarty;
Sam McCarty;
Sabrina Leven;
Chuck Schoonover;
C. C. Sysombath;
Amy Haschke;
Chip Frost;
Mark Howard;
Bryce Howard
F. Keith Good, Attorney; and,
Claire Walsh, Attorney.

President Zimmer declared a quorum present and called the meeting to order at 9:30 a.m.

Gene Born gave the invocation and Bob Zimmer led the pledge.

President Zimmer then asked if there were persons present who desired to make Public Comment. No public comment was made.

Gene Born moved to approve items 2a, 2b and 2c of the Consent Agenda, consisting of the approval of the minutes of the July 19, 2011 Board of Directors Meeting, District expenditures for July 1, 2011 through July 31, 2011 and the approval of payment to Lemon, Shearer, Phillips & Good, P.C. for professional services and out-of-pocket expenses for the period of July 1, 2011 through July 31, 2011 in the amount of \$4,732.80. Wesley Spurlock seconded the motion and the motion was unanimously approved by the Board.

Karen Mannis was recognized by the Board of Directors for her five years of service to the District and presented with a plaque.

Richard and Judith Carpenter petitioned the District to add Section 4, Block 1, I&GN RR Survey, Dallam County, Texas to the District. Wesley Spurlock moved that it is in the best interest of Richard and Judith Carpenter and the District to grant the petition of Richard and Judith Carpenter to annex Section 4, Block 1, I&GN RR Survey, Dallam County, Texas, into the District. Danny Krienke seconded the motion and it was unanimously approved by the Board.

A Schedule of Well Permits was presented to the Board for its review. Permit 15064 SH-3896 and permit 15065 SH-3897 were removed from the Well Permit schedule to be considered by the Board for approval because the owner of the property had one meter for both wells and the District Rules requires each Well to be metered prior to any Well Permit being approved by the District.

Wesley Spurlock moved to approve all of the following permits as active and complete wells because the wells are properly equipped and otherwise comply with District Rules:

COUNTY	OWNER	WELL	C L	MAX	QURT	SEC	BLK	SUR	YARDS N S	YARDS E W
DALLAM	LABRADOR FARMS INC	DA-3791	B	400	NE	12	2	CSS	582N	669E
DALLAM	PM FARMS LLC	DA-3856	C	800	SE	76	5	CSS	748S	107E
DALLAM	LARSEN FARM LLC	DA-3901	C	800	NW	20	5	CSS	459N	328W
DALLAM	LARSEN FARM LLC	DA-3902	C	800	NE	37	5	CSS	454N	539E
DALLAM	LARSEN FARM LLC	DA-3903	C	800	NW	38	5	CSS	465N	338W
DALLAM	LARSEN FARM LLC	DA-3904	C	800	SE	38	5	CSS	443S	526E
DALLAM	LARSEN FARM LLC	DA-3908	C	800	SE	40	5	CSS	441S	437E
DALLAM	LARSEN FARM LLC	DA-3948	C	800	NE	27	5	CSS	435N	426E
DALLAM	LARSEN FARM LLC	DA-3949	C	800	SE	28	5	CSS	124S	251E
DALLAM	LARSEN FARM LLC	DA-3950	C	800	SE	27	5	CSS	461S	424E
DALLAM	LARSEN FARM LLC	DA-3952	C	800	SE	28	5	CSS	743S	259E
DALLAM	LARSEN FARM LLC	DA-3953	C	800	SW	1	A-1	PSL	377N	259E
DALLAM	LARSEN FARM LLC	DA-3954	C	800	NW	27	5	CSS	426N	476W
DALLAM	LARSEN FARM LLC	DA-4011	C	800	SE	55	5	CSS	429S	427E
DALLAM	LARSEN FARM LLC	DA-4023	C	800	SE	56	5	CSS	654S	824E
DALLAM	LARSEN FARM LLC	DA-4027	C	800	SE	41	5	CSS	746S	201E
DALLAM	LARSEN FARM LLC	DA-4028	C	800	NW	40	5	CSS	754S	220W
HANSFORD	BOYD WILLIS	HN-1916	B	400	SW	131	45	H&TC	575S	20W
HANSFORD	CHANSFORD PROPERTIES LLC	HN-3779	D	1200	SW	128	4-T	T&NO	23S	508W
HANSFORD	CHANSFORD PROPERTIES LLC	HN-3780	C	800	SW	128	4-T	T&NO	859S	21W
HANSFORD	CHANSFORD PROPERTIES LLC	HN-3781	C	800	NW	128	4-T	T&NO	489N	104W
HANSFORD	TIM WILHELM	HN-3789	D	1200	SW	221	2	GH&H	101S	707W
HANSFORD	KEVIN HOLT	HN-3874	C	800	SW	182	2	GH&H	285S	17W
HANSFORD	PHILLIP RENNER	HN-3875	D	1200	SW	69	45	H&TC	462S	321W
HANSFORD	AG PARTNERS	HN-3894	D	1200	SW	213	2	GH&H	551S	275W
HANSFORD	HUGHES MARY J REVOCABLE TR	HN-3911	D	1200	SE	42	R	AB&M	765S	114E
HANSFORD	AG PARTNERS	HN-3993	D	1200	NE	132	2	GH&H	522N	268E
HANSFORD	AG PARTNERS	HN-3994	C	800	NE	270	2	GH&H	447N	101E
HANSFORD	BRAD HART	HN-3995	D	1200	SE	124	45	H&TC	722S	103E
HANSFORD	AG PARTNERS	HN-4048	D	1200	NE	307	2	GH&H	235N	134E
HANSFORD	GEORGE HARDBERGER	HN-4115	D	1200	SW	147	4-T	T&NO	45S	612W
HANSFORD	POTTER VALLEY FARMS	HN-4252	D	1200	NW	112	4-T	T&NO	259N	210W

HARTLEY	KENNETH POWELL EST	HA-3823	C	800	SW	94	48	H&TC	633S	865W
HARTLEY	KENNETH POWELL EST	HA-3824	C	800	NE	107	48	H&TC	772N	280E
HARTLEY	LAKERIDGE ENTERPRISES INC	HA-3835	D	1200	NE	132	48	H&TC	16N	770E
HARTLEY	LATHEM RANCH	HA-3865	C	800	SW	123	48	H&TC	751S	38W
HARTLEY	DOUGLAS LATHEM	HA-3866	C	800	SW	124	48	H&TC	350S	36W
HARTLEY	DOUGLAS LATHEM	HA-3867	C	800	SW	124	48	H&TC	831S	42W
HARTLEY	EDLIN FAMILY TRUST 2010	HA-3963	C	800	NE	127	44	H&TC	446N	450E
HARTLEY	EDLIN FAMILY TRUST 2010	HA-3972	C	800	NE	127	44	H&TC	105N	859E
HUTCHINSON	JERRY NOLAN	HU-3625	B	400	SW	31	3	GH&H	104S	250W
MOORE	BP AMERICA PRODUCTION CO	MO-2399	A	100	NE	170	3-T	T&NO	135N	148E
MOORE	WD CATTLE CO A PARTNERSHIP	MO-2439	B	400	NE	9	1	J POITEVE NT	785N	780E
MOORE	PANHANDLE CHILDRENS FOUNDATION INC	MO-2440	A	100	NE	121	44	H&TC	15N	329E
MOORE	VALERO MCKEE REFINERY	MO-3731	B	400	SE	359	44	H&TC	691S	742E
MOORE	VALERO MCKEE REFINERY	MO-3732	B	400	SE	359	44	H&TC	386S	866E
MOORE	VALERO MCKEE REFINERY	MO-3733	B	400	SE	359	44	H&TC	383S	572E
MOORE	VALERO MCKEE REFINERY	MO-3734	B	400	SE	359	44	H&TC	384S	268E
MOORE	CASEY KIMBRELL	MO-3826	B	400	NW	150	3-T	T&NO	698N	194W
MOORE	BN WILLIAMS	MO-3848	C	800	NE	186	3-T	T&NO	552N	760E
MOORE	CASEY KIMBRELL	MO-4119	C	800	NE	203	3-T	T&NO	811N	160E
OCHILTREE	CITY OF PERRYTON	OC-3580	C	800	SW	926	43	H&TC	33S	657W
SHERMAN	DETTLE FEEDYARD	SH-2326	D	1200	NE	228	1-T	T&NO	200N	104E
SHERMAN	0408 TXUS OCHILTREE LLC	SH-3513	C	800	NE	189	1-C	GH&H	142N	118E
SHERMAN	0408 TXUS OCHILTREE LLC	SH-3555	C	800	NE	189	1-C	GH&H	440N	462E
SHERMAN	W&C LAND & CATTLE LTD	SH-3695	C	800	SW	27	1-T	T&NO	667S	310W
SHERMAN	RUSSELL FANGMAN	SH-3697	B	400	SW	204	1-T	T&NO	288S	870W
SHERMAN	WENDELL STACY	SH-3792	C	800	NW	282	1-T	T&NO	160N	374W
SHERMAN	DONELSON LAND & CATTLE CO	SH-3793	C	800	SW	213	1-T	T&NO	467S	441W
SHERMAN	W&C LAND & CATTLE LTD	SH-3815	C	800	SW	215	1-T	T&NO	100S	108W
SHERMAN	W&C LAND & CATTLE LTD	SH-3816	B	400	SW	60	1-T	T&NO	473S	106W
SHERMAN	W&C LAND & CATTLE LTD	SH-3817	B	400	NW	60	1-T	T&NO	462N	102S
SHERMAN	W&C LAND & CATTLE LTD	SH-3818	B	400	NW	60	1-T	T&NO	166N	274W
SHERMAN	W&C LAND & CATTLE LTD	SH-3819	B	400	SW	60	1-T	T&NO	112S	298W
SHERMAN	LELAH PRICE CRAIG TRUST	SH-3864	D	1200	NW	16	2-B	GH&H	547N	456W
SHERMAN	W&C LAND & CATTLE LTD	SH-3873	B	400	SW	60	1-T	T&NO	861S	861W
SHERMAN	VERNON JACKSON	SH-4111	C	800	SE	6	2-T	T&NO	500S	577E

Danny Krienke seconded the motion and it was unanimously approved by the Board.

The District is funded through ad valorem taxes. Funds generated are calculated by multiplying the total taxable value of properties within the District and the tax rate set by the District. Before the board meeting, the District published its notice concerning the 2011 property tax rates for the District. It presents information about three tax rates. Last year's tax rate is the actual rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

	<u>General Fund</u>
Last year's tax rate:	
Last year's operating taxes	\$ 1,625,051
Last year's debt taxes	\$ -
Last year's total taxes	\$ 1,625,051
Last year's tax base	\$ 6,911,286,827
Last year's total tax rate	0.023513/\$100

This year's effective tax rate:	
Last year's adjusted taxes (after subtracting taxes on lost property)	\$ 1,630,066
÷ This year's adjusted tax base (after subtracting value of new property)	\$ 6,817,835,858
= This year's effective tax rate (Maximum rate unless unit publishes notices and holds hearings.)	0.023908/\$100

This year's rollback tax rate:	
Last year's adjusted operating taxes (after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice mandate, and/or enhanced indigent health care expenditures)	\$ 1,630,066
÷ This year's adjusted tax base	\$ 6,817,835,858
= This year's effective operating rate	0.023908/\$100
x 1.08 = This year's maximum operating rate	0.025820/\$100
= This year's total rollback rate	0.025820/\$100

Statement of Increase/Decrease

If North Plains Groundwater Conservation District adopts a 2011 tax rate equal to the effective tax rate of 0.023908 per \$100 of value, taxes would increase compared to 2010 taxes by \$44,190.

Schedule A

- Unencumbered Fund Balances

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
M & O Account	\$500,000

The Board discussed setting the tax rate hearings on August 15th and August 19th. Danny Krienke moved to propose a new tax rate of .02581 to fund the proposed 2011-2012 budget. Wesley Spurlock seconded the motion and a roll call vote was called for by the President, with the Board members voting as follows:

For the proposal: Bob B. Zimmer, Bryan Bezner, Gene Born, Phil Haaland, Wesley Spurlock and Daniel L. Krienke.

Against the Proposal: None

Present and not voting: None.

Absent: Harold Grall.

The motion passed by the unanimous vote of the Board members present.

By consensus, the Board selected Lavin Associates, Inc. of Amarillo as the most qualified architectural firm to provide professional services to redesign the Districts office space or design a new space which will occur in two phases.

Lavin Associates, Inc. will perform the following:

Phase One:

- Develop a "program of spaces" for the District's current office and field functions and help with potential growth projections into the near future;
- Prepare an "as-built" floor plan based on existing drawings on Lavin staff's field measurements to verify the alterations made over the years;
- Explore with the District various available options to remodeling and/or expanding the current facility using the space program and the base floor plan;
- Develop an overall budget for the work using the plans; and
- Compare a building remodel to a possible new facility in another location.

The total cost of the preliminary phase will not exceed \$8,000.

Phase Two:

If the District decides to proceed with the project, Lavin Associates, Inc. charges an A/E fee of 7% of the Cost of Construction, if the new office building scheme is selected, or an A/E fee of 8.5% of the Cost of Construction if the office remodel/expansion scheme is selected. The fee is for the "Basic A/E Services" which include the fees of the architects and staff, and also the fees of the structural, mechanical and electrical engineers. Any additionally desired or required consultants would be a reimbursable expense which could include a surveyor, a geotechnical report, and a civil engineer for storm water planning and reports, printing, postage, travel, TAS fees, etc. and will be itemized in a project budget cost projection for District approval.

Wesley Spurlock stated that a third option for the Board's consideration would be to purchase an existing building in the community.

Danny Krienke moved that at this time, the Board approve only the Phase I proposal by Lavin Associates, Inc. not to exceed \$8,000.00. Mr. Krienke stated that once the recommendation from the architect is received by the Board, the Board can analyze the recommendation and all available options the Board has and move forward accordingly. Phil Haaland seconded the motion and it was unanimously approved by the Board

Mike Pitts presented a slide program to the Board concerning the District's monitoring wells program which showed declines in the District's groundwater by maintaining and measuring a network of over 420 water-level monitoring wells.

The members of the Board discussed the effects of the drought.

Steve Walthour presented the Board with a copy of correspondence, dated August 3, 2011 which was submitted to the United States Department of Agriculture Risk Management Agency Administrator stating that the District had been informed by producers that insurance company representatives or adjustors apparently using the Risk

Management Agency guidelines were informing producers considering diverting irrigation water from failed crop acres that the producers should continue irrigating failed crop strips set aside to evaluate grain yield as part of the maintenance requirement. The District informed the agency that its Board of Directors was concerned that this wasteful practice of continuing to irrigate the strips, is contrary to best management practices for agricultural irrigation, contrary to the actual information provided by RMA in its guidelines and on its website, and contrary to the District's Rules and State Law regarding waste and beneficial use. The District apprised the agency that pursuant to Texas Water Code, Chapter 36, the District may enforce Chapter 36 and the District's rules against any person by injunction, mandatory injunction, or other appropriate remedy in a court of competent jurisdiction. Further, the District may set reasonable civil penalties against any person for breach of any rule of the district not to exceed \$10,000 per day per violation, and each day of a continuing violation constitutes a separate violation. An insurance company representative or adjustor advising a producer to waste water by irrigating these test strips constitutes a violation of our rules and state law. The District will pursue enforcement action against the insurance company if in fact the reports from producers are correct. The District requested that RMA notify the insurance companies, their adjusters and representatives to cease the practice of requiring the continued watering of these sample strips immediately in the counties within our jurisdiction.

The General Manager stated that correspondence from the District was submitted to well owners within its jurisdiction with an explanation of the District's Water Conservation Reserve Program with an accounting of each producer's groundwater placed in the Water Conservation Reserve Program in 2010 for use in 2011 and 2012.

Steve Walthour updated the Board regarding the District's 200-12 project for corn and the 80-12 project for wheat. Four meetings highlighting three North Plains Groundwater Conservation District Funded primary corn irrigation projects have been scheduled in August by the Texas AgriLife Extension Service, Texas AgriLife Research and the North Plains Groundwater Conservation District. All meetings will begin at 9 a.m. and are free. The dates and locations are:

Aug. 19: Hutchinson County Corn Irrigation Conference, Morse Community Building, Morse.

Aug. 24: Ochiltree Corn Irrigation Conference, Perryton Expo Center, Perryton.

Aug. 25: Etter Corn Irrigation Field Day, North Plains Research Field, Etter.

Aug. 26: Dalhart Corn Irrigation Conference, Rita Blanca Coliseum, Dalhart.

Each location will include local topics that will be most pertinent to the local producers and showcase technologies used in the process. District staff will be working with Texas AgriLife Extension and Texas AgriLife Research to set up these demonstrations.

The Board meeting recessed at 11:10 a.m. and reconvened at 11:25 a.m.

Harold Grall arrived at 11:30 a.m. to participate in the meeting.

David Groeneveld of HydroBio presented a report to the Board regarding satellite imagery as a way of monitoring groundwater use. Mr. Groeneveld demonstrated this technique by showing the Board how the imagery system worked on a portion of Harold Grall's property. Mr. Groeneveld requested that the Board consider using the satellite imagery system in the 200-12 program and stated that he would provide the technology to the District at no charge if the District would share the imagery data with him. Mr. Groeneveld stated that the sharing of information would be beneficial to both himself and the District. Mr. Groeneveld requested that the District issue a letter of support for him

to the USDA. Phil Haaland moved the District cooperate with Mr. Groeneveld and issue HydroBio a letter of support to the USDA. Harold Grall seconded the motion and it was unanimously approved by the Board.

The Board discussed and analyzed proposed Rule revisions.

Harold Grall departed the meeting at 2:15 p.m.

The directors discussed upcoming meetings and conferences, items to be included on the future Board Meeting agenda and set the date for the next regular Board meeting for August 29, 2011 at 9:00 a.m.

Phil Haaland moved to adjourn the meeting. Gene Born seconded the motion and it was unanimously approved by the Board. President Zimmer declared the meeting adjourned at 3:25 p.m.



Bob B. Zimmer, President



Brian Bezner, Secretary