

**MINUTES OF THE JANUARY 9, 2018  
BOARD OF DIRECTORS MEETING OF  
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

The Board of Directors of North Plains Groundwater Conservation District met in regular session January 9, 2018, at 9:00 a.m. in the Conference Room in the Richard S. Bowers Water Conservation Learning Center Building at the North Plains Water Conservation Center, 6045 West County Road E, Dumas, Texas 79029-7201. The following persons were present:

**Members Present at 9:12 a.m.:**

Harold Grall, President;  
Daniel L. Krienke, Vice-President;  
Bob B. Zimmer, Secretary;  
Gene Born, Director;  
Justin Crownover, Director;  
Zac Yoder, Director; and  
Mark Howard, Director.

**Staff Present during part or all of the meeting:**

Steve Walthour, General Manager;  
Dale Hallmark, Assistant General Manager/Hydrologist/Producer Services;  
Pauletta Rhoades, Finance/Administration Manager ;  
Kristen Blackwell, Executive Assistant;  
Odell Ward, Program Coordinator – GIS/Monitor Wells;  
Curtis Schwertner, Natural Resource Specialist.

**Others present during part or all of the meeting:**

Coy Barton;  
F. Keith Good, Attorney; and,  
Ellen Orr, Paralegal.

President Grall declared a quorum present and called the meeting to order at 9:12 a.m. Director, Gene Born, gave the invocation and President Grall led the pledge.

At 9:13 a.m., President Grall recessed the regular Board meeting and called the Show Cause Hearing to Order regarding Todd Tamplin, owner of Section 11, Block 5, FDW Survey, Dallam County, Texas, for violation of District Rules 2.1 and 3.1. – permitting and well spacing rules.

General Manager, Steve Walthour, requested that the Show Cause Order regarding Todd Tamplin be dismissed because the compliance matter has been resolved, but stated that the District should consider collecting its costs in this matter through civil penalties.

President Grall closed the Show Cause Hearing for Todd Tamplin, owner of Section 11, Block 5, FDW Survey, Dallam County, Texas, for violation of District Rules 2.1 and 3.1. – permitting and well spacing rules at 9:14 a.m. and reconvened the regular Board Meeting.

Odell Ward was recognized for 10 years of District Service.

**1 – Public Comment**

No Public Comment was made to the Board.



## 2 – Consent Agenda

The Consent Agenda was discussed by the Board and consisted of: the review and approval of the Minutes of the December 7, 2017 Holiday Party; the review and approval of the Minutes of the regularly scheduled November 14, 2017 Board Meeting; the review and approval of un-audited District expenditures for November 1, 2017 through December 31, 2017, including the General Manager's expense and activity report; the review and approval of payment to Lemon, Shearer, Phillips & Good, P.C. for professional services and out-of-pocket expenses from November 1, 2017 through December 31, 2017, in the amount of \$7,069.87; consider resolution regarding optional personal property taxation in 2018 for the North Plains Groundwater Conservation District to property owners in Dallam, Sherman, Hansford, Ochiltree, Lipscomb, Hartley, Moore and Hutchinson Counties, Texas; consider Homestead Exemptions for 2018; consider approval of the Sherman County 2017 tax rolls; and consider the Dallam County Appraisal District contract amendment.

Daniel L. Krienke moved to remove item 2.d., consider resolution regarding optional personal property taxation in 2018 for the North Plains Groundwater Conservation District to property owners in Dallam, Sherman, Hansford, Ochiltree, Lipscomb, Hartley, Moore and Hutchinson Counties, Texas; item 2.e., consider Homestead Exemptions for 2018; and item 2.g., consider Dallam County Appraisal District contract amendment from the Consent Agenda. Zac Yoder seconded the motion and it was unanimously approved by the Board.

Daniel L. Krienke moved to approve all of the remaining items on the Consent Agenda. Zac Yoder seconded the motion and it was unanimously approved by the Board.

Bob Zimmer moved to table item 2.e. Daniel L. Krienke seconded the motion and it was unanimously approved by the Board.

Daniel L. Krienke moved to approve item 2.d., resolutions regarding optional personal property taxation in 2018 for the North Plains Groundwater Conservation District to property owners in Dallam, Sherman, Hansford, Ochiltree, Lipscomb, Hartley, Moore and Hutchinson Counties, Texas. Mark Howard seconded the motion and it was unanimously approved by the Board.

Zac Yoder moved to approve item 2.g., the Dallam County Appraisal District contract amendment. Mark Howard seconded the motion and it was unanimously approved by the Board.

### ***Action Agenda 3d - Review and consider approval of the District's annual financial report for the year ended September 30, 2017, from Coy Barton, CPA.***

Coy Barton made a presentation to the Board regarding the District's financial position for year ended, September 30, 2017, and discussed the District's 2017 annual financial report with the Board. Bob Zimmer moved to approve the North Plains Groundwater Conservation District Annual Financial Report for the year ended September 30, 2017. Zac Yoder seconded the motion and it was unanimously approved by the Board. Gene Born seconded the motion and it was unanimously approved by the Board.



***Action Agenda 3f - Review and consider approval of payment to Coy Barton, CPA for auditing services and preparation of the North Plains Groundwater Conservation District Annual Financial Report for the year ended September 30, 2017.***

The General Manager stated that Coy Barton, CPA has submitted one invoice to the District for auditing services and preparation of the North Plains Groundwater Conservation District 2017 Annual Financial Report totaling \$22,000.00.

The General Manager further stated that he had reviewed the invoice for the District's 2017 audit, preparation of financial statements, and SAS fraud requirements. The General Manager determined that the invoice was consistent with the services Coy Barton, CPA has performed for the District audit and paid the invoice. A copy of the invoice was presented to the Board. The General Manager requested that the Board ratify the payment made by the District to Coy Barton, CPA in the amount of \$22,000.00 for auditing services and preparation of the North Plains Groundwater Conservation District 2017 Annual Financial Report.

Gene Born moved that the Board ratify payment to Coy Barton, CPA in the amount of \$22,000.00 for auditing services and preparation of the North Plains Groundwater Conservation District Annual Financial Report for the year ended September 30, 2017. Zac Yoder seconded the motion and it was unanimously approved by the Board.

***Action Agenda 3e - Review and consider approval of letter of engagement for audit and non-audit services to be performed by Coy Barton, CPA for the year ended September 30, 2018.***

The General Manager reported that Coy Barton, CPA, submitted a letter confirming the understanding of his firm regarding the audit and non-audit services for which the District may engage his firm to perform. The letter outlined the following requirements to be fulfilled:

- Coy Barton will oversee all work performed by Coy Barton, CPA;
- Coy Barton, CPA, will report on the audit of basic financial statements;
- Coy Barton, CPA, will perform additional procedures enabling for a second report in which they will test and report on the district's internal controls over financial reporting and the district's compliance with laws and regulations and other matters as required by Government Auditing Standards.

In addition, the letter outlined the responsibilities of the North Plains Groundwater Conservation District's management in the auditing process for 2018.

A copy of the letter of engagement from Coy Barton, CPA was presented to the Board.

Bob Zimmer moved that the Board approve the letter of engagement for Audit and Non-Audit Services to be performed by Coy Barton, CPA for District's 2017-2018 fiscal year. Gene Born seconded the motion and it was unanimously approved by the Board.

***Action Agenda 3b - Review and consider District Directors' Policies.***

The General Manager requested that the Board table this issue to a later date to permit the General Manager and the District's General Counsel to compose one instrument that will address all of the District's policies. Bob Zimmer moved to table the review and consideration of the District Directors' Policies until the Board's regular February meeting. Gene Born seconded the motion and it was unanimously approved by the Board.



**Action Agenda 3c - Consider approval of Water Well Permits as active and complete wells.**

The General Manager reported that District Rule 2.13 provides, after the site inspection is complete, and it is determined that the Well (and all Wells within the Groundwater Production Unit) are in compliance with the Rules of the District and the Well Permit application, the General Manager shall submit the Well Permit to the Board for final compliance approval.

The General Manager reported that the District staff had processed 28 Water Well Permits which are ready for Board consideration and approval. These permits, listed in the table below, represent completed Wells that have been inspected and are in compliance with District Rules. The inspections verify that the Wells were completed as required by the respective Permits, including proper Well location, Well classification, maximum yield, and proper installations of check valves and flow meters. Copies of the individual permits were presented to the Board.

The General Manager noted that Director, Justin Crownover, had Well Permit number HU-9323 on the Well Permit Schedule.

| Well     | Class | Qtr. | Sec. | Blk. | Sur.       | NS     | EW     |
|----------|-------|------|------|------|------------|--------|--------|
| DA-7053  | C     | SE/4 | 7    | 6    | CSS        | 544 S  | 130 E  |
| DA-9482  | D     | SE/4 | 22   | 6    | CSS        | 796 S  | 193 E  |
| DA-9493  | D     | NE/4 | 41   | 6    | CSS        | 441 N  | 689 E  |
| HA-9799  | D     | NW/4 | 297  | 44   | H&TC       | 696 N  | 405 W  |
| HA-9830  | C     | NW/4 | 55   | 48   | H&TC       | 271 N  | 851 W  |
| HA-9864  | C     | NW/4 | 9    | A-4  | PSL        | 114 N  | 5 W    |
| HA-10010 | B     | NW/4 | 127  | 44   | H&TC       | 644 N  | 285 W  |
| HA-10110 | C     | SW/4 | 1    | 1    | SA&MG      | 440 S  | 440 W  |
| HN-5504  | D     | NE   | 213  | 2    | GH&H       | 311 N  | 200 E  |
| HN-7398  | C     | SW/4 | 58   | 4-T  | T&NO       | 243 S  | 588 W  |
| HN-7399  | C     | SW/4 | 58   | 4-T  | T&NO       | 665 S  | 694 W  |
| HN-9961  | C     | NE/4 | 307  | 2    | GH&H       | 638 N  | 57 E   |
| HU-6900  | C     | SE/4 | -    | -    | WM COLE    | 1046 S | 188 E  |
| HU-8270  | C     | SE/4 | -    | -    | WM COLE    | 1486 S | 159 E  |
| HU-8271  | D     | SW/4 | -    | -    | E ALMAGUIE | 601 S  | 216 W  |
| HU-9323  | D     | SE/4 | -    | -    | WM HEATH   | 653 S  | 1417 E |
| LI-9778  | D     | SW/4 | 1149 | 43   | H&TC       | 871 S  | 753 W  |
| HA-10110 | C     | SW/4 | 1    | 1    | SA&MG      | 440 S  | 440 W  |
| HN-5504  | D     | NE   | 213  | 2    | GH&H       | 311 N  | 200 E  |
| HN-7398  | C     | SW/4 | 58   | 4-T  | T&NO       | 243 S  | 588 W  |
| HN-7399  | C     | SW/4 | 58   | 4-T  | T&NO       | 665 S  | 694 W  |
| HN-9961  | C     | NE/4 | 307  | 2    | GH&H       | 638 N  | 57 E   |
| HU-6900  | C     | SE/4 | -    | -    | WM COLE    | 1046 S | 188 E  |
| HU-8270  | C     | SE/4 | -    | -    | WM COLE    | 1486 S | 159 E  |
| HU-8271  | D     | SW/4 | -    | -    | E ALMAGUIE | 601 S  | 216 W  |
| HU-9323  | D     | SE/4 | -    | -    | WM HEATH   | 653 S  | 1417 E |
| LI-9778  | D     | SW/4 | 1149 | 43   | H&TC       | 871 S  | 753 W  |
| HA-10110 | C     | SW/4 | 1    | 1    | SA&MG      | 440 S  | 440 W  |

Bob Zimmer moved to remove Well Permit numbered HU-9323 from the Well Permit Schedule and to approve all of the remaining Well Permits on the Well Permit Schedule, noting that the Wells are properly equipped and otherwise comply with District Rules. Zac Yoder seconded the motion and it was unanimously approved by the Board.

Bob Zimmer moved to approve Well Permit HU-9323, noting that the Well is properly equipped and otherwise complies with District Rules. Zac Yoder seconded the motion



and it was approved by the majority vote of the Board with Justin Crownover abstaining from the vote.

***Action Agenda 3g - Consider action to create debt service fund budgets for Texas Water Development Board default reserve account and contract.***

Each year, the Board prepares and adopts a budget for the following year. Since the District borrowed funds from the Texas Water Development Board to purchase capital items for the Water Conservation Center, the General Manager has budgeted \$62,477 for principal and interest under the District's Water Conservation Center budget item in the District's General Budget. Instead of accounting for the principal and interest owed in the District's General Budget, the District must create a debt service fund budget for the Texas Water Development Board contract and a debt service fund budget default reserve account. The District has previously set up accounts for these funds, but has not created a budget outside of the General Budget.

The Texas Water Development Board Contract Debt Service Fund holds monies to pay principal and interest with the District's loan debt to the Texas Water Development Board. Each year the board will adopt a separate budget to pay the interest and principle on the loan.

As part of the Texas Water Development Board loan contract the District established a default reserve account that includes two percent of the loan amount. The account is an interest-bearing account and the District is required to track the interest for the account. The Debt Service Fund for Default Reserve Account is for the interest income related to the Default Reserve Account.

The General Manager proposed the Debt Service Fund Budgets as follows:

**TEXAS WATER DEVELOPMENT BOARD CONTRACT DEBT SERVICE FUND BUDGET**

| <b>Description</b>        | <b>Budget Amount</b> |
|---------------------------|----------------------|
| <b>Income</b>             |                      |
| Transfer In               | \$62,477.00          |
| <b>Expenses</b>           |                      |
| Principal                 | \$62,000.00          |
| Interest                  | \$ 477.00            |
| <b>Total Expenses</b>     | \$62,477.00          |
| <b>Net Income/Expense</b> | \$ 0.00              |

**TEXAS WATER DEVELOPMENT BOARD DEFAULT RESERVE ACCOUNT  
DEBT SERVICE FUND BUDGET**

| <b>Description</b>       | <b>Budget Amount</b> |
|--------------------------|----------------------|
| <b>Investment Income</b> | \$ 100.00            |

Gene Born moved that the Board adopt debt service fund budgets as proposed by the General Manager. Zac Yoder seconded the motion and it was unanimously approved by the Board.



**Action Agenda 3h - Consider action to propose District Management Plan.**

Chapter 36.1071 of the Texas Water Code requires Groundwater Conservation Districts to develop a five-year management plan that addresses certain required management goals. The District's current management plan was adopted in 2013 and expires August 29, 2018.

The General Manager reported that District staff has coordinated with the Texas Water Development Board and the TWDB has completed three preliminary reviews of the District's proposed Management Plan. District staff incorporated TWDB's requirements and many of their suggestions into the plan. TWDB had no required changes after the third review.

**Schedule of Events**

1. Board votes to propose management plan January 9, 2018
2. Public hearing February 13, 2018
3. Board Meeting to determine whether to adopt proposed management plan: March 13, 2018
4. The District will email copies of the proposed management plan to Canadian River Municipal Water Authority (CRMWA), Red River Authority and Palo Duro Water District for review and comment.
5. The proposed management plan will be presented to the GMA at their next meeting.
6. Final adoption of the management plan by March 13, 2018.
7. Send to TWDB for approval by May 30, 2018.
8. Current management plan expires August 29, 2018.

**Changes in the Proposed Plan Compared to the Current Management Plan**

The General Manager stated that the District's proposed management plan is essentially a continuation of the 2013 Management Plan. All aspects of the plan have been edited to enhance the readability, clarify meanings and to simplify where possibly goal tracking and reporting requirements and to enhance the District's ability to furnish records under audit conditions.

Other than editing for simplicity and clarity the main differences between the current (2013) plan and the proposed (2018) plan are:

- (1) the incorporation of the District's Conservation and Education activities at the Water Conservation Center into Section 11-A-3, "Providing for the Most Efficient use of Groundwater", (page 26);
- (2) Financial Assistance was also added in Section 11-A-4 (page 26); and
- (3) Brush Control was determined to not be practical or effective for groundwater conservation in this area under Section 11-G-5 (page 30).

### **Purpose of the Management Plan**

The District's Management Plan is used to define District programs and activities, establish program and activity goals and defines how progress is monitored and reported to the Board.

The District's Management Plan should:

- (1) Meet or exceed all legal requirements and address applicable statutes;
- (2) Provide management and staff a realistic guideline of the goals of the District's programs, activities and reporting responsibilities; and,
- (3) Enhance the District's ability to provide documented proof of compliance with the District's Management Plan to the Texas State Auditor.

### **Issues that are Required to be Addressed in the Management Plan:**

- (1) providing the most efficient use of groundwater;
- (2) controlling and preventing waste of groundwater;
- (3) controlling and preventing subsidence;
- (4) addressing conjunctive surface water management issues;
- (5) addressing natural resource issues;
- (6) addressing drought conditions;
- (7) addressing conservation, recharge enhancement, rainwater harvesting, precipitation enhancement, or brush control, where appropriate and cost-effective; and
- (8) addressing the desired future conditions adopted by the district under Section 36.108.

### **The Management Plans Must:**

- (1) identify the performance standards and management objectives under which the District will operate to achieve the management goals identified under Subsection (a);
- (2) specify, in as much detail as possible, the actions, procedures, performance, and avoidance that are or may be necessary to affect the plan, including specifications and proposed rules;
- (3) include estimates of the following:
  - (A) modeled available groundwater in the district based on the desired future condition established under Section 36.108;
  - (B) the amount of groundwater being used within the district on an annual basis;
  - (C) the annual amount of recharge from precipitation, if any, to the groundwater resources within the district;



- (D) for each aquifer, the annual volume of water that discharges from the aquifer to springs and any surface water bodies, including lakes, streams, and rivers;
- (E) the annual volume of flow into and out of the district within each aquifer and between aquifers in the district, if a groundwater availability model is available;
- (F) the projected surface water supply in the district according to the most recently adopted state water plan; and
- (G) the projected total demand for water in the district according to the most recently adopted state water plan; and
- (H) consider the water supply needs and water management strategies included in the adopted state water plan.

(4) In developing its management plan, the District must use the groundwater availability modeling information provided by the executive administrator together with any available site- specific information that has been provided by the District to the executive administrator for review and comment before being used in the plan.

The General Manager recommended that the Board propose the 2018 Management Plan and move forward with a Public Hearing.

Gene Born moved that the Board propose the 2018 Management Plan and move forward with a public hearing. Justin Crownover seconded the motion and it was unanimously approved by the Board.

***Action Agenda 3i - Consider action to designate a depository bank.***

The General Manager stated that Texas Water Code § 36.155 requires the Board to name one or more banks to serve as depository for the District funds. Currently the District uses Perryton National Bank as its primary depository.

Mr. Walthour reported that on October 27, 2017, the District requested depository bids from Dalhart Federal Savings and Loan, Happy State Bank, FirstBank Southwest, First National Bank, First State Bank, Follett Interbank, Gruver State Bank, Interstate Bank and Perryton National Bank. The three banks that responded to the District's request were Happy State Bank, First State Bank and Perryton National Bank. The bids from those banks were presented to the Board.

The General Manager recommended that the Board continue to use Perryton National Bank as the District's primary depository as they have provided quality service in the past and comply with the District's Investment Policy.

Daniel L. Krienke moved that the Board continue to use Perryton National Bank as the District's primary depository as they have provided quality service in the past and comply with the District's Investment Policy. Gene Born seconded the motion and it was unanimously approved by the Board.

***Action Agenda 3j - Receive report regarding agriculture water conservation demonstration programs.***

The General Manager presented the following reports to the Board:



### **Water Conservation Center**

According to meter readings, the District pumped 199.66 acre-feet of groundwater at the Water Conservation Center or about 10 inches per irrigated crop acre.

Etter Water Well removed the west well pump at the Water Conservation Center so the District could inspect the pump, casing and screen. The casing and screened area was videoed and then brushed to remove scale and particulates. On October 24th, the well was videoed after brushing but the video was too cloudy to be useful beginning at a depth of 540'. In November, Etter Water Well installed a 4" submersible pump and pumped out some of the particulates. The pump was operated for about 2 hours, withdrawing 19,800 gallons of groundwater. One last video was taken on December 4th to show a clearer picture of the brushing results. A new pump was installed on December 27th. A fitting with a shutoff valve was installed between the meter and the collector to enable the well to be pumped without introducing particulates into the mainline, thus protecting the SDI water supply.

### **3-4-5 Demonstration Project**

The WCC corn last readings and Harold Grall's last readings were on November 14, Daniel L. Krienke's last readings were on November 15th. Stan's WCC SDI cotton 3-4-5 last readings were on December 18th.

### **Master Irrigator Program 2018**

Eight total applications have been submitted. Four people signed-up at the Amarillo Farm Show on Nov. 28-30, 2017. Current applicants are as follows:

Glen Green – Hartley County;  
Everett Timmons – City of Cactus, Moore County;  
Willie Wieck – Sherman County;  
Donald Burton – Sherman County;  
Clinton Born – Lipscomb County;  
Kenton Laubhan – Lipscomb County;  
Dennis Holubec – Sherman County; and,  
Nathan Webb – (Industry non-producer).

Save the date cards were mailed on 11-1-17. A mail out to producers including the new brochure and application were mailed the week prior to registration opening for the Amarillo Farm and Ranch Show. A news release was sent to the media on 11-22-17 and then to producers on 11-28-17. In addition, an article has been included in the winter edition of the North Plains Water News.

### **Irrigation Conservation Initiative**

The District has received no applications for cost share under this program. Growers were qualified for the program in September by attending the District's grower days, so it is possible the 29 qualified growers have not yet purchased their equipment for cost share. The District will contact the qualified growers to remind them of the available funding in early 2018.

The ICI is made possible by grants from the Texas Water Development Board (TWDB) for the purchase of irrigation efficiency equipment. The 29 qualified growers are each qualified to apply for up to a 50% cost share on equipment. Eligible equipment includes, soil moisture probes, plant stress monitors, on-farm weather stations, well cut-off systems, telemetry, and pivot monitoring and control systems. Other items not on this list may be cost shared at the District's discretion while funds are available.



The program is funded by two recent grants from the TWDB, totaling \$300,000. To be eligible for funding through the ICI, producers are required to attend a District approved educational program and then report certain crop and usage information pertaining to the cost-shared equipment. Attendance at one of the District's two field days qualified producers to apply for funds. Additional opportunities to qualify for the funding may be announced in the future.

### **Future Agriculture Water Conservation Demonstrations**

The Board has given approval to the General Manager to develop criteria for evaluating demonstration projects that the District may consider supporting in 2018 and beyond. Once the criteria are established, a request for proposals will be issued.

The Board has also approved the development of a conservation tillage conference to be presented in the northern High Plains in 2019. Preliminary plans are underway for this conference, including the District's participation in the first Soil Health Symposium at the Bayer Agriculture Museum in Lubbock on February 13-14. The symposium is presented by No-Till Texas, Inc., a 501(c)3 association ("No-Till"). No-Till has expressed an interest in partnering with the District on a conference in 2019 in Amarillo. No-Till has requested that the District recommend no-till/conservation tillage practitioners from the District as candidates for its Board of Directors.

### ***Action Agenda 3k - Receive report regarding groundwater production reporting for 2017.***

Steve Walthour reported that a schedule for the 2017 production reporting process has been set by District staff. Approximately 2885 reports were mailed or emailed, as requested by producers, on November 29, 2017. A conservation reserve worksheet was included, if the property was eligible to bank a reserve, to give the producers an opportunity to calculate their reserves for 2018. The production reports are due in the District office by the close of business on March 1, 2018.

Producers who paid a late filing fee in 2017 for untimely-filled 2016 Production Reports are eligible for full reimbursement if 2017 Production Reports are properly filed by the close of business on January 15, 2018.

Steve Walthour reported that a small percentage of reports have been filed with the District, but that the number of filed reports is increasing daily.

President Grall recessed the meeting at 11:01 a.m. and reconvened the meeting at 11:10 a.m.

### ***Action Agenda 3l - Consider compliance matters before the District.***

#### **Executive Session - Section 551.071 of the Texas Government Code.**

At 11:10 a.m., Bob Zimmer moved to go into Executive Session in compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, §551.071, to obtain legal advice from its attorney. Zac Yoder seconded the motion and it was unanimously approved by the Board.

Executive Session: At 11:10 a.m., the Board went into Executive Session. At 11:43 a.m., Gene Born moved that the Board reconvene into regular session. Zac Yoder seconded the motion and it was unanimously approved by the Board.

The Board reconvened into regular session at 11:43 a.m.



**Action Agenda 3a - Consider action regarding Todd Tamplin Show Cause Hearing.**

Gene Born moved that the Board enter the following Order regarding the Todd Tamplin compliance matter:

The Board reviewed the following:

District Rule 2.1., Test Hole Permit, Well Permit or Well Registration Required, precludes any Person from increasing the size of a Well, or Well pump above the original or amended permitted capacity, without having first received an amended permit to do so, unless the operation of the Well is exempt by law, or by District Rules;

District Rule 3.1., Well Classification and Spacing provides that Wells are subject to the following classifications. All Wells will be classified according to their actual production capacity in gallons per minute (GPM) when operated under normal operating conditions.

Wells must be classified and spaced as follows:

| <b>Pumping Capacity<br/>(gallons per minute)</b> |          | <b>Minimum Distance<br/>from Nearest<br/>Permitted Well<br/>(Yards)</b> | <b>Minimum Distance<br/>from Property Line<br/>(Yard)</b> |
|--|----------|---|---|
| <b>0 – 17</b>                                    | <b>S</b> | <b>50</b>   | <b>17</b>   |
| <b>18 – 100</b>                                  | <b>A</b> | <b>150</b>  | <b>100</b>  |
| <b>101 – 400</b>                                 | <b>B</b> | <b>250</b>  | <b>100</b>  |
| <b>401 – 800</b>                                 | <b>C</b> | <b>400</b>  | <b>100</b>  |
| <b>greater than 801</b>                          | <b>D</b> | <b>500</b>  | <b>100</b>  |

Tamplin owns land in Dallam County, Texas, specifically, GPU#2750, containing 640 acres, described as Section Eleven (11), Block Five (5), FDW Survey, Dallam County, Texas and GPU#2751, containing 640 acres, described as Section 12, Block Five (5), FDW Survey, Dallam County, Texas ("the Property");

Well DA-1282 is located on GPU#2750, Section Eleven (11), Block Five (5), FDW Survey, Dallam County, Texas;

On June 22, 2015, a District post-drill Well inspection reflected that all Wells on the Property were in compliance with District Rules, except for Well DA-1282, which had been reclassified by Tamplin as a livestock Well; however, Well #DA-1282 was still equipped as an irrigation Well;

Tamplin reclassified Well DA-1282 as a livestock Well on May 7, 2014, to receive a Class "D" Well Permit for Well #DA-8143 located in Section 12, Block Five (5), FDW Survey, Dallam County, Texas;

District staff sent several e-mails to Tamplin during calendar year 2016 and calendar year 2017 informing Tamplin that Well #DA-1282 was required to be equipped as a livestock Well;

These violations were submitted to the General Manager of the District for enforcement on August 15, 2017;

On August 15, 2017, the District's General Manager submitted correspondence to Tamplin notifying Tamplin that Tamplin had until 8:00 a.m. on Tuesday, September 12, 2017 to equip Well #DA-1282 as a livestock Well with the ability to pump 17.5 gallons-per-minute, or less, or to disconnect and remove the pump and properly cap the Well in accordance with District Rule;



Tamplin failed to equip Well #DA-1282 as a livestock Well with the ability to pump 17.5 gallons-per-minute, or less, or to disconnect and remove the pump and properly cap the Well in accordance with District Rules;

The District issued its Order for a Show Cause Hearing to Tamplin on September 18, 2017;

The District's Order for a Show Cause Hearing set the location of the Hearing at the Conference Room in the Richard S. Bowers Water Conservation Learning Center Building at the North Plains Groundwater Conservation District Water Conservation Center, 6045 County Road E, Dumas, Texas 79029-7201; set the date for November 14, 2017; and set the time at 9:00 a.m.;

Tamplin was submitted notice of the District's Show Cause Hearing Order by certified and regular U. S. mail delivery;

District staff performed a field inspection and noted that the pipe had been capped on November 13, 2017;

The violation of District Rule 2.1 may be enforced by the District by assessing a Class 1 civil penalty against the Tamplin;

A Class 1 civil penalty shall not be less than \$50, nor more than \$10,000 per violation, and each day of a continuing violation shall be deemed a separate violation;

The violation of District Rule 3.1 may be enforced by the District by assessing a Class 2 civil penalty against the Tamplin;

A Class 2 civil penalty shall not be less than \$25, nor more than \$5,000 per violation, and each day of a continuing violation shall be deemed a separate violation;

Tamplin was in violation of District Rules 2.1 and 3.1 since October 5, 2014 until November 13, 2017;

Tamplin was in violation of District Rule 2.1 for 1136 days which at the minimum of \$50 per day would yield a civil penalty of \$56,800;

Tamplin was in violation of District Rule 3.1 for 1136 days which at the minimum of \$25 per day would yield a civil penalty of \$28,400;

Alternatively, from the date that the violations were referred to the District's General Manager for enforcement on August 15, 2017 until the violations were cured on November 13, 2017 is 91 days; and,

The minimum civil penalty (for both violations) of \$75 per day for 91 days yields a total civil penalty of \$6,825.00. The District has expended \$500 in attorney's fees in the prosecution of this compliance matter through January 8, 2018. The civil penalty and attorney's fees total \$7,325.

**IT IS HEREBY ORDERED** that Tamplin pay the District, the sum of \$7,325 as the civil penalty for violations of District Rule 2.1 and 3.1.

Justin Crownover seconded the motion and it was unanimously approved by the Board.

Zac Yoder moved to dismiss the Show Cause Hearing in regard to Todd Tamplin. Mark Howard seconded the motion and it was unanimously approved by the Board.



***Discussion Agenda 4a - Director Reports.***

District Directors reported to the Board regarding meetings and/or seminars attended, weather conditions and economic development in each Director's precinct.

***Discussion Agenda 4b - Committee Reports.***

None.

***Agenda 5 - Discuss Items for Future Board Meeting Agendas and Set Next Meeting Date and Time.***

By consensus, the Board set the next regular meeting at 9:00 a.m. on February 13, 2018 and its March regular meeting at 9:00 a.m. on March 13, 2018.

***Discussion Agenda 4c - General Manager's Report.***

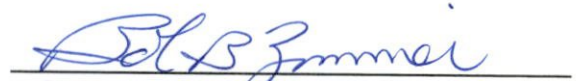
Steve Walthour presented the General Manager's Report, which included information concerning upcoming meetings and conferences, the General Manager's activity summary and the District activity summary.

***Agenda 6 - Adjournment.***

Director, Justin Crownover, moved to adjourn the meeting. Zac Yoder seconded the motion and it was unanimously approved by the Board. President Grall declared the meeting adjourned at 12:12 p.m.



Harold Grall, President



Bob B. Zimmer, Secretary