

**MINUTES OF THE OCTOBER 18, 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 October 18, 2011 at 9:30 a.m. 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;  
Brian Bezner;  
Harold Grall; and,  
Wesley Spurlock.

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

Steve Walthour, General Manager;  
Dale Hallmark, Assistant General Manager/District Hydrologist;  
Kirk Welch, Assistant General Manager  
Casey Tice, Compliance Coordinator;  
Kristen Alwan, Executive Assistant;  
Christie Frost, Production/Permitting Specialist;  
Karen Mannis, Permitting Specialist;  
Odell Ward, Natural Resource & GIS Specialist 2; and,  
Randy Coon, Natural Resource Specialist.

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

Sabrina Leven;  
C.C. Sysombath;  
Amy Haschke;  
George Ozuna;  
Bob Williams;  
Jim Bob Morgan;  
F. Keith Good, Attorney;  
Claire Y. Walsh, Attorney; and,  
Ellen Orr, Paralegal.

President Zimmer declared a quorum present and called the meeting to order at 9:31 a.m.

Wesley Spurlock 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 received.

The General Manager of the District announced that Kirk Welch had been promoted to Assistant General Manager of the District.

Gene Born moved to approve items 2a, 2b and 2c of the Consent Agenda, consisting of the approval of the Minutes of the August 29, 2011 Board of Directors Meeting; the approval of un-audited District expenditures through September 30, 2011, including the General Manager's Expense and Activity Report; and the approval of payment of professional services and out of pocket expenses to Lemon, Shearer, Phillips & Good, P.C. in the amount of \$6,152.58 for August 1, 2011 through August 31, 2011 and in the



amount of \$2,677.50 for September 1, 2011 through September 30, 2011. Danny Krienke seconded the motion and the motion was unanimously approved by the Board.

On November 8, 2011, Texas voters will vote on Proposition 2 regarding a constitutional amendment allowing for the issuance of water financial assistance bonds by the Texas Water Development Board (TWDB). Proposition 2 authorizes the TWDB to issue additional general obligation bonds in an amount not to exceed \$6 billion outstanding at any time for water-related projects. The TWDB will use the bond proceeds to make loans to political subdivisions in Texas for a variety of water, wastewater, and flood control projects. As the population of Texas continues to grow, so does its need for cost-effective water and wastewater infrastructure. Through its funding programs, the Texas Water Development Board (TWDB) provides financial assistance to communities for water and wastewater infrastructure projects.

The TWDB was created in 1957 in response to the severe drought of the 1950s. The TWDB is the state agency authorized to issue and sell general obligation bonds to support financial assistance programs for the planning, design, and construction of water supply, wastewater treatment, storm water and nonpoint source pollution control, flood control, and agricultural water conservation projects.

Since 1957, the legislature and voters have approved constitutional amendments authorizing the TWDB to issue up to \$4.23 billion in bonds for financing water-related projects, of which \$3.29 billion has been issued. Of the amount issued, over \$1 billion has been issued just in the last three years. According to the TWDB, without additional bonding authority, the TWDB will not be able to provide adequate financing to meet the water and wastewater infrastructure needs of Texas. The TWDB estimates that its existing bond authority will be exhausted within the next one to two years. This proposition will provide the TWDB with the necessary constitutional authority for funding additional water and wastewater infrastructure needs of Texas. It would give the TWDB the additional authority of loaning funds as they are paid back, creating a revolving account, as long as the total stays below \$6 billion.

The General Manager recommended that the Board officially support Proposition 2.

Danny Krienke moved that the Board support Proposition 2 regarding the Constitutional Amendment allowing for the issuance of water financial assistance bonds by the Texas Water Development Board. Brian Bezner seconded the motion and it was unanimously approved by the Board.

A Schedule of Well Permits was presented to the Board for its review. Brian Bezner moved to remove Well Permit number 14682 (MO3700) from the Well Permits to be considered by the Board and 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	LARSEN FARM LLC	DA3942	C	800	SW	41	5	CSS	447S	441W
DALLAM	LARSEN FARM LLC	DA3943	C	800	NW	41	5	CSS	437N	439W
DALLAM	LARSEN FARM LLC	DA3966	C	800	SW	38	5	CSS	439S	340W
DALLAM	LARSEN FARM LLC	DA3970	C	800	NE	19	5	CSS	461N	526E
DALLAM	LARSEN FARM LLC	DA4017	C	800	NE	54	5	CSS	136N	846E
DALLAM	LARSEN FARM LLC	DA4018	C	800	NE	54	5	CSS	133N	115E
DALLAM	LARSEN FARM LLC	DA4025	C	800	SE	56	5	CSS	263S	837E
DALLAM	LARSEN FARM LLC	DA4026	C	800	NW	41	5	CSS	643N	853W
DALLAM	LARSEN FARM LLC	DA4030	C	800	SE	40	5	CSS	756S	722E
DALLAM	LARSEN FARM LLC	DA4032	C	800	NE	42	5	CSS	410N	404E
DALLAM	LARSEN FARM LLC	DA4051	C	800	NE	42	5	CSS	193N	51E
DALLAM	LARSEN FARM LLC	DA4052	C	800	SE	42	5	CSS	650S	12E
DALLAM	LARSEN FARM LLC	DA4053	C	800	NE	42	5	CSS	690N	26E



DALLAM	LARSEN FARM LLC	DA4055	C	800	NW	41	5	CSS	144N	834W
DALLAM	LARSEN FARM LLC	DA4189	C	800	SE	54	5	CSS	208S	18E
DALLAM	LARSEN FARM LLC	DA4190	C	800	NE	43	5	CSS	441N	429E
DALLAM	LARSEN FARM LLC	DA4191	C	800	NE	43	5	CSS	829N	194E
DALLAM	LARSEN FARM LLC	DA4194	C	800	NW	37	5	CSS	70N	106W
DALLAM	LARSEN FARM LLC	DA4216	C	800	SE	53	5	CSS	808S	161E
DALLAM	LARSEN FARM LLC	DA4219	C	800	SE	44	5	CSS	769S	769E
DALLAM	LARSEN FARM LLC	DA4220	C	800	SE	44	5	CSS	171S	813E
DALLAM	LARSEN FARM LLC	DA4221	C	800	SW	43	5	CSS	792S	154W
DALLAM	LARSEN FARM LLC	DA4236	C	800	SW	54	5	CSS	140S	789W
DALLAM	LARSEN FARM LLC	DA4237	C	800	SW	43	5	CSS	274S	897E
DALLAM	LARSEN FARM LLC	DA4332	C	800	NE	42	5	CSS	771N	738E
DALLAM	LARSEN FARM LLC	DA4423	C	800	SW	19	5	CSS	623S	745W
DALLAM	LARSEN FARM LLC	DA4453	C	800	SW	54	5	CSS	613S	832W
HARTLEY	14 MILE RANCH	HA3681	C	800	SE	72	48	H&TC	342S	9E
HARTLEY	LARSEN FARM LLC	HA3951	C	800	SE	10	5	CSS	425S	411E
HARTLEY	LARSEN FARM LLC	HA4035	C	800	NW	18	5	CSS	473N	340W
HARTLEY	LARSEN FARM LLC	HA4063	C	800	NE	18	5	CSS	60N	365E
HARTLEY	LARSEN FARM LLC	HA4064	C	800	NE	18	5	CSS	92N	793E
HARTLEY	LARSEN FARM LLC	HA4066	C	800	NE	16	5	CSS	875N	805E
HARTLEY	LARSEN FARM LLC	HA4069	C	800	NW	16	5	CSS	73N	537W
HARTLEY	LARSEN FARM LLC	HA4070	C	800	SW	18	5	CSS	31S	163W
HARTLEY	LARSEN FARM LLC	HA4071	C	800	SE	18	5	CSS	875S	272E
HARTLEY	LARSEN FARM LLC	HA4093	C	800	SW	39	12	CSS	454S	438W
HARTLEY	LARSEN FARM LLC	HA4095	C	800	NW	58	13	CSS	481N	442W
HARTLEY	LARSEN FARM LLC	HA4096	C	800	SW	58	13	CSS	468S	451W
HARTLEY	LARSEN FARM LLC	HA4097	C	800	SE	58	13	CSS	476S	433E
HARTLEY	LARSEN FARM LLC	HA4154	B	400	SW	39	12	CSS	120S	119W
HARTLEY	LARSEN FARM LLC	HA4156	B	400	SW	58	13	CSS	801S	133W
HARTLEY	LARSEN FARM LLC	HA4157	B	400	SE	58	13	CSS	151S	116E
MOORE	MARY DONELSON	MO4434	C	800	SE	177	3T	T&NO	48S	588E
OCHILTREE	ARNOLD TERHUNE	OC4456	D	1200	NE	34	4	GH&H	765N	773E
SHERMAN	W&C LAND AND CATTLE	SH3820	C	800	SW	215	1T	T&NO	115S	585W
SHERMAN	JAMES YOUNG	SH4176	C	800	SE	202	1T	T&NO	378S	406E
SHERMAN	BILLY MCCLELLAN TRUST	SH4203	B	400	NE	63	3B	GH&H	200N	718E
SHERMAN	JOHN EWERS	SH4287	C	800	SE	121	1C	GH&H	123S	873E
SHERMAN	FRONTIER FARMS	SH4314	C	800	SE	25	Q	H&GN	477S	417E
SHERMAN	LELAH CRAIG PRICE TRUST	SH4346	D	1200	NE	265	1T	T&NO	263N	886E
SHERMAN	AYCOCK FAMILY TRUST	SH4355	C	800	SE	107	1C	GH&H	42S	661E

Wesley Spurlock seconded the motion and it was unanimously approved by the Board.

Assistant General Manager, Dale Hallmark presented a report to the Board on water quality data for the Ogallala aquifer. Mr. Hallmark remarked that the District has limited water quality data for the Ogallala aquifer. As demand for water increases in the area, the groundwater resource is increasing in value. There is a need by the District to monitor the water quality of the Ogallala aquifer groundwater for resource management. Setting a baseline for water quality is important in determining the Ogallala's suitability (and thus its availability) for various uses, and in determining changes in water quality, if any, over time.

The General Manager and the Assistant General Manager - Hydrologist proposed entering into a contract with the United States Geological Survey (USGS) to use its personnel, experience and equipment to perform a District-wide overview survey of the groundwater quality of the Ogallala aquifer. The survey, as proposed by the USGS will



collect groundwater samples from approximately 24 to 32 District monitoring wells and perform analysis for major inorganic constituents (bromide, calcium, chloride, fluoride, etc.), trace elements (aluminum, antimony, arsenic, etc.), and nutrients (ammonia, nitrogen, nitrite, nitrate, phosphorus). A sub-set of wells (approximately 6 - 8 wells) will be further sampled for other constituents including pesticides and pesticide degradates. All of the samples will be analyzed for field parameters (water temperature, pH, specific conductance and dissolved oxygen) and alkalinity. Sampling will be split over two years and the project will run for three. Approximately 12-16 wells will be sampled in year 1 (and subset of 3-4 wells for pesticides), and the remaining 12-16 wells (sub-set of 3-4 wells for pesticides) will be sampled in year 2.

The General Manager recommended that the Board contract with USGS to undertake a water-quality study for the District of the Ogallala aquifer.

Gene Born moved that the Board authorize the General Manager to enter into a contract with USGS to undertake a water-quality study for the District of the Ogallala aquifer with terms as outlined above. Harold Grall seconded the motion and it was unanimously approved by the Board.

The General Manager reported to the Board that the Texas Water Development Board (TWDB) is holding public meetings about the Draft 2012 State Water Plan. The TWDB has drafted the plan based on input from the regional water planning groups throughout the state. In Region A, the plan used a combination of input from GMA-1 and from modeling completed at the regional level.

From 2010-2060, the plan projects a population increase for the area of 39 percent up to approximately 541,035; and additional water needs of 418,414 acre-feet per year. The plan recommends strategies that would produce 648,220 acre-feet per year at a cost of \$739 million. Conservation, mostly associated with irrigation, accounts for 86 percent of the 2060 increased volume. Significant groundwater development is also projected, as well as significant unmet irrigation need in the near future. The draft plan is now available online for public review and comment through Oct. 25. TWDB staff will hold a formal public hearing on Oct. 17, 2011, in Austin. The hearing will be recorded for play back. A copy of the draft plan is available in the District office for review.

Christie Frost presented a report to the Board regarding 2011 Production Reporting activities. Mrs. Frost stated that a schedule pertaining to the 2011 Production Reporting Process has been set by the District Staff. November 18<sup>th</sup> is the cutoff date for updates to the database. The reports will go to the printing company on November 28<sup>th</sup> and should be back in the office by December 2<sup>nd</sup>. The Staff will prepare the reports for mailing the first week of December. The 2011 Annual Production Reports are scheduled to be mailed on Friday, December 9<sup>th</sup>. Producers should receive the reports by the target date of December 15<sup>th</sup>. The District will send a special notice to the producers who failed to timely file their 2010 Annual Production Reports. The notice will remind the producers that if the 2011 Annual Production Reports are filed by January 15, 2012, that the penalty which was assessed against the producer will be refunded in full. Mrs. Frost stated that the District will again be participating in the Crop Production Clinics sponsored by Pioneer. The 2012 Texas & Oklahoma Panhandle Corp Production Clinics will be held in 3 towns in the District. The dates and places of the Clinics are: January 9<sup>th</sup> – Dumas, January 10<sup>th</sup> – Dalhart, and January 12<sup>th</sup> – Spearman. District Staff will be available at the Clinics to answer questions regarding production reporting and the Conservation Reserve program and to assist producers in completing their production reports.

Steve Walthour presented a report on the interim Legislative Session. Mr. Walthour stated that between Texas Legislative sessions, members of the House and the Senate develop interim charges to study the effects of contemplated new legislation, legislative amendments, and on how the State does business, etc. Mr. Walthour reported that neither the House nor the Senate had yet made its charges available. The General Manager stated that some of the studies that might be performed during the interim session are:



1. Consolidating groundwater conservation districts;
2. Addressing desired future conditions and modeled available groundwater;  
or
3. Addressing the cost recovery of desalination.

The General Manager reported to the Board regarding the annexation of properties into the District. Mr. Walthour stated that North Plains Groundwater Conservation District granted the request of Jay and Jess Willard to join the District. Jay Willard brought approximately 8,275 acres into the District and Jess Willard brought approximately 8,796 acres into the District. All of the acres were located north of Conlen, in Dallam County. On August 29th and 30th of 2011, Randy Coon, Laura West and Odell Ward conducted a survey of the above mentioned areas. Each well located was listed as either a Domestic Well, a Stock Well, or an Irrigation Well. Odell Ward produced a map of the area using the ArcView software and satellite imagery. With the completed map, Odell Ward met with the Willards and asked them to locate all known wells on their respective properties. Randy Coon, Odell Ward, and Laura West were given copies of the map to use in their assigned survey areas. When a well was located, the well was GPS(ed) and inspected for District approved check valves and flow meters. This information was entered into the District's database with each well being given a county number and classification. The survey located a total of 84 wells. There were eight stock wells, six domestic wells, and 70 irrigation wells. The irrigation wells were classified as Class C wells due to the GPM provided by the owners. There were seven flow meters located in the annexed area, four meters at wells, two at pivots and one meter was located at a manifold between pivots. Some discussion of pooling for production purposes was had with Jay Willard, but no pooling documents have been filed as of this date. All information collected by the District will be reviewed by the owners and any corrections will be made in the database as they arise.

Danny Krienke and the General Manager discussed the District's 200-12 Demonstration Program and the Conservation Innovation Grant. It was reported that the 200/12 Crop Project is winding down for the 2011 growing season. Of the 9 initial participants, 2 remain with crops in the field. The two participants remaining are Harold Grall and Danny Krienke. Harold Grall applied a total of 18.78" of irrigation on his crop this season and received 2.47" of rainfall. Mr. Grall was hopeful that this moisture would carry the crop through to harvest. Danny Krienke applied 23.56" on 100 acres and 21.32" on 20 acres this season and is in the process of drying down his crop for harvest. Mr. Krienke's rain gauge measured 2.39 inches of rainfall. Steve Shields has harvested his field with a yield of 153 bushels. He applied 31.20" of irrigation water and received 1.39 inches of rainfall.

Six of the other participants cut their fields for silage due to the severe drought this season. Brian Bezner was on track for a yield, however the severe drought caused him to silage his field. As of July 1, Mr. Bezner applied 4.87 inches of irrigation to his 200-12 acres. Since July 1, Mr. Bezner's meter readings show that he applied an additional 12.45 inches of irrigation on his total 120 acres. Mr. Bezner noted that the 200/12 side of his field had a better tonnage of silage than the unmanaged side which contained two times the irrigation. Mr. Bezner's rainfall was 4.85 inches.

In July, the Board adopted a 2011-2012 Budget as follows:

#### **EXPENSES**

Directors	81,000.00
Personnel	818,868.00
Administrative	179,500.00
Contracted Services	96,750.00
Professional Fees & Services	401,000.00
Utilities and Telephone	20,000.00



Repairs and Maintenance	90,000.00
Capital Outlay	40,000.00
Observation Well Network	114,000.00
North Plains Research Field	0.00
Conservation Demonstration Project	182,350.00

<b>EXPENSES TOTAL</b>	<b>2,023,468.00</b>
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The Board later elected to increase its effective tax rate with all other sources of income is projected to collect \$2,013,399.96 for 2011. In August, the District was officially notified that it had been awarded a Conservation Innovation Grant by the United States Department of Agriculture for the grant proposal submitted jointly with the Texas Alliance for Water Conservation (TAWC) and Texas Tech University (TTU). As the grantee, the District is responsible for costs associated with the joint project and distribution of the award to TAWC and TTU for their completed parts of the project. In the demonstration project's first year the total award from USDA is \$166,616.48 and the District's cost share of the award is \$92,554.00 totaling \$259,170.48. To accommodate the USDA CIG in the budget, the District must budget enough funds to cover the District's cost share and the USDA's award. The District currently has budgeted \$182,350.00 for conservation demonstrations which includes costs that would be partially paid for by the Texas Water Development Board through their 200-12 Conservation Grant. Attached is the CIG award spreadsheet.

The General Manager requested that the Board amend the 2011-2012 District Budget and, specifically, that the budget line item for the Conservation Demonstration Project be increased in the amount of \$100,000.00 to a total of \$282,350.00, to accommodate the USDA Conservation Innovation Grant.

Brian Bezner moved that the Board amend the 2011-2012 District Budget, and, specifically, that the line item in the budget for Conservation Demonstration Project be increased by \$100,000.00, for a total of \$282,350.00, to accommodate the USDA Conservation Innovation Grant. Phil Haaland seconded the motion and it was unanimously approved by the Board.

At 10:36 a.m., Wesley Spurlock moved to go into Executive Session in compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, §551.071 for consultation with Keith Good of Lemon, Shearer, Phillips & Good, P. C. concerning attorney-client privileged matters involving legal counsel's consultation with the Board concerning compliance matters regarding well spacing. Harold Grall seconded the motion and it was unanimously approved by the Board.

Bobby Williams presented commentary to the Board regarding horizontal drilling and fracturing in areas within the District.

Executive Session: At 10:42 a.m. the Board went into Executive Session to consult with Keith Good regarding attorney-client privileged matters. At 10:46 a.m., Director Brian Bezner recused himself from the Executive Session. At 11:09 a.m. Director Harold Grall moved that the Board reconvene into regular session. Wesley Spurlock seconded the motion and it was unanimously approved by the Board.

At 11:20 a.m. the Board reconvened into regular session.

The Board discussed Rules 2, 3 and 17 and the possible revisions of those Rules by the District.

At 1:01 p.m., the Board briefly recessed the meeting and reconvened at 1:18 p.m.

At 1:50 p.m. the meeting was recessed for lunch and reconvened at 2:08 p.m.

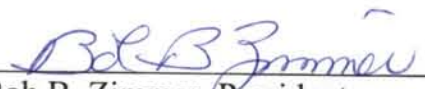
Kirk Welch discussed the distribution of Board materials and communications with the Board. Mr. Welch stated that the District is constantly exploring opportunities to be more efficient in its operations. Emerging communications technologies, such as internet-based applications and mini, touch-screen computers offer time and resource saving options for communicating with the Staff and the Board. As the District enhances its website and its capabilities, one specific application under consideration is the use of a password protected section of the website for delivery of information to the Board. Each Board member would access the secure section via a mini computer. The system would save significant resources that are expended to communicate with the Board throughout the year, while making the information accessible at the individual's convenience anywhere an internet connection is available.

Mr. Welch also informed the Board that December 10, 2011 is the date set for the District's 2011 Christmas Party which will be held at The Perryton Club in Perryton, Texas.

The Board discussed the recipient of its 2011 Conservationist of the Year Award. By consensus, the Board selected Don Gohmert to be the recipient of its 2011 Conservationist of the Year Award.

By consensus, the Board set its next regular Board meeting for November 8, 2011 at 9:00 a.m.

Phil Haaland moved to adjourn the meeting. Brian Bezner seconded the motion and it was unanimously approved by the Board. President Zimmer declared the meeting adjourned at 3:35 p.m.

  
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Bob B. Zimmer, President

  
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Brian Bezner, Secretary