

**MINUTES OF THE SEPTEMBER 12, 2017
BOARD OF DIRECTORS MEETING OF
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

The Board of Directors of North Plains Groundwater Conservation District met in regular session September 12, 2017, 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 9:23 a.m.:

Harold Grall, President;
Daniel L. Krienke, Vice-President;
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;
Kirk Welch, Assistant General Manager/Outreach;
Casey Tice, Compliance Coordinator;
Paul Sigle, Agricultural Engineer;
Alyssa Holguin, Conservation Outreach Assistant; and,
Karen Jones, Administrative Support Specialist.

Others present during part or all of the meeting:

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

President Grall declared a quorum present and called the meeting to order at 9:23 a.m. Director, Gene Born, gave the invocation and President Grall led the pledge.

At 9:24 a.m., President Grall recessed the regular Board meeting and called the Show Cause Hearing to Order regarding the Gloria A. Griggs Revocable Trust c/o Sabrina Griggs, owner of Section 3, Block 12, H&GN Survey in Ochiltree 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 Hearing regarding Gloria A. Griggs Revocable Trust c/o Sabrina Griggs, owner of Section 3, Block 12, H&GN Survey in Ochiltree County, Texas, for Violation of District Rules 2.1 and 3.1. – permitting and well spacing Rules be continued until the November meeting of the Board.

President Grall reconvened the regular Board meeting at 9:25 a.m.

1 – Public Comment

No public comments were received. The General Manager announced to the Board that Paul Sigle's last day with the District is September 22, 2017 and introduced Karen Jones, the District's new Administrative Support Specialist 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 regular August 14, 2017 Board Meeting; the review and

approval of un-audited District expenditures for August 1, 2017 through August 31, 2017, including the General Manager's expense and activity report; and, the review and approval of payment to Lemon, Shearer, Phillips & Good, P.C. for professional services and out-of-pocket expenses from August 1, 2017 through August 31, 2017, in the amount of \$9,051.63.

Gene Born moved to remove the approval of the regular August 14, 2017 Minutes from the Consent Agenda and amend the Minutes as requested by Director, Zac Yoder, as follows:

Zac Yoder moved that the Board set fees of \$.80 per acre-foot on all non-exempt groundwater produced for agricultural purposes and \$5.00 per acre-foot on all other non-exempt groundwater production for any other purpose. Mark Howard seconded the motion. Yoder stated justifying the rate should not be based on land area due to a large portion of the annexed land being owned by the federal government. Mr. Yoder also said when the rate was originally set, it was estimated that \$60,000 in fees would be collected. President Grall called for a roll-call vote:

Daniel L. Krienke	No
Mark Howard	Yes
Justin Crownover	No
Bob Zimmer	No
Harold Grall	No
Gene Born	No
Zac Yoder	Yes

The motion failed.

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

Action Agenda 3a - Consider action regarding Show Cause Hearing Regarding the Gloria A. Griggs Revocable Trust.

Zac Yoder moved to continue the Show Cause Hearing until 9:00 a.m. on the November Meeting date of the Board. Justin Crownover seconded the motion and it was unanimously approved by the Board.

Action Agenda 3b - Review and discuss Amicus Curiae Brief filed by the District in BP America Production Company v. Red Deer Resources, LLC, Cause No. 15-0569, pending in the Supreme Court of Texas.

The General Manager and the District's General Counsel reviewed with the Board, the Amicus brief filed by the District in the Supreme Court of Texas expressing the District's concern about water quality issues that could result regarding the Court's decision in *BP America Production Company v. Red Deer Resources, LLC*.

Action Agenda 3c - Consider final compliance 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 21 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.

Well	Class	Qtr.	Sec.	Blk.	Sur.	NS	EW
DA-9230	C	SW/4	78	1	ME HAYS	110 S	80 W
HA-9350	C	NE/4	28	12	CSS	454 N	475 E
HA-9448	C	NE/4	13	12	CSS	714 N	792 E
HA-9605	C	SE/4	38	12	CSS	871 S	856 E
HN-9327	D	SW/4	15	1	CIF	424 S	247 W
HN-9862	D	NE/4	180	2	GH&H	764 N	123 E
LI-7075	B	SW/4	157	43	H&TC	633 S	278 W
MO-0012	C	SW/4	313	44	H&TC	298 S	27 W
MO-028	C	NE/4	346	44	H&TC	104 N	427 E
OC-9456	C	SE/4	-	-	JJ BALLENTINE	33 S	913 E
OC-9972	D	NW/4	837	43	H&TC	432 N	141 W
SH-0027	C	SW/4	95	1-T	T&NO	391 S	105 W
SH-0061	D	SW/4	95	1-T	T&NO	110 S	738 W
SH-6864	C	NE/4	20	2-T	T&NO	693 N	118 E
SH-7892	C	NE/4	20	2-T	T&NO	102 N	886 E
SH-9029	C	NW/4	182	1-C	GH&H	749 N	115 W
SH-9579	B	NW/4	283	1-T	T&NO	868 N	208 W
SH-9580	B	SW/4	107	1-T	T&NO	84 S	45 W
SH-9606	A	SE/4	340	1-T	T&NO	779 S	128 E
SH-9652	B	SW/4	107	1-T	T&NO	112 S	589 W
SH-9957	D	NW/4	95	1-T	T&NO	143 N	104 W

Zac Yoder moved to approve all of the Well Permits on the above schedule, noting that the Wells are properly equipped and otherwise comply with District Rules. Mark Howard seconded the motion and it was unanimously approved by the Board.

Action Agenda 3d - Receive report regarding the District's Agricultural Water Conservation Program and the North Plains Water Conservation Center.

Kirk Welch, Assistant General Manager, presented the following report:

Irrigation Conservation Initiative

The District is offering up to a 50% cost share on a variety of irrigation efficiency equipment because of two recent grants from the Texas Water Development Board, totaling \$300,000. The program is called the Irrigation Conservation Initiative (ICI). 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 will qualify producers to apply for funds. Additional opportunities to qualify for the funding may be announced in the future. Eligible equipment includes, soil moisture probes, plant stress monitors, 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.

Bob Zimmer arrived to participate in the meeting at 10:03 a.m.

Steve Walthour, presented the following reports to the Board:

3-4-5 Project Update

Irrigation for the 2017 3-4-5 Project is wrapping up. Leon New delivered the 2016 3-4-5 Gallon Production Maximization Demonstration Report just before the WCC Field Day. A copy of the report was presented to the Board.

In 2016, the project's second year, 5 cooperating growers dedicated 654 acres to obtain additional demonstration results. Danny Krienke used 180 acres in Ochiltree county, Harold Grall dedicated 241 acres in Moore county, Zac Yoder utilized 99 acres in Dallam county, Dennis Buss appropriated 60 acres in Hartley county, and Stan Spain apportioned 74 acres, of which 19 acres were Sub-surface Drip Irrigation (SDI) in Moore county. Krienke, Grall, and Spain demonstrated the use of high efficiency water application LEPA and PMDI center pivot systems within the "3-4-5 Gallon Production Maximization" project. The following results from each 2016 cooperating producer's field were presented to the Board.

Danny Krienke, in Ochiltree County, produced 5 more bushels per acre in the 4 GPM field than the 3 GPM field, and irrigation was 0.27 inches less. The 5 GPM field produced 10 more bushels per acre than the 3 GPM with the same 11.07 inches of irrigation. The 5 GPM yield was 5 more bushels per acre than that from the 4 GPM field with 0.27 additional inches of irrigation. Corn production was 18.70 bushels (1122 lb) per inch of irrigation in the 3 GPM field compared to 19.63 bushels (1177 lb) in the 4 GPM and 19.60 bushels (1176 lb) from the 5 GPM field. The 4 GPM field's net gain is \$3.25 per acre with 0.27 inches less irrigation used compared to production from the 3 GPM field. The 5 GPM field's net loss compared to the 3 GPM field is \$3.11 per acre with the same 11.07 inches of irrigation. Net loss for the 5 GPM field compared to the 4 GPM is \$6.36 per acre with 0.27 inches more of irrigation. Net return from each inch of irrigation is \$31.14 for the 3 GPM field compared to \$32.22 from the 4 GPM and \$30.86 for the 5 GPM field. Net return from each inch of total water is \$12.90 for his 3 GPM field, \$14.02 for the 4 GPM and \$14.22 for the 5 GPM field. Krienke's 3 GPM early planted (April 25) field produced 231 bushels per acre. The 3 GPM early produced 24 bushels more per acre than his 3 GPM, 19 bushels more than the 4 GPM, and 14 bushels more than the 5 GPM. Irrigation was 13.11 inches, being 2.04 inches more than the 3 GPM and 5 GPM and 2.31 inches more than 4 GPM. Net return from each inch of irrigation was \$29.00 for the 3 GPM early, \$31.14 for 3 GPM, \$32.22 for 4 GPM, and \$30.86 for 5 GPM. Net return per acre was \$380.29 for the 3 GPM-early, \$344.79 for 3 GPM, \$348.04 for 4 GPM, and \$341.68 for 5 GPM.

Harold Grall-PMDI in Moore County produced 16 less bushels per acre in his 4 GPM field than the 3 GPM field, and irrigation was 1.28 inches more. The 5 GPM field produced 18 less bushels per acre than the 3 GPM with 2.25 more inches of irrigation. The 5 GPM yield was 2 fewer bushels per acre than that from the 4 GPM field with 0.97 additional inches of irrigation. Corn production was 15.91 bushels (954 lb) per inch of irrigation in the 3 GPM field compared to 13.47 bushels (808 lb) in the 4 GPM and 12.51 bushels (751 lb) from the 5 GPM field. The 4 GPM field's net loss is \$47.72 per acre with 1.28 inches more irrigation used compared to production from the 3 GPM field. The 5 GPM field's net loss compared to the 3 GPM field is \$58.52 per acre with 1.28 additional inches of irrigation. Net loss for the 5 GPM field compared to the 4 GPM is \$10.80 per acre with 0.97 inches more irrigation. Net return from each inch of irrigation is \$24.79 for the 3 GPM field compared to \$19.44 from the 4 GPM and \$17.56 for the 5 GPM field. Net return from each inch of total water is \$12.75 for Grall's 3 GPM PMDI, \$11.29 for the 4 GPM, and \$11.29 for his 5 GPM PMDI field.

Harold Grall-LEPA in Moore County produced 12 less bushels per acre in his 4 GPM field than the 3 GPM field, and irrigation was 1.28 inches more. The 5 GPM field produced 13 less bushels per acre than the 3 GPM with 2.25 more inches of irrigation. The 5 GPM yield was 1 bushel per acre less than that from 4 GPM field with 0.97 additional inches of irrigation. Corn production was 14.96 bushels (897 lb) per inch of irrigation in the 3 GPM field compared to 12.86 bushels (771 lb) in the 4 GPM and 12.01 bushels (720 lb) from the 5 GPM field. The 4 GPM field's net loss is \$37.54 per acre with 1.28 inches more

irrigation used compared to production from the 3 GPM field. The 5 GPM field's net loss compared to the 3 GPM field is \$45.85 per acre with 1.28 additional inches of irrigation. Net loss for the 5 GPM field compared to the 4 GPM is \$8.31 per acre with 0.97 inches more irrigation. Net return from each inch of irrigation is \$22.39 for the 3 GPM field compared to \$17.93 from the 4 GPM and \$16.31 for the 5 GPM field. Net return from each inch of total water is \$12.73 for Grall's 3 GPM LEPA, \$10.45 for the 4 GPM, and \$9.82 for his 5 GPM LEPA field.

Harold Grall-LEPA and PMDI (in Moore County) The 3 GPM PMDI field produced 13 more bushels per acre than the 3 GPM LEPA field. Irrigation in each field was 13.57 inches. The 4 GPM PMDI field produced 9 more bushels per acre than the 4 GPM LEPA field, and irrigation was 14.85 inches for each field. The 5 GPM PMDI field produced 8 more bushels per acre than the 5 GPM LEPA. Irrigation was 15.82 inches for both fields. Corn production was 15.91 bushels (955 lb) per inch of irrigation in the 3 GPM PMDI field compared to 14.96 bushels (897 lb) in the 3 GPM LEPA. In the 4 GPM fields, production was 13.47 bushels (808 lb) per inch of irrigation for PMDI and 12.86 bushels (772 lb) for 4 GPM LEPA. Production in the 5 GPM PMDI field was 12.51 bushels (751 lb) from each inch of irrigation and from the 5 GPM LEPA was 12.01 bushels (720 lb) per inch. Irrigation, rainfall, and net soil water totaled to 26.37 inches in the 3 GPM PMDI field and 23.87 inches in the 3 GPM LEPA field. Production from each inch of total water is 8.19 bushels (491 lb) for the 3 GPM PMDI and 8.50 bushels (510 lb) for the 3 GPM LEPA. Production from 25.56 inches of total water in the 4 GPM PMDI field is 7.82 bushels (495 lb) compared to 7.50 bushels (450 lb) from 25.47 inches for the 4 GPM LEPA field. Total water was 24.60 inches for the 5 GPM PMDI field from which production was 8.05 bushels (483 lb) per inch. Total water in the 5 GPM LEPA was 26.27 inches from which production was 7.23 bushels (434 lb) per inch. Net return from each inch of irrigation is \$24.79 for the 3 GPM PMDI field and \$22.39 per inch for the 3 GPM LEPA field. For the 4 GPM PMDI, net return per inch of irrigation is \$19.44 per inch and \$17.93 for 4 GPM LEPA. Net return for the 5 GPM PMDI field is \$17.56 from each inch of irrigation and \$16.31 per inch from the 5 GPM LEPA field. Net return per acre was \$336.41 for the 3 GPM PMDI field and \$303.83 for the 3 GPM LEPA field. Net return for the 4 GPM PMDI field was \$288.69 per acre and \$266.29 for the 4 GPM LEPA field. For the 5 GPM PMDI field, net return was \$277.89 per acre compared to \$257.98 per acre for the 5 GPM LEPA field.

Stan Spain-SDI in Moore County produced 21 more bushels per acre in his 4 GPM field than the 3 GPM field. Irrigation was 2.70 inches more. The 5 GPM field produced 55 more bushels per acre than the 3 GPM with 3.68 more inches of irrigation. The 5 GPM yield was 35 more bushels per acre than that from the 4 GPM field with 0.98 additional inches of irrigation. Corn production was 13.88 bushels (833 lb) per inch of irrigation in the 3 GPM field compared to 12.82 bushels (769 lb) in the 4 GPM and 14.10 bushels (846 lb) from the 5 GPM field. The 4 GPM field's net gain is \$36.07 per acre with 2.70 inches more irrigation used compared to production from the 3 GPM field. The 5 GPM field's net gain compared to the 3 GPM field is \$114.81 per acre with 3.68 additional inches of irrigation. Net gain for the 5 GPM field is \$78.74 per acre more than the 4 GPM with .98 inches more of irrigation. Net return from each inch of irrigation is \$19.24 for the 3 GPM field compared to \$18.28 from the 4 GPM and \$21.77 for the 5 GPM field. Net return from each inch of total water is \$10.08 for the 3 GPM field, \$10.93 for the 4 GPM, and \$14.31 for the 5 GPM field.

Zac Yoder, in Dallam County, produced 36 more bushels per acre in his 4 GPM field than the 3 GPM, and irrigation was 5.06 inches more. The 5 GPM field produced 49 more bushels per acre than the 3 GPM with 10.35 more inches of irrigation. The 5 GPM yield was 13 more bushels per acre than that from 4 GPM field with 5.29 additional inches of irrigation. Corn production was 13.68 bushels (820 lb) per inch of irrigation in the 3 GPM field compared to 12.01 bushels (720 lb) in the 4 GPM and 10.00 bushels (600 lb) from the 5 GPM field. The 4 GPM field's net gain is \$43.26 per acre with 5.06 inches more irrigation used compared to production from the 3 GPM field. The 5 GPM field's net gain compared to the 3 GPM field is \$31.61 per acre with 10.35 additional inches of irrigation. Net gain for the 5 GPM field is -\$11.65 per acre less than the 4 GPM with 5.29 inches

more of irrigation. Net return from each inch of irrigation is \$19.42 for the 3 GPM field compared to \$16.65 from the 4 GPM and \$12.69 for the 5 GPM field. Net return from each inch of irrigation, rainfall, and net soil water is \$10.68 for the 3 GPM field, \$10.92 from the 4 GPM, and \$9.35 for the 5 GPM field.

Stan Spain-LEPA in Moore County produced 21 more bushels per acre in his 4 GPM field than the 3 GPM field. Irrigation was 3.28 inches more. The 5 GPM field produced 64 more bushels per acre than the 3 GPM with 4.09 more inches of irrigation. The 5 GPM yield was 64 more bushels per acre than that from the 4 GPM field with 4.09 additional inches of irrigation. Corn production was 13.22 bushels (793 lb) per inch of irrigation in the 3 GPM field compared to 11.99 bushels (719 lb) in the 4 GPM and 13.75 bushels (825 lb) from the 5 GPM field. The 4 GPM field's net gain is \$32.57 per acre with 3.28 inches more irrigation used compared to production from the 3 GPM field. The 5 GPM field's net gain compared to the 3 GPM field is \$134.75 per acre with 4.09 additional inches of irrigation. Net gain for the 5 GPM field is \$102.18 per acre more than the 4 GPM with 0.81 inches more of irrigation. Net return from each inch of irrigation is \$18.28 for the 3 GPM field compared to \$16.76 from the 4 GPM and \$21.45 for the 5 GPM field. Net return from each inch of total water is \$9.82 for the 3 GPM field, \$11.75 for the 4 GPM, and \$13.74 for the 5 GPM field.

Stan Spain-LEPA and SDI (in Moore County) The 3 GPM LEPA field produced 5 more bushels per acre than the 3 GPM SDI field. Irrigation in the LEPA field was 14.82 inches and 13.76 in the SDI field. The 4 GPM LEPA field produced 6 more bushels per acre than the 4 GPM SDI field. Irrigation was 18.10 inches for the LEPA field and 16.46 for the SDI. The 5 GPM LEPA field produced 14 more bushels per acre than the 5 GPM SDI. Irrigation was 18.91 inches for the LEPA field and 17.44 for the SDI field. Corn production was 13.22 bushels (793 lb) per inch of irrigation in the 3 GPM LEPA field compared to 13.88 bushels (833 lb) in the 3 GPM SDI. In the 4 GPM fields, production was 11.99 bushels (719 lb) per inch of irrigation for LEPA and 12.82 bushels (769 lb) for 4 GPM SDI. Production in the 5 GPM LEPA field was 13.75 bushels (825 lb) from each inch of irrigation and that from the 5 GPM SDI was 14.10 bushels (846 lb) per inch. Irrigation, rainfall, and net soil water totaled 27.58 inches in the 3 GPM LEPA field and 23.87 inches in the 3 GPM SDI field. Production from each inch of total water is 7.10 bushels (426 lb) for the 3 GPM LEPA and 7.27 bushels (436 lb) for 3 GPM SDI. Production from 25.82 inches of total water in the 4 GPM LEPA field is 8.40 bushels (504 lb) compared to 7.66 bushels (460 lb) from each of 27.52 inches for the 4 GPM SDI field. Total water was 29.52 inches for the 5 GPM LEPA field from which production was 8.81 bushels (528 lb) per inch. Total water in the 5 GPM SDI was 26.52 inches from which production was 9.27 bushels (556 lb) per inch. Net return from each inch of irrigation is \$18.28 for the 3 GPM LEPA field and \$19.24 per inch for the 3 GPM SDI field. For the 4 GPM LEPA, net return per inch of irrigation is \$16.76 per inch compared to \$18.28 for 4 GPM SDI. Net return for the 5 GPM LEPA field is \$21.45 from each inch of irrigation compared to \$21.77 per inch from the 5 GPM SDI field. Net return per acre was \$270.91 for the 3 GPM LEPA field and \$264.83 for the 3 GPM SDI field. Net return for the 4 GPM LEPA field was \$303.48 per acre and \$300.90 for the 4 GPM SDI field. For the 5 GPM LEPA field, net return was \$405.66 per acre compared to \$379.64 per acre for the 5 GPM SDI field.

Dennis Buss in Hartley County produced 36 more bushels per acre in his 4 GPM field than the 3 GPM, and irrigation was 1.84 inches more. The 5 GPM field produced 73 more bushels per acre than the 3 GPM with 1.34 more inches of irrigation. The 5 GPM yield was 37 more bushels per acre than that from 4 GPM field with 0.50 less inches of irrigation. Corn production was 10.38 bushels (623 lb) per inch of irrigation in the 3 GPM field compared to 11.73 bushels (704 lb) in the 4 GPM and 15.29 bushels (917 lb) from the 5 GPM field. The 4 GPM field's net gain is \$78.56 per acre with 1.84 inches more irrigation used compared to production from the 3 GPM field. The 5 GPM field's net gain compared to the 3 GPM field is \$95.10 per acre with 1.34 additional inches of irrigation. Net gain for the 5 GPM field is \$95.10 per acre more than the 4 GPM with 0.50 inches less irrigation. Net return from each inch of irrigation is \$9.36 for the 3 GPM field compared to \$14.26 from the 4 GPM and \$22.75 for the 5 GPM field. Net return from

each inch of irrigation, rainfall and net soil water is \$4.54 for the 3 GPM field, \$7.82 from the 4 GPM, and \$11.46 for the 5 GPM field. The crop did not receive sufficient, timely water to produce a representative corn yield for the "3-4-5 Gallon Production Maximization" project.

Harold Grall T-L PMDI in Moore County produced 8.27 bushels (496 lb) from each inch of irrigation. Net return from each inch of irrigation is \$8.12. Net return per acre is \$130.61. Irrigation capacity became less than 2 GPM per acre due to well production decline during the daily high temperatures, especially in July. Rainfall was insufficient to maintain representative corn yields for the "3-4-5 Gallon Production Maximization" project.

The District conducted its first field day on September 7, 2017 at the North Plains Water Conservation Center, Dumas, Texas. The second field day will be conducted on September 20, 2017 at the Ochiltree County Expo Center, Perryton, Texas.

Future Agriculture Water Conservation Demonstrations

In August, the Board discussed using some of the funding from the two TWDB Grants recently received over the summer to purchase equipment allowing producers to demonstrate on-farm water conservation practices. The TWDB contracts with the district have an upfront educational component that requires some agriculture conservation training before a producer is eligible for the cost share. However, the District has budgeted funds for demonstration projects such as the 3-4-5 demonstration project since 2010. This is the last scheduled year for the 3-4-5 project but for the reporting in 2018, this project is wrapping up. The Ag Committee is currently considering future demonstrations.

The General Manager proposed that any demonstration project an individual producer would propose be vetted by the Ag Committee to determine if the proposal is a viable candidate for District participation. If the proposed demonstration is viable, that the District conservation demonstration funds to secure equipment, supplies, data collection needs, analysis and other support for a successful demonstration.

Justin Crownover moved the Board direct the Ag Committee to set up a vetting process to determine if a demonstration project proposed by an individual producer is a viable candidate for District participation for application of the conservation demonstration funds to secure equipment, supplies, data collection needs, analysis and other support for a successful demonstration. Gene Born seconded the motion and it was unanimously approved by the Board.

After discussion, it was the consensus of the Board not to write a letter to the State taking a position on not funding sprinklers, but funding water-saving hardware.

Action Agenda 3e - Consider action directing the General Manager to amend the 2016-2017 Budget.

The General Manager stated that he has reviewed the District 2016 – 2017 Budget. To cover possible costs under specific budget items, the General Manager requested that the Board amend the 2016-2017 budget as follows:

Budget Item	Current Budget Amount	Increase or (Decrease)	Proposed Budget Amount	Explanation
Administrative	144,500	10,000.00	154,500.00	Increased to address higher than expected expenses for conference and travel expenses and subscriptions and publications.

Contracted Services	114,172.65	(5,000.00)	109,172.65	Decreased to offset administrative budget increase.
Professional Fees	217,500	(5,000.00)	212,000.00	Decreased to offset administrative budget increase.

The above proposed budget amendments reflect no change in the District's overall budget.

Justin Crowover moved that the Board amend the District's 2016-2017 budget as follows:

- Increase administrative budget from \$144,500.00 to \$154,500.00;
- Decrease contracted services budget from \$114,172.65 to \$109,172.65; and
- Decrease professional fees budget from \$217,500.00 to \$212,500.00.

Gene Born seconded the motion and it was unanimously approved by the Board.

Action Agenda 3f - Receive report on the District's WaterWise 5th grade conservation education program.

Assistant General Manager, Kirk Welch, presented a report to the Board regarding the District's WaterWise 5th Grade Conservation Education Program compiled by Resource Action Programs of Sparks, Nevada.

Action Agenda 3g - Consider legal and compliance matters before the District.

The General Manager requested that the Board issue a Show Cause Order to Todd Tamplin to appear and show cause why action should not be taken against the Trust for failure to comply with District Rules 2.1 and 3.1 regarding GPU #2750 at 9:00 a.m. at the regular November 2017 meeting of the Board.

Bob Zimmer moved that the Board issue a Show Cause Order to Todd Tamplin to appear and show cause why action should not be taken against him for failure to comply with District Rules 2.1 and 3.1 for 9:00 a.m. at the November 2017 regular meeting of the Board. Gene Born seconded the motion and it was unanimously approved by the Board.

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 November 14, 2017.

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.

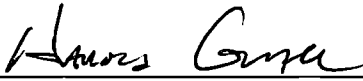
None, except as set forth above.

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 approved by the majority vote of the Board, with Director, Mark Howard, being absent from the room at the time of the vote. President Grall declared the meeting adjourned at 11:24 a.m.



Harold Grall, President.



Bob B. Zimmer, Secretary