

**MINUTES OF THE JANUARY 15, 2019
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 15, 2019, 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 9:02 a.m.:

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

Staff Present during part or all of the meeting:

Steve Walthour, General Manager;
Dale Hallmark, Assistant General Manager — Hydrologist/Production Services;
Kirk Welch, Assistant General Manager — Outreach;
Kristen Blackwell, Executive Assistant;
Pauletta Rhoades, Finance/Administration Manager; and
Odell Ward, Program Coordinator — GIS/Monitor Wells.

Others present during part or all of the meeting:

Coy Barton, C.P.A.;
Melissa Martinez;
Jace Ditzler;
Stan Spain;
F. Keith Good, Attorney; and,
Ellen Orr, Paralegal.

President, Daniel L. Krienke, declared a quorum present and called the meeting to order at 9:02 a.m. Director, Gene Born, gave the invocation and President Krienke led the pledge.

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 regularly scheduled November 13, 2018 Board of Directors Meeting; the review and approval of the Minutes of the District Christmas Party held on December 14, 2018; the review and approval of the Minutes of the Agriculture Committee Meeting held on January 2, 2019; the review and approval of un-audited District expenditures for November 1, 2018 through December 31, 2018, 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 November 1, 2018 through December 31, 2018, in the amount of \$13,778.99.

Harold Grall moved that the Board approve the Consent Agenda. Mark Howard seconded the motion and it was unanimously approved by the Board.

Action Agenda 3p - Review and consider adopting a resolution to request an agricultural conservation loan from the Texas Water Development Board.

Kirk Welch, Assistant General Manager – Outreach, reported to the Board that per Board direction, the staff has gathered information to allow the District to pursue an Agriculture Conservation Loan from the Texas Water Development Board. For the District to continue the Agriculture Conservation Loan application process, the District's Board will need to approve a resolution for the staff to proceed.

In addition to the resolution, the Board must adopt criteria for the loans, a list of eligible equipment, and a procedure for handling the loans. Mr. Welch staff presented documents used by Panhandle GCD for Agriculture Conservation Loans to the Board.

Mr. Welch presented the following Resolution for the Boards consideration:

RESOLUTION # 2019-0002

**RESOLUTION OF THE
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

KNOW ALL PEOPLE BY THESE PRESENTS:

The following RESOLUTION was adopted by the North Plains Groundwater Conservation District ("NPGCD") Board of Directors ("Board") on January 15, 2019 granting authority for NPGCD to file an application ("Application") with the Texas Water Development Board ("TWDB") to seek financial assistance from the TWDB and to ultimately enter into a Loan Agreement with the TWDB. The purpose of the TWDB Loan Agreement will be to fund loans by NPGCD to qualified groundwater producers within the confines of NPGCD for purposes of conserving and protecting groundwater.

RESOLUTION

FINDINGS:

The Board found that a necessity exists within NPGCD to promote the conservation and protection of groundwater through the TWDB loan program. The Board also found that NPGCD has the legal authority, under the Texas Water Code and NPGCD's Enabling Legislation to file the Application and, if approved by the TWDB, to enter into a Loan Agreement with the TWDB. The Board further found that NPGCD is in compliance with all rules and laws governing NPGCD.

THEREFORE, BE IT RESOLVED, AND IT IS HEREBY RESOLVED:

NPGCD General Manager, Steve Walthour, is hereby granted authority to file an Application, on behalf of NPGCD, with the TWDB and seek financial assistance from the TWDB in the amount of \$1,000,000 to fund conservation loans to qualified groundwater producers within the confines of NPGCD for capital equipment or materials and installation costs.

NPGCD General Manager, Steve Walthour, is hereby designated as the authorized representative of NPGCD to collect and assemble documents and such other information as may be required by the TWDB in support of the Application.

NPGCD General Manager Steve Walthour, is hereby granted authority to execute, on behalf of NPGCD, any and all documents required by the TWDB in support of the Application.

If the TWDB approves the Application, NPGCD General Manager, Steve Walthour, is hereby granted authority to execute a Loan Agreement with the TWDB on behalf of NPGCD.

Gene Born moved that the Board adopt Resolution 2019-002 as proposed to the Board. Harold Grall seconded the motion and it was unanimously approved by the Board.

A general Board discussion ensued regarding possible District guidelines for the Agriculture Conservation Loan, if approved by the Texas Water Development Board.

Action Agenda 3d - Review and consider approval of the District's annual financial report for the year ended September 30, 2018, from Coy Barton, C.P.A.

Coy Barton, C.P.A., presented the District's Annual Financial Report, which included a report on internal control, compliance and other matters, for the year ended September 30, 2018 and discussed the same with the Board. Gene Born moved that the Board approve the North Plains Groundwater Conservation District Annual Financial Report for the year ended September 30, 2018. Zac Yoder seconded the motion and it was unanimously approved by the Board.

Action Agenda 3e - Review and consider approval of payment to Coy Barton, C.P.A. for auditing services and preparation of the North Plains Groundwater Conservation District Annual Financial Report for the year ended September 30, 2018.

Coy Barton, C.P.A., had submitted an invoice for auditing services and preparation of the North Plains Groundwater Conservation District's Annual Financial Report for the year ended September 30, 2018, totaling \$22,000.00.

The General Manager had reviewed this invoice for the District's audit for the year ended September 30, 2018, preparation of financial statements, and SAS fraud requirements. The General Manager has determined that the invoice is consistent with the services Coy Barton, C.P.A., has performed for the District audit and has paid the invoice. A copy of the invoice was provided to the Board at the meeting.

Bob B. Zimmer moved that the Board approve the payment to Coy Barton, C.P.A., in the amount of \$22,000.00 for auditing services and preparation of the North Plains Groundwater Conservation District's Annual Financial Report for the year ended September 30, 2018. Gene Born seconded the motion and it was unanimously approved by the Board.

Action Agenda 3f - Review and consider approval of letter of engagement for audit and non-audit services to be performed by Coy Barton, C.P.A. for the year ending September 30, 2019.

Coy Barton, C.P.A., submitted a letter to the District, dated December 13, 2018, confirming his firm's understanding of the audit and non-audit services to be provided to the District for the year ended September 30, 2019. The letter provides:

- Coy Barton, C.P.A. will report on the audit of basic financial statements.

- Coy Barton, CPA will perform additional procedures enabling his firm to issue a second report in which it 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.

The letter also outlined the responsibilities of the District's management in the auditing process for 2019.

A copy of the letter from Coy Barton, C.P.A., dated December 13, 2018, was provided to the Board at the meeting.

Bob B. Zimmer moved that the Board approve the letter of engagement for Audit and Non-Audit Services to be performed for the District by Coy Barton, C.P.A. for fiscal year 2018-2019. Gene Born seconded the motion and it was unanimously approved by the Board.

The Board recessed at 10:29 a.m. and reconvened at 10:43 a.m.

Action Agenda 3a - Consider approval of Sherman County Appraisal District's 2018 ad valorem tax calculation for North Plains Groundwater Conservation District based on the North Plains Groundwater Conservation District's 2018 ad valorem tax rate and on the Appraisal District's 2018 tax roll.

The General Manager reported to the Board that the Sherman County Appraisal District requested the North Plain Groundwater Conservation District Board of Directors to approve the 2018 tax calculation for Sherman County, Texas.

Mr. Walthour stated that pursuant to Tax Code Section 26.09(e), the assessor shall enter the amount of tax determined as provided by this section in the appraisal roll and submit it to the governing body of the unit for approval. The appraisal roll with amounts of tax entered as approved by the governing body constitutes the unit's tax roll.

The District relies on the Sherman County Appraisal District to provide the correct Sherman County tax roll and tax calculation. Based on the 2018 Sherman County Tax roll value of 507,984,100 provided by the County Appraisal District, Sherman County's tax rolls for 2018 have increased by approximately \$1 million since the beginning of 2018. Certified values received in the summer do not include values that may be added throughout the year, so the final tax roll will vary from the original certified values. A table of the certified tax values for each county provided to the District this summer is as follows:

County	2018 Certified Taxable Value	2018 Tax Amount
Dallam	898,572,736	\$ 297,751.06
Hansford	543,520,467	\$ 180,100.94
Hartley	722,720,265	\$ 239,480.59
Hutchison	120,874,840	\$ 40,053.09
Lipscomb	631,672,875	\$ 209,311.12
Moore	1,989,268,573	\$ 659,164.03
Ochiltree	1,488,422,874	\$ 493,203.80
Sherman	506,939,140	\$ 167,979.35

Sherman County Appraisal District estimated that the tax levy amount is \$168,326.86 by applying the District's tax rate to each property. The General Manager calculated the total tax amount from Sherman County by using the total tax value \$507,984,100 multiplied by the District's tax rate of 0.033136 per \$100 per valuation. When applying this calculation to the total tax roll valuation provided by the Sherman County Appraisal District, the tax amount \$168,325.61. This difference in Sherman CAD stated tax amount and the General Manager's calculated tax amount from the total is \$1.25, and likely due to rounding when applying the District's tax rate to the total instead of each property value. Therefore, the General Manager recommended that the Board approve the 2018 ad valorem tax computation made by the Sherman County Appraisal District for North Plains Groundwater Conservation District on the tax roll in Sherman County.

Harold Grall moved that the Board approve the 2018 ad valorem tax calculation for North Plains Groundwater Conservation District made by the Sherman County Appraisal District based on the North Plains Groundwater Conservation District's 2018 ad valorem tax rate and on the Appraisal District's 2018 tax roll. Mark Howard seconded the motion and it was unanimously approved by the Board.

Action Agenda 3b - Approve contract between the District and Stan Spain related to farming activities at the North Plains Water Conservation Center.

The General Manager and Zac Yoder reported that on January 2, 2019, the Agriculture Committee met to review the General Manager's proposed contract between the District and Spain Farms to continue to operate the farming operations at the North Plains Water Conservation Center. The committee proposed a separate contract for Spain Farms and for Stan Spain. The first contract is an Agriculture Lease agreement with Spain Farms to farm a portion of the irrigated acres using conservation management practices specified by the District and its designated consultants. The rest of the farm will be farmed by Spain using practices realized through NPGCD demonstration programs.

The second contract is to mitigate the risks involved regarding the demonstration portion of the farm and duties in addition to farming activities required by the District.

The proposed contracts were presented to the Board.

Zac Yoder moved to approve the contracts between the District and Stan Spain, d/b/a Stan Spain Farms. Harold Grall seconded the motion and it was unanimously approved by the Board.

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

Further, the General Manager stated 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 10 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	SEC	BLK	SUR	NS	EW
DA-9566	B	46	6	CSS	114 N	780 E

HA-9871	C	31	3	B&B	241 N	685 W
HA-9927	D	215	44	H&TC	438 N	12 W
MO-10135	C	17	M-2	NONE	871 S	116 E
MO-10215	C	12	M-2	NONE	10 S	518 E
MO-10226	D	403	44	H&TC	104 N	105 E
MO-10277	D	404	44	H&TC	44 N	872 E
OC-9962	D	49	4	GH&H	32 N	580 E
OC-10256	C	25	4	GH&H	749 S	113 W
SH-10139	D	241	1-T	T&NO	264 S	52 E

Bob B. Zimmer moved to approve all of the Well Permits on the Well Permit Schedule, noting that the Wells are properly equipped and otherwise comply with District Rules. Harold Grall seconded the motion and it was unanimously approved by the Board.

Action Agenda 3g- Receive District Quarterly Investment Report for the period ending September 30, 2018.

The General Manager presented the District's Investment Report for the period beginning July 1 through September 30, 2018 to the Board. Written copies of the Report were presented to the Board for review and comment.

Action Agenda 3h - Receive report regarding the District's agriculture conservation programs.

The General Manager presented the following report to the Board:

Texas Water Development Board Loan

Under Board direction, District staff has gathered information to allow the District to pursue an Agriculture Conservation Loan from the Texas Water Development Board.

District Participated in Governor's Blue-Ribbon Committee

Upon invitation from Governor, Greg Abbott, Kirk Welch participated as part of the Governor's Blue-Ribbon Committee to make recommendations for the selection of the winners of the 2019 Environmental Excellence Awards. General Manager, Steve Walthour, was invited to participate on the committee based on the District's track record as a two-time winner of the award for agriculture in 2012 and 2016, respectively. Mr. Welch filled-in for Mr. Walthour because of a scheduling conflict. Committee members reviewed more than 30 applications across 9 categories to select the nominees to recommended to the Governor for recognition of the State's most impactful environmental projects.

Master Irrigator Program

2019 Session Dates:

Session 1: Agronomics March 20, 2019
 Session 2: Irrigation Scheduling March 27, 2019
 Session 3: Systems April 3, 2019
 Session 4: Systems & Special Topics April 10, 2019

Important Dates for 2019 Master Irrigator Timeline

- November 27 – Social media posts on Facebook, Twitter and Instagram
- December 18 – Project Advisory Committee Meeting
- December 31 – Article published in North Plains Water News
- January 2 – News Release sent to local media
- March 8 – Application period closes, or upon reaching 25 in-district applicants 2019 Speakers:

District staff booked the last of the speakers for the upcoming Master Irrigator Program by adding Nicholas Kenny, PE, to present about Gensets. The speaker list is as follows:

- Dr. Stephen H. Amosson, Regents Professor and Extension Service Economist- Management, Texas A&M AgriLife;
- Dr. Jourdan Bell, Assistant Professor and Agronomist, Texas A&M AgriLife Extension Service;
- Mike Caldwell, Natural Resources Manager, USDA-NRCS;
- Jeff Childs, Sales Engineer, Yaskawa America Inc.;
- Nicholas Kenny, PE, Owner/Consultant NPK Ag, LLC;
- Karlyle Haaland, CEO, PivoTrac Monitoring, LLC;
- Farris Hightower, Regional Sales Manager, Lindsay Corporation;
- Pat Scarth, AquaPlanner;
- Eric Burton, Better Harvest;
- John Gibson, Precision Ag Specialist, Crop Quest;
- Leon New, Agricultural Engineer;
- David Reinart, Co-Owner, Better Harvest, Inc.;
- Keith Sides, State Irrigation Engineer, USDA-NRCS;
- Dr. David Sloane, Agronomist;
- Fred Vocasek, Senior Laboratory Agronomist, Servi-Tech; and
- Steve Walthour, General Manager, North Plains Groundwater Conservation District.

On November 15, Kirk Welch and Mr. Walthour met with NRCS in Lubbock to discuss and plan for future Master Irrigator funding. Mr. Welch is working on a proposal to provide additional funding for promotion of The Master Irrigator and other conservation projects that meet the complimentary goals of the District and NRCS.

Multi-State Master Irrigator

Mr. Walthour made a presentation regarding The Master Irrigator Program at a meeting of growers hosted by the Republican River Water Conservation District and the Colorado Ag Water Alliance on December 12, 2018 in Burlington, Colorado. Steve Amosson will be making a presentation regarding The Master Irrigator Program to a group of 30-40 growers in Garden City, Kansas at a meeting hosted by the Kansas Water Office.

2019 Season Cover Crop Demonstration

The multi-year cover crop demonstration in cooperation with Texas A&M AgriLife is underway at the North Plains Water Conservation Center. The demonstration will include production-size plots with three cover regimes including fallow, wheat cover, and a multi-species cover mix, replicated three times under the same irrigation plan. The demonstration will be under the guidance of Jourdan Bell, PhD., and will be a graduate project for West Texas A&M University graduate student, Preston Sirmon. The demonstration was planted on December 4, 2018. The wheat strips were planted to Avery Wheat at 50 pounds/acre. The multi-species blend strips consisted of 100 pounds/acre of small grains blend, 15 pounds/acre of radishes and 15 pounds/acre of turnips. Each strip is 60' wide, and the length of the pivot area from South to North on the West side of the West Pivot. On November 9, 2018, Dr. Bell's crew ran infiltration tests at multiple locations across the demonstration area to establish a baseline. On December 19, 2018, Dr. Bell's crew took soil samples for moisture and fertility, and helped Curtis install gypsum moisture blocks in each plot. Blocks were installed at 6", 1', 2', 3', and 4' in each of the 9 plots. These blocks will be read weekly.

2018 Season Demonstrations

Nicholas Kenny ("Kenny") visited NPGCD on November 16, 2018. Kenny met with members of the Agriculture Committee, District staff and with other area growers to

discuss current and future demonstrations. Kenny also gathered information to be presented at this year's Pioneer Crop Production Clinics. It was determined to present the demonstration results at the meetings this year in lieu of a winter meeting that was previously discussed. Kenny will prepare data comparing the water usage of the cotton and corn fields at the WCC, as well as the ongoing comparison demonstration between SDI and LEPA in corn. He will also compile any information available in the first year of Harold Grall's no-till/strip-till demonstration and the first year of the District's deployment of on-farm weather stations.

WCC

The East Pivot cotton demonstration was harvested on 12/4/18. Stan Spain harvested the SDI cotton on 12/3/18. The West Pivot corn demonstration was harvested 11/5/18. The average yield was 240 bu./ac. Irrigations: East Pivot Cotton 14.257" applied plus 12.4" of seasonal rain equals 26.657". SDI North Zones Cotton 16.21" irrigation plus 10.56" of seasonal rain equals 26.77". West Pivot Corn Demonstration 21.77" irrigation plus 10.56" seasonal rain equals 32.33". SDI South Zones Corn 24.978" irrigation plus 8.04" seasonal rain equals 33.018".

2018 Season demonstration results prior to the November board meeting: Stan Spain reports the South SDI corn field planted with D58 VC37 on 5/8/18, zones 9-12 (west half) 32,000 population yielded 242.72 bushels per acre. For zones 13-16 (east half) 40,000 population the yield was 259.68 bushels per acre. The dryland cotton planted in the 4 corners of the East Pivot, and the NW Corner of the West Pivot yielded approximately 350 pounds per acre.

WCC Entry Project

The new 12' x 3' pan sign has been installed at the entrance to the WCC. Landscapers are working on landscaping the area around the sign, according to the designs created by the landscape architect. Planting will be scheduled in the spring.

Action Agenda 3i - Receive report and discuss 2019 Texas Legislative Session and Issues.

The General Manager stated that the 86th Legislature convened on January 8, 2019. Currently the TWCA groundwater subcommittees are meeting to address possible legislation. North Plains will seek to amend its ad valorem tax cap again this session. During last session, time expired before the Bill could make it through both chambers of the Legislature. The House Natural Resources Committee has released its interim report regarding the charges. The report was presented to the Board.

Senator Perry intends to reintroduce SB 1392 again and has asked TWCA to take the version that came out of his committee, along with possible additions, and determine if TWCA membership can reach a consensus. SB 1392 was an omnibus bill that could not get to the House during the last Legislative Session. Issues that will come up during the Legislative Session include:

Attorney's Fees: Among other amendments to Chapter 36, Senator Perry proposes to make the awarding of attorney fees discretionary and available to either prevailing party. Brackish groundwater: Chairman Larson has taken the lead on this issue over the past few sessions.

Brackish Groundwater: Brackish groundwater legislation was vetoed by the governor after the last Legislative session.

Standing: The new case out of Lost Pines GCD may impact historical understandings of standing in a GCD case. TWCA did have an "appeal party status" bill last session that

addressed the timing of standing appeals, but it did not substantively address who has standing.

Retail Water Utilities Exception: Legislation was filed during the 85th session as House Bill (HB) 1318 that proposed to grant a mandatory permitting exception to retail water utilities that would not be applicable to other groundwater users. The proposed exception would allow retail water utilities to drill wells within their service area and use the surrounding groundwater rights of their customers without having to purchase or legally control their customers' groundwater rights. HB 1318 failed to pass the 85th Legislature. However, the House Committee on Natural Resources was charged with studying the issue during the interim.

TWDB Funding for GAMs: There may be legislative supported by TAGD to seek legislative funding for the TWDB to update the GAMs.

Abandoned Wells: HB 3025 clarified the TDLR requirements for owners to plug abandoned wells within 180 days after they are made aware of the well and clarified a GCD's authority in Chapter 36 of the water code. The bill passed the legislature last session, but the governor vetoed it.

Licensing of Professional Geoscientists: The Board of Professional Geoscientists recently underwent Sunset Review, and the staff recommended abolishment of the program. The Sunset Advisory Committee held a hearing last week where many committee members testified in opposition to the staff recommendation. The District, GMA-1 Joint Planning Committee, TWCA's Groundwater Panel and other entities submitted a letter to the Sunset Advisory Commission opposing the staff report and encouraging the Legislature to retain the licensing program. The GMA-1 Joint Planning Committee worked under the District's General Managers license to complete its explanatory report during the last round of joint planning.

Well Construction Standards: There may be an effort to clarify the meaning of injurious water in the Occupations Code and including how to seal off water that may be part of two producing zones.

Joint Planning Process and Impact on Permitting: There may be legislation to clarify that the Modeled Available Groundwater (MAG) is not a regulatory cap. DFC challenges related to 36.108(d)(6) and (8), the joint planning groups are tasked with evaluating the socioeconomic and private property rights impacts of the proposed DFCs. The task has led to some confusion, so there may be an effort to clarify the meaning and necessary threshold.

Beneficial Use: There may be an effort to clarify that a permit applicant does not need a contract or a letter of intent with an end user to show proof of beneficial use.

Action Agenda 3j - *Receive report regarding 2018 Annual Production Reporting.*

The General Manager reported to the Board that 2018 Production Reports (2893) were mailed or emailed out on November 30, 2018. The District has received 152 reports as of December 31, 2018. On December 27, reminder letters were sent to the 2017 late filers regarding reimbursement of late fees if coinciding 2018 reports are turned in by January 15, 2019. The 2018 Production Reports are due by Friday, March 1, 2019 by close of business (5pm). A bar code system is in place to track all received reports.

Action Agenda 3k - *Receive report and consider action regarding Groundwater Management Area 1 Joint Planning.*

The General Manager and Bob B. Zimmer provided the following report:

On October 23, 2018, the Groundwater Management Area 1 Joint Planning Committee met and considered adoption of Desired Future Conditions. The Committee voted to extend the presidency of Jim Haley, of Hemphill County, through 2019; elected Bob B. Zimmer as Vice President and Danny Hardcastle of Panhandle Groundwater Conservation District as Secretary. Daniel L. Krienke was retained by the committee as GMA-1 Representative to the Panhandle Regional Planning Committee.

The Joint Planning Committee authorized the Panhandle Regional Planning Commission (PRPC) to begin requests for proposals to retain a Groundwater Availability Modeler. The committee directed the PRPC to request qualifications to assist in preparing the explanatory report.

Each of the districts provided an update to their Management Plans and Rules since the last joint planning meeting. Significant reports included North Plains GCD's Management Plan, High Plains Underground Water Conservation District review of its spacing rules based on the new horizontal drilling in their district, Panhandle GCD review and proposal of new rules, and Hemphill UWCD use of water level measurements in tracking DFCs.

The Joint Planning Committee sent a letter opposing abolishment of the Texas Board of Professional Geoscientists. During the last joint planning cycle, the Joint Planning Committee relied, in part, on Mr. Walthour's professional registration as a Geoscientist to lead the preparation of the Explanatory Report regarding Desired Future Conditions. The managers prepared the letter for the GMA-1 President's signature.

Action Agenda 3l - Heavy Equipment/Compressor Lawsuit Refund Applications

The General Manager reported to the Board that the District continues to refund taxes and interest due to the heavy equipment-compressor lawsuit. In November and December 2018, Moore County and Ochiltree County requested refunds. Moore County requested that the District reimburse the taxpayer and Ochiltree County paid the taxpayer and billed the District.

Check Payable to:	Company/County Refund Applied to:	Amount
Ochiltree Appraisal District	J W Power Company	\$1541.30
J W Power Company	Moore County Tax Office	\$681.60
Flogistix LP	Moore County Tax Office	\$90.38
Midcon Compression LLC	Moore County Tax Office	\$1651.39
Ochiltree Appraisal District	Flogistix LP	\$112.94
Ochiltree Appraisal District	Service Compression	\$1699.99
Ochiltree Appraisal District	Mesa Compression	\$433.83

As of December 31, 2018, \$6,211.43 has been reimbursed with more counties within the boundaries of the District expected to apply for refunds in the coming months. Documentation for the above-mentioned reimbursement was presented to the Board.

Ochiltree County informed the General Manager that the Eagle Rock lawsuit has been settled. The final agreed judgment and spreadsheet showing the changes and final refund were presented to the Board.

Action Agenda 3m - Review and consider adopting a Resolution to propose an amendment of the North Plains Groundwater Conservation District's Enabling Legislation.

In 2017, during the 85th Legislative Session, the District attempted to modify its Enabling Legislation to delete the ad valorem tax cap of five cents on the \$100 assessed valuation on the property in the District subject to taxation. The proposed Legislation was not passed during the 85th Legislative Session. It is the recommendation of the General

Manager and General Counsel that the District attempt to modify its Enabling Legislation to delete the five cents ad valorem tax cap on the \$100 assessed valuation of property in the District during the 86th Legislative Session to permit this process to begin in 2019.

The following Resolution was presented to the Board:

RESOLUTION # 2019-0001

**A RESOLUTION TO PROPOSE AN AMENDMENT OF THE
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT
ENABLING LEGISLATION**

KNOW ALL PEOPLE BY THESE PRESENTS:

The North Plains Groundwater Conservation District ("District") was created by the adoption of an Enabling Act ("Act") by the 54th Texas Legislature in 1955;

The Act authorized the District to levy and collect ad valorem taxes on taxable property within the District not to exceed Fifty Cents on the One Hundred Dollar assessed valuation on property within the District subject to taxation;

The Fifty Cent per One hundred Dollars of valuation ad valorem tax limitation was reduced to Five Cents per One Hundred Dollars of valuation by action of the 76th Texas Legislature in 1999; and,

After due consideration and analysis, the Board of Directors has determined that it is in the best interest of the District to request the 86th Texas Legislature to amend the Act by deleting therefrom, the ad valorem tax limitation of Five Cents per One Hundred Dollars of valuation.

Therefore, on the date set forth below, the North Plains Groundwater Conservation District Board of Directors adopted the following resolution:

BE IT RESOLVED, AND IT IS HEREBY RESOLVED, on the 15th day of January, 2019, that the District's General Manager is hereby authorized to submit to the appropriate Texas legislators, for their action during the 86th Texas Legislative Session, the proposed amendment to Tex. Special District Local Laws Code Title 6, Subtitle H, Chapter 8887, Section 8887.151 which is attached to this Resolution as Exhibit "A" and is incorporated herein for all purposes.

EXHIBIT "A" TO RESOLUTION 2019-0001

**NOTICE OF NORTH PLAINS GROUNDWATER CONSERVATION
DISTRICT'S INTENT TO APPLY FOR PASSAGE OF A LOCAL LAW**

North Plains Groundwater Conservation District, 603 East First Street, Dumas, Texas 79029 ("District") hereby gives notice of its intent to apply to the 86th Legislature of the State of Texas, currently in Regular Session, to amend the District's Enabling Act, Tex. Special District Local Laws Code Title 6, Subtitle H, Chapter 8887, by deleting therefrom:

"Sec. 8887.151. LIMITATION ON MAINTENANCE AND OPERATION TAX. To pay the maintenance and operating expenses of the district, including the maintenance of its installations and activities, the district may impose ad valorem taxes annually at a rate not to exceed five cents on each \$100 of assessed valuation on property in the district subject to taxation. (Acts 54th Leg., R.S., Ch. 498, Sec. 2 (part)."

Gene Born moved to adopt Resolution # 2019-0001 as presented to the Board. Harold Grall seconded the motion and it passed by the majority vote of the Board with Secretary, Mark Howard, and Zac Yoder opposing the motion.

Action Agenda 3n - Receive report and consider action regarding compliance matters before the District.

The General Manager stated that there were no compliance matters at this time.

Action Agenda 3o - Review and consider adoption of legal representation agreement with Lemon, Shearer, Phillips & Good P. C.

The District's Policies require annual review of Professional Services Agreements. The legal fees are proposed to be changed from the 2013 Agreement beginning January 1, 2019, as follows:

- Monthly Retainer: remains the same;
- Rates for Good and Orr when working jointly: From \$200 per hour to \$225 per hour;
- Rate for Good individually: From \$175 per hour to \$200 per hour; and
- Rate for Orr, individually: From \$100 per hour to \$125 per hour.

The proposed Legal Representation Agreement of Lemon, Shearer, Phillips & Good, P.C. was presented to the Board.

Gene Born moved to approve the Legal Representation Agreement of Lemon, Shearer, Phillips & Good, P.C., as presented, effective January 1, 2019. Bob B. Zimmer 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, 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 5 - Discuss Items for Future Board Meeting Agendas and Set Next Meeting Date and Time.

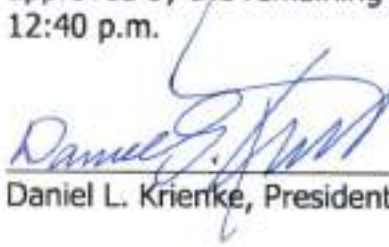
By consensus, the Board set the next regular Board Meeting at 9:00 a.m. on February 12, 2019.

Zac Yoder departed the meeting at 12:10 p.m.

The meeting was recessed at 12:10 p.m. for lunch and reconvened at 12:40 p.m.

Agenda 6 - Adjournment.

There being no further business to come before the meeting, Justin Crownover moved to adjourn the meeting. Mark Howard seconded the motion and it was unanimously approved by the remaining Board members. President Krienke adjourned the meeting at 12:40 p.m.


Daniel L. Krienke, President
Mark Howard, Secretary

**MINUTES OF THE FEBRUARY 1, 2019
AGRICULTURE COMMITTEE MEETING OF
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

The Agriculture Committee of North Plains Groundwater Conservation District met on February 1, 2019 at 9:30 am in the North Plains Groundwater Conservation District offices, 603 East First Street, Dumas, Texas.

Members present during all or part of the meeting:

Zac Yoder (Chairman)
Harold Grall
Danny Krienke

Staff present during all or part of the meeting:

Steve Walthour, General Manager;
Kirk Welch, Assistant General Manager – Conservation Outreach;
Curtis Schwertner, Natural Resource Specialist;

Others present during part or all of the meeting:

Leon New, Consultant
Stan Spain, WCC Farmer
Steve Amosson, Consultant
Tom Moore
Karlyle Haaland

Chairman Yoder called the meeting to order at 10:00

The committee discussed the Water Conservation Center proposed farm plan for 2019 with the staff and Stan Spain. Steve Walthour recommended that the committee should schedule a meeting for another time so that the committee could have a more in-depth discussion with Nicholas Kenny and Stan Spain regarding the plan and that Leon New had traveled from Stephenville to receive input regarding the District's Center Pivot Irrigation publication.

The committee agreed to table the WCC farm plan discussion and to take up the topic of the revised publication. New led the discussion and gathered input from all that were present. At the end of the discussion, New asked that any notes or suggestions be emailed to him. New asked who would be publishing the documents? Walthour said the District would publish the information and that the District may ask the NRCS to assist in publication and distribution. New indicated that the revision may take some time because he was wrapping up some personal business before he could fully devote his attention to revising the publication. He also needed to discuss details with Walthour related to development of the publication. Walthour said he would contact New the next week.

Walthour provided the committee a copy of the Application for Financial Assistance related to the proposed agriculture loan project and asked the committee to review the loan criteria for producers to receive assistance to install irrigation equipment that would promote conservation. The committee recessed the meeting at 1:45 until 10:00 am Monday, February 4, 2019 to continue the discussion regarding the WCC farm plan and provide input regarding the criteria for the Application for Financial Assistance.

The Agriculture Committee reconvened on Monday, February 4, 2019 at 10:00 am in the North Plains Groundwater Conservation District offices, 603 East First Street, Dumas, Texas. Nicholas Kenny and Zachary Yoder conferenced called in. Kenny presented the WCC farm plan for 2019 and discussed various aspects of his and Stan's proposal. Krienke said that the information the District does on the WCC field must include the "Why". The committee discussed getting information out regarding the WCC demonstrations and the type of media to use including radio, twitter, u-tubes etc. The committee provided input on plan specifics and Kenny said he would revise the plan based on the committee's input. Harold Grall asked if mapping the field would be beneficial? The committee discussed the idea and recommended that the field be mapped by both

CropQuest and Growers since they use a different method of mapping. The map data should provide a baseline for soil conditions on the field since the farm has had time to recover from the research mission that was discontinued.

The committee reviewed the TWDB Application for financial assistance that would be used to develop a loan program for water conservation equipment on irrigation fields. Kirk Welch lead the committee through the application, so the committee could provide the criteria the District should use to execute a loan. The committee determined that the District should loan the TWDB funds for updating existing pivot irrigation systems and replacing old less efficient systems on previously irrigated land. The committee determined that subsurface drip irrigation should not be included in the program at this time. The committee wished to meet with the loan analyst that Panhandle GCD uses to get additional information regarding the loan process and responsibilities.

There being no further business to come before the meeting, Chairman Yoder declared the meeting adjourned at 11:30 am.


Zac Yoder, Chairman


Daniel L. Krienke, President