

**MINUTES OF THE MARCH 19, 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 March 19, 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 9:04 a.m.:

Daniel L. Krienke, President;
Bob B. Zimmer, Vice-President;
Mark Howard, Secretary;
Gene Born, Director;
Harold Grall, 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;
Odell Ward, Program Coordinator — GIS/Monitor Wells;
Curtis Schwertner, Natural Resource Specialist; and
Julia Stanford, Conservation Outreach Specialist.

Others present during part or all of the meeting:

Jeff Ammons;
David Peckenpaugh;
Nicholas Kenny;
John Reznik;
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 9:04 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 February 12, 2019 Board of Directors Meeting; the review and approval of un-audited District expenditures for February 1, 2019 through February 28, 2019, 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 February 1, 2019 through February 28, 2019, in the amount of \$7,657.75.

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 3b - Receive report regarding 2018 Annual Production Reporting.

The General Manager reported that District staff is currently reviewing annual groundwater production reports for 2018. Additionally, District staff are contacting well owners who have apparently not timely filed production reports to finish the reporting for this year.

Director, Justin Crownover, arrived to participate in the meeting at 9:09 a.m.

Action Agenda 3a - Receive report and consider action regarding the District's maintenance and operation tax limit Legislation.

President Krienke stated that the District is seeking to change its statutory tax rate cap back to the original 50 cents per \$100 of property valuation that the Legislature authorized when the District was created.

This tax funds the District's statutory duties and its mission to maintain our way of life through conservation, protection and preservation of our groundwater resources.

Voters set a maximum 5-cent rate in 1955. Later that year, the Texas Legislature ratified the creation of the District and approved a higher tax rate up to 50 cents, if needed.

Legislation to change the District's name in 1999, also amended the statutory maximum rate originally set by the Legislature to 5 cents. The amended rate reduced the flexibility for District voter's to adequately fund local management of the area's groundwater resources in the future. The District does not know why the statutory maximum rate was changed.

The current tax levy is 3.3 cents per \$100 of property valuation. The District Board of Directors does not anticipate any significant increases in operating expenses or capital expenditures that would require raising the ad valorem tax rate anywhere near the current voter approved 5-cent cap in the near future. In fact, the last time the District had a 5-cent tax rate was in 1978.

The District wants to amend its Enabling Legislation now for several reasons:

- Maintain the District's financial soundness;
- Provide flexibility for voters to consider a tax rate above 5 cents in the future to generate enough income to accomplish the District's mission;
- Align the District with other groundwater conservation districts that are subject to a 50-cent statutory cap established in the Texas Water Code;
- Address continued wide swings in petroleum and related industry property values, which affect District revenue;
- Prepare for the future, including any potentially large water conservation projects.

The District remains subject to:

- Voter approval for any tax rate above 5 cents in the future; and

- The Texas Tax Code, which allows voters to "roll back" any ad valorem tax increase that is more than 8% above the effective tax rate for the prior year.

Since 1955, the District and the area have experienced wide swings in the ad valorem tax base. At the same time, the need for water conservation will undoubtedly continue to increase for future generations as the District and its stakeholders work to manage a diminishing resource.

The proposed Legislation provides voters with a tool to meet that need.

Mark Howard stated that he had reservation about seeking to change the District's ad valorem tax cap. Zac Yoder stated that he didn't see a reason to seek to change the ad valorem tax cap before the District needed to raise the limit.

Zac Yoder moved to pull support for Senate Bill 528. Mark Howard seconded the motion. The motion was discussed by the Board. President Krienke called for a roll-call vote. The members voted as follows:

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

The motion was defeated by a 6-1 vote.

The meeting was recessed at 10:28 a.m. and reconvened at 10:42 a.m.

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 20 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.

It was noted that Director, Zac Yoder had Well Permit DA-10316 on the table below.

WELL	CLASS	SEC	BLK	SUR	NS	EW
DA-9930	C	4	2	FDW	449 N	450 W
DA-10036	B	2	2	SPRR	215 S	68 W
DA-10316	B	63	5	CSS	435 N	419 E
HA-9430	B	127	48	H&TC	787 S	266 W
HA-9945	C	32	48	H&TC	106 S	131 W
HA-9946	C	32	48	H&TC	121 S	591 W
HA-9948	C	39	48	H&TC	548 N	712 E
HA-10219	C	39	48	H&TC	300 N	750 W

HA-10371	C	5	1	Waco Mfg.	121 S	378 W
HA-10380	C	12	11	CSS	954 N	463 W
HA-10381	C	13	11	CSS	858 N	419 W
HA-10390	C	12	11	CSS	150 N	287 W
HA-10392	C	15	11	CSS	845 S	718 W
HA-10393	C	15	11	CSS	850 S	269 W
HU-10059	D	-	-	Thos. Ross	911 N	636 E
LI-10305	B	148	10	SPRR	431 S	457 E
LI-10312	B	148	10	SPRR	112 S	235 E
MO-10511	C	227	3-T	T&NO	167 N	884 E
SH-9938	C	35	1-T	T&NO	393 S	648 W
SH-10264	C	60	3-B	GH&H	591 N	45 W

Zac Yoder moved to remove Well Permit DA-10316 from the Well Permit schedule and to approve all of the remaining Well Permits on the Well Permit Schedule, noting that the Wells are properly equipped and otherwise comply with District Rules. Mark Howard seconded the motion and it was unanimously approved by the Board.

Harold Grall moved to approve Well Permit DA-10316, noting that the Well is properly equipped and otherwise complies with District Rules. Mark Howard seconded the motion and it was approved by the majority vote of the Board, with Zac Yoder abstaining from the vote.

Action Agenda 3d - Receive report and consider action as needed regarding agriculture water conservation demonstration programs.

Assistant General Manager, Kirk Welch, following reports to the Board:

Texas Water Day at the Capitol

General Manager, Steve Walthour, had a scheduling conflict and Assistant General Manager, Kirk Welch, spoke on an Ag and Water Conservation Panel at the state Capitol on March 13 as part of Texas Water Day. The panel was part of the Texas Water Symposium and included Dr. Benny Chefetz, Professor of Soil and Environmental Chemistry, Columbia Foundation Chair in Soil and Water Sciences; Dean, The Robert H. Smith Faculty of Agriculture, Food and Environment, The Hebrew University of Jerusalem. The panel was moderated by Texas Water Foundation board member, Carlos Rubenstein. Texas Water Day at the Capitol is presented by the Texas Water Foundation.

Master Irrigator Program

Final preparations are being made for the 2019 Master Irrigator (MI) Class. The 2019 Class was officially full as of February 1 with a waiting list for next year. The first session will take place on Wednesday, March 20. Participants for the MI Class of 2019 are as follows:

Thurman, Brent
 Bellsnyder, Suzanne
 Hill, Heath
 Darcy, William
 Darcy, Marci
 Baxa, John
 Ballinger, Tim
 Koehn, Trent
 Immler, Ryan
 Dewey, Evan
 Wagoner, Matthew
 Anderson, Shane

Murphy, Jay
Murphy, Florene
Mininger, Frank
Russell, Lem
Gonzalez, Jose
Boyles, Caylen
Meiners, Clarence
Bezner, Brian
Ford, David
Lee, Chase
Dyck, Paul
Goodwin, Jay
Nickel, Marlin

This year's participants have influence over at least 72,852 acres, bringing the total number of acres touched by the Master Irrigator program approximately 200,000 acres.

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

Lunch and/or Day Sponsors:

March 20 - Senninger
March 27 - AquaSpy
April 3 - Reinke
April - 10 Netafim

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;
Karllyle 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.

Stan Spain presented the following report:

Water Conservation Center

Growers and Crop Quest ran EC and EM devices over the WCC. Nature's Way Compost delivered and spread composted manure on the east pivot and SDI field. Cover crop demo on west pivot is progressing, wheat stand is decent, but turnip and radish emergence is very poor. Curtis continues to read gypsum blocks weekly. The readings indicate good

moisture (90%+ all the way to 4'). Curtis had to replace some gypsum blocks that were faulty. Stan re-nozzled the east pivot to 445 GPM and West Pivot to 265 GPM for the 2019 crop year. The west pivot will be in cotton; the east pivot will be in corn; the north SDI will be in corn; and the south SDI will be in cotton. WCC rainfall to date is .52".

2019 Season Demonstrations

Nich Kenny presented the 2019 WCC Results Summary Report to the Board.

Action Agenda 3e - Consider action to approve the contract between the District and Leon New regarding professional services for revising the Center Pivot Irrigation Manual and services related to technical support for the Master Irrigator Program.

The General Manager reported that the Agriculture Committee met on January 31st to confer with Leon New regarding updating the B6096 Center Pivot Irrigation publication from 2000. Based on the updates and new information, New and the General Manager agreed that the publication project moved from being a simple update to a new publication. Additionally, New is transitioning into retirement from the District, but has some additional technical support work with producers associated with the Master Irrigator Program. To complete the Center Pivot Irrigation publication and to wrap up New's work with the Master Irrigator program, the General Manager proposed to set New's hourly rate to \$85.00 per hour and that any contract consummated with New not exceed the sum of \$50,000. The General Manager presented a proposed contract with New for the term of February to December 2019 which the General Manager requested that the Board approve for technical support with the Master Irrigator program, not to exceed the sum of \$50,000.

Justin Crownover moved to approve the proposed Contract with New as presented. Harold Grall seconded the motion and the motion was approved by the majority vote of the Board, with Zac Yoder opposing the motion.

Action Agenda 3f - Receive report and consider proposed agriculture conservation loan agreement with Texas Water Development Board.

The General Manager stated that Kirk Welch has submitted an application to the Texas Water Development Board for the ag conservation loan of \$1,000,000 to provide loans to irrigators to improve the efficiency of their operations. Julia Stanford assisted with the application. The Request for Qualifications for the credit analyst is ready for publication.

Mr. Walthour reported that District staff will work with TWDB staff to prepare an agreement for Board review.

The General Manager also stated that he and Kristen Blackwell met with Panhandle GCD regarding its loan program on March 11th. The Following items were noted regarding PGCD's loan program:

- File the security agreement in the county where the equipment will be installed;
- Develop a payment schedule;
- Loans applied for by a tenant need to show a valid lease for the period of the loan and may need to be cosigned by the property owner;
- Loans applied for by a Trust or partnership, check the length of the trust and financials of each partner;
- Show proof of insurance;
- Amortization schedules start 30 days after approval;

- Make all loan payment due January 1.
- Once approved the loan applicant has 30 days to make the transaction;
- The District may ask for additional collateral if necessary; and,
- Other than the field inspection, maintenance of the loan should take less than a couple hours a year of staff time.

Panhandle GCD has been doing loans since the 1990s. Only one loan has faced foreclosure. The owner of the property picked up the loan payment to avoid foreclosure. This loan was apparently the only loan on which the board did not take the credit analyst's advice.

Action Agenda 3g - Receive report regarding the District's Construction Projects.

General Manager, Steve Walthour, presented the following report regarding the District's construction projects:

WCC Road and Auxiliary Parking

The Board approved entering into a contract with G&G Operators at the October 9th, 2018 Board meeting to construct a crushed concrete road and auxiliary parking on the east Side of the WCC facility. G&G Operators completed the road and parking construction project March 8, 2019.

WCC Entry Sign and Landscaping

The project to renovate the WCC entry area is nearly complete. The fence was moved to better showcase the sign and hardscape was installed (areas of rock and plant beds) and the sign renovated. All that is left to complete is the planting of xeriscape plants and shrubs and that should take place, possibly late April.

WCC Small Barn Renovation

District staff are beginning to arrange for the small barn renovation and should have the existing construction inside the building removed toward the last of March or early April. District staff will advertise for construction bids to convert the building to a multi-use facility that is heated, cooled, and have restrooms and audio-visual capabilities. That phase is expected to occur during late Spring or early Summer of 2019.

Action Agenda 3h- Receive report regarding USGS water quality sampling in the District.

Odell Ward reported that in 2012 the District contracted the U.S. Geological Survey (USGS) for the collected and analyzed water-quality samples at 30 groundwater monitor wells in the NPGCD in the Texas Panhandle. All of the sampled wells were completed in the Ogallala Formation. Samples from each well were collected during February–March 2012 and in March 2013. Depth to groundwater in feet below the land surface was measured at each well before sampling to determine the water-quality sampling depths. Water-quality samples were analyzed for physical properties, major ions, nutrients, and trace metals, and 6 of the 30 samples were analyzed for pesticides.

The District has again contracted the USGS to conduct water quality sampling and provide a comprehensive report concerning the status of the Ogallala groundwater within the District. This contract is for three years starting with 16 wells in 2019; 16 wells in 2020; and the final report scheduled for 2021. The total project cost is \$220,000 with the District paying \$197,000 and USGS paying the remaining \$23,000. Odell Ward, the District's program coordinator and GIS analyst, will be coordinating with the USGS team during this testing cycle; on-site preparation, pumping order and removal of District telemetry equipment before pumping and sampling.

District staff will also be on site to answer any questions the public or landowners might have concerning the sampling process or results of the previous study. District staff will also collect samples for standard testing to evaluate the District's sampling procedures. Jerry Green will be completing the water quality analysis the samples taken by the staff. The pumping started on March 4th with the Stringer #1 well (MO-2351) and will conclude with the Krienke well (OC- 4196) on March 17th. Mr. Ward also reported that the Born #7 cannot be pumped this year because of weather but will be sampled next year.

Samples collected by the USGS are being sent to the USGS lab in Denver Colorado, and a control set of samples will be sent to a private lab in Kansas. All samples are tested for major ions, trace metals, and six wells of the wells are tested for pesticides.

Action Agenda 3i - Receive report regarding District 2019 groundwater level measurements.

The General Manager reported that District Program Coordinator and GIS Analyst, Odell Ward, oversaw the measuring and data collection for this year's winter water level measurements. Measuring began the first week in January of 2019 and concluded the second week of February. District staff attempted to measure all 433 observation wells in the program; however, only 327 wells were successfully measured. The wells that were not measured were either running, were plugged, the access holes were blocked, or the gates were locked. Most wells not measured during the initial visit were revisited when possible.

The deepest water level recorded was at well HA-2583 at -523 feet below the surface and the shallowest recording was at well LI-0213 at -3.35 feet below surface. The most wells measured in a single day were 12. The most wells measured in a county was Dallam with 54, and the least measured were Hutchinson with 19. The average number of wells measured per day was approximately six. Three tapes got stuck in wells with a total cost of approximately \$1,200 to remove.

Action Agenda 3j - Receive report and consider action as needed regarding proposed statutes of the 86th Legislature.

Executive Session - Section 551.071 of the Texas Government Code.

At 11:38 a.m., Gene Born moved to go into Executive Session in compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, §551.071, to obtain legal advice on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflicts with Chapter 551. Harold Grall seconded the motion and it was unanimously approved by the Board.

Executive Session: At 11:38 a.m., the Board went into Executive Session. At 12:16 p.m., Gene Born moved that the Board reconvene into regular session. Bob B. Zimmer seconded the motion and it was unanimously approved by the Board.

The Board reconvened into regular session at 12:16 p.m.

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

The General Manager reported to the Board that there were no compliance matters before the District at this time.

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 June 11, 2019.

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's activity summary.

Agenda 6 - Adjournment.

There being no further business to come before the meeting, President Krienke declared the meeting adjourned at 12:31 p.m.


Daniel L. Krienke, President


Mark Howard, Secretary