

**MINUTES OF THE AUGUST 14, 2020  
BOARD OF DIRECTORS MEETING OF  
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

The Board of Directors of North Plains Groundwater Conservation District met in regular session on August 14, 2020 at 9:30 a.m. at the law offices of the Lemon Law Firm, 315 South Main Street, Perryton, Texas 79070. Due to the restrictions of COVID-19, the meeting was held through Zoom Meeting in Perryton, Texas. The following persons participated in the Zoom Meeting:

**Members Present at 9:37 a.m.:**

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

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

Steve Walthour, General Manager;  
Kirk Welch, Assistant General Manager — Outreach;  
Dale Hallmark,— Hydrologist;  
Kristen Blackwell, Executive Assistant;  
Pauletta Rhoades —Administration/Compliance Coordinator;  
Curtis Schwertner, Natural Resource Specialist;  
Shari Stanford, Natural Resource Specialist;  
Paige Glazner, Conservation Outreach Assistant; and  
Dusty Holt, Permitting Specialist.

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

Nich Kenny;  
Mandi Boychuk, Natural Prairie & Northside Farmland;  
F. Keith Good, General Counsel for the District;  
Ellen Orr, Paralegal; and  
Kelsie Orr.

President, Daniel L. Krienke declared a quorum present and called the meeting to order at 9:37 a.m. Director, Bob B. Zimmer, 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 Board of Directors Meeting on July 14, 2020; the review and approval of un-audited District expenditures for July 1, 2020 through June 31, 2020, including the General Manager's expense and activity report; the review and approval of payment to Lemon, Shearer, Phillips & Good, P.C. for professional services and out-of-pocket expenses incurred from July 1, 2020 through July 31, 2020, in the amount of \$7,352.87; the review and approval of Lipscomb County 2019 Tax Roll Reconciliation; and review and consider approval of the tax sale of Lots 187, 217, 228 and the West part of Lot 230, all in Unit 8A, Double Diamond Estates, Moore County, Texas to Jarrod and LaTrina Gerstberger of Fritch, Texas.



Gene Born moved to approve the Consent Agenda. Mark Howard seconded the motion and it was unanimously approved by the Board.

***Action Agenda 3.a. - Consider final compliance approval of water well permits as active and complete wells.***

The report in the Board packet provided to the Board regarding the consideration of final compliance approval of water well permits as active and complete wells is as follows:

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) is/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 37 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	Quarter	Section	Block	Survey League	Yards N S	Yards E W
DA-10724	D	NE/4	League 11	1	CSS	233 N	749 E
DA-10845	C	SE/4	8	2	B&B	181 S	115 E
DA-11099	B	NW/4	1	1	SPRR	763 N	113 W
DA-11100	C	NE/4	16	1	FDW	474 N	380 E
DA-11107	C	NE/4	41	6	CSS	900 N	670 E
DA-11113	C	SW/4	20	6	CSS	604 S	299 W
DA-11140	C	SE/4	72	7	CSS	871 S	632 E
DA-11158	C	SE/4	6	0	Day land	1559 S	640 E
DA-11252	C	NE/4	20	6	CSS	586 N	111 E
DA-11282	C	NW/4	44	8	CSS	535 N	3 W
HA-11098	C	SW/4	128	48	H&TC	632 S	335 W
HA-11121	D	NE/4	J Daniels			103 N	101 E
HA-11146	C	NE/4	7	11	CSS	883 N	593 E
HA-11147	C	NW/4	7	11	CSS	698 N	503 W
HA-11148	C	NW/4	7	11	CSS	25 N	104 W
HA-11149	C	SW/4	7	11	CSS	690 S	110 W
HN-11010	C	SW/4	230	2	GH&H	558 S	147 W
HN-11030	D	NE/4	11	1	CIF	295 N	108 E
HN-11233	D	NE/4	210	2	GH&H	251 N	63 E
HU-10848	C	SW/4	38	5-T	T&NO	434 S	103 W
HU-11033	D	NE/4	21	A	DAY L&C	223 N	106 E
HU-11040	D	NE/4	17	NONE	Day L&C	283 N	553 E
HU-11119	C	NE/4	Thos. Ross			1047 N	29 W
HU-11362	D	SE/4	WM Neil			1937 S	904 E
MO-11051	C	NW/4	307	44	H&TC	135 N	759 W
OC-10991	C	NE/4	1177	43	H&TC	877 N	110 E
OC-11018	C	SE/4	1097	43	H&TC	269 S	258 E
OC-11102	D	SE/4	10	12	H&GN	48 S	890 E
SH-10988	C	SE/4	36	1-C	GH&H	820 S	881 E
SH-11097	C	SW/4	9	2-B	GH&H	268 S	128 W
SH-11307	B	NE/4	218	1-C	GH&H	171 N	425 E
SH-11308	B	NE/4	218	1-C	GH&H	143 N	140 E
SH-11309	B	NE/4	218	1-C	GH&H	582 N	310 E
SH-11310	B	NE/4	217	1-C	GH&H	364 N	860 E



SH-11311	B	NW/4	217	1-C	GH&H	730 N	161 W
SH-11312	B	NE/4	217	1-C	GH&H	678 N	866 E
SH-11391	D	SE/4	22	1-C	GH&H	454 S	462 E

It was reported that Justin Crownover had six Well Permits on the Well Permit Schedule: SH-11307, SH-11308, SH-11309, SH-11310, SH-11311, and SH-11312.

Bob B. Zimmer moved to approve Well Permits SH-11307, SH-11308, SH-11309, SH-11310, SH-11311, and SH-11312 on the Well Permit Schedule. Zac Yoder seconded the motion and it was approved by the majority vote of the Board with Justin Crownover abstaining from the vote.

Bob B. Zimmer moved to approve all of the remaining Well permits on the Well Permit Schedule. Zac Yoder seconded the motion and it was unanimously approved by the Board.

***Action Agenda 3.b. - Consider action to adopt District Budget for 2020-2021.***

The General Manager reported that as a taxing entity, the District must propose a budget to determine its fiscal needs before setting a tax rate. The General Manager has analyzed the District's fund balance reserves and developed a preliminary 2020-2021 budget for the purposes of estimating a tax rate and providing a starting point for the Board to finally adopt a budget.

Mr. Walthour stated that the District began the 2019-2020 budget year with \$2,099,590 funds in reserves. As of July 31, 2020, the District's cash and certificates of deposit has increased to \$3,646,540.90. By the end of this fiscal year (EOY) the General Manager estimated that the funds will be reduced by approximately \$368,749.11 leaving \$3,459,193.46 in reserves to start the 2020-2021 budget year. Normally, the District does not spend all the expense budget. The General Manager recommended that the District not raise its taxes and that the Board adopt a 2020-2021 Budget highlighted in **Blue** as follows:

**Income:**

Description	Current 2019-2020 Budget	Estimate 2019-2020 EOY	2020-2021 No-New- Revenue Income	2020-2021 Budget with Same Tax	Explanation
Taxes	2,272,640.00	2,307,389.71	2,310,800.00	2,209,152.00	
Penalties and Interest	15,600.00	18,545.11	15,600.00	15,600.00	
Delinquent Taxes	14,800.00	16,759.50	14,800.00	14,800.00	
North Plains Water CC	42,000.00	42,000.00	42,000.00	42,000.00	
Refunds	5,000.00	2,897.86	5,000.00	5,000.00	
Sale of Assets	5,000.00	0.00	5,000.00	5,000.00	
Fees for District Services	130,000.00	187,200.00	130,000.00	130,000.00	Primary Permitting
Other Income	25,000.00	15,426.25	16,000.00	16,000.00	Compliance and other income not captured in other items.
TWDB Meter/ Equipment Grants	150,000.00	105,666.26	150,000.00	150,000.00	Program funds end 2021
TWDB Master Irrigator/ICI Grants	200,000.00	437.50	250,000.00	250,000.00	Total of \$500,000 available plan on spreading over 2 years for 2 MI Courses.
USDA/NRCS Grant	40,000.00	40,000.00	0.00	0.00	Not available at this time
TWDB AGRI Loan Program	1,000,000.00	1,000,000.00	0.00	0.00	Fully funded in 2019-2020
Investment Income	20,000.00	26,080.64	20,000.00	20,000.00	Interest income
Dallam Co. PGMA fees	70,000.00	72,161.56	70,000.00	70,000.00	Variable
Export Fees	40,000.00	43,547.76	50,000.00	50,000.00	City of Borger (Variable)
<b>Total Income</b>	<b>4,030,040.00</b>	<b>3,878,112.15</b>	<b>3,079,200.00</b>	<b>2,977,552.00</b>	



## Expense

Description	Current 2019-2020 Budget	Estimate 2019-2020 EOY	2020-2021 Expense Budget	2020-2021 Expense Budget	Explanation
Director's Expense	65,000.00	40,300.26	65,000.00	65,000.00	
Personnel	1,251,666.00	1,208,120.18	1,250,000.00	1,250,000.00	
Administrative	123,500.00	106,122.40	158,500.00	158,500.00	
Contracted Services	151,000.00	146,993.15	140,100.00	140,100.00	CAD and GMA-1 Costs
Professional Fees	183,000.00	168,217.47	198,000.00	198,000.00	Legislative Year/ Interstate Water Development, General Legal
Tech., Comm., & Utilities	140,000.00	156,449.94	160,000.00	160,000.00	
Vehicle; Bldg.; Field; Supplies	91,000.00	102,098.41	91,000.00	91,000.00	Vehicle, Building Maint. Repair, fuel
Capital Outlay	250,000.00	178,223.25	60,000.00	60,000.00	Construction fund, equipment
Aquifer Science	250,000.00	68,738.67	145,000.00	145,000.00	USGS/field data costs/ observation wells
Conservation Outreach	470,000.00	252,287.05	585,000.00	585,000.00	Radio, Meter program, ICI/MI program, etc. Partially funded TWDB Meter & MI Grants
Conservation Demo Project	269,000.00	256,396.69	228,000.00	228,000.00	Irrigation Demonstrations - MI moved to Cons. Outreach
North Plains WCC	10,000.00	11,233.34	10,000.00	10,000.00	Small equipment and repair
Transfer Out	62,341.00	62,341.00	62,273.00	62,273.00	WWC Irrigation Equipment - Principle \$62,000 and Interest \$273.00
TWDB AGRI Loan Program	1,000,000.00	108,038.30	906,261.70	906,261.70	New Loan for Irrigation Conservation \$100,000 - Principal, and Interest \$14,300. Entire principal amount expensed
<b>Total Expenses</b>	<b>4,316,507.00</b>	<b>2,865,560.11</b>	<b>4,059,134.70</b>	<b>4,059,134.70</b>	
<b>Total Net Income/Expenses</b>	<b>-286,467.00</b>	<b>1,012,552.04</b>	<b>-979,934.70</b>	<b>-1,081,582.70</b>	

The expense budget includes additional costs for the county appraisal districts, the GMA-1 joint planning, a construction fund, replacement of a vehicle, additional funds to drill replacement observation wells and increased funds in the Conservation Outreach for the radio conservation segments, and master irrigator incentives. The Conservation Demonstration Project budget increased to cover the Cotton & Conservation Project, and various irrigation conservation demonstrations. The expense budget assumes that all the irrigation loan funds will be loaned in its first contract year.

An income analysis shows that the District plans to receive \$400,000 in state grants and has already received funds for conservation loans from the TWDB. The total for all grants and outside assistance is \$1,291,961.70, or 33 % of the total income budget. Most of these funds are essentially pass-through payments for flow meter reimbursements, irrigation equipment reimbursements, and low-cost loans for irrigation equipment.

Income from taxes and PGMA Fees account for \$2,309,552, or 60% of the budget income. The remaining \$268,000, or 7% of anticipated income is from export fees, WCC lease contracts, investment income, surplus sales, and permit fees. These income streams provide administration, material and staffing support for all the District's conservation and regulatory programs. A short list of programs include: the District's conservation programs related to the federal and state conservation grants and low-cost irrigation loans; on-farm conservation demonstration programs, conservation outreach, irrigation technical assistance related to the Master Irrigator Program, Cotton Conservation videos, adult and student programs, aquifer science, groundwater production reporting, water quality investigations, other regulatory programs, and mandated intergovernmental actions. Approximately \$189,621 is planned to be taken from the District's reserves to cover the remaining expenses. Below is a table summary of the District's projected income for 2020-2021 that will be used to pay for District programs.



2020-2021 Funding Sources	2020-2021 Amount with No- New- Revenue Tax Rate	Total Percent Funds	2020-2021 (Same Rate)	Total Percent Funds
Grants and Outside Assistance/TWDB Loan Reserves	1,291,961.70	33%	1,291,961.70	33%
Taxes - PGMA Fees	2,411,200.00	61%	2,309,552.00	60%
Other regulatory, Export, WCC & investment Income	268,000.00	7%	268,000.00	7%
<b>Subtotal</b>	<b>3,971,161.70</b>	<b>100%</b>	<b>3,869,513.70</b>	<b>100%</b>

**Funds from Reserves**

District Reserves (Additional)	87,973.00	189,621.00
Net Income. Reserves & Expenses	0.00	0.00
2020-2021 Fiscal Year	2,479,258.76	2,377,610.76
End District Reserves		

The General Manager reported that the District plans to use the TWDB Board Agriculture loan Program reserves (\$891,961.70) and a portion of its general reserves (\$189,621.00) to address the deficit in total net income compared to expenses.

The General Manager recommended that the Board adopt the 2020-2021 budget based on adopting the same tax rate for 2020 as it did for 2019.

Bob B. Zimmer moved that the Board adopt a total income and expense budget as follows:

**Income**

Description	2020-2021 Income Budget (Same Tax Rate)
Taxes	2,209,152.00
Penalties and Interest	15,600.00
Delinquent Taxes	14,800.00
North Plains Water CC	42,000.00
Refunds	5,000.00
Sale of Assets	5,000.00
Fees for District Services	130,000.00
Other Income	16,000.00
TWDB Meter/ Equipment Grants	150,000.00
TWDB Master Irrigator/ICI Grants	250,000.00
Investment Income	20,000.00
Export Fees	50,000.00
Dallam Co. PGMA fees	<u>70,000.00</u>
<b>Total Income</b>	<b>2,977,552.00</b>

**Expense**

Budget Item	Amount
-------------	--------



Director's Expense	65,000.00
Personnel	1,250,000.00
Administrative	158,500.00
Contracted Services	140,100.00
Professional Fees	198,000.00
Tech., Comm., & Utilities	160,000.00
Vehicle; Bldg.; Field; Supplies	91,000.00
Capital Outlay	60,000.00
Aquifer Science	145,000.00
Conservation Outreach	585,000.00
Conservation Demo Project	228,000.00
North Plains WCC	10,000.00
Transfer Out	62,273.00
TWDB AGRI Loan Program	906,261.70
<b>Total Expenses</b>	<b>4,059,134.70.</b>

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

***Action Agenda 3.c. - Consider action to adopt debt service fund budgets for Texas Water Development Board default reserve account and contract for 2020-2021.***

Mr. Walthour stated that each year, the Board prepares and adopts a budget for the following year. Since the District borrowed funds from the Texas Water Development Board to purchase capital items for the Water Conservation Center, the General Manager has budgeted \$62,273 for principal and interest under the District's Water Conservation Center budget item in the District's General Budget. Instead of accounting for the principal and interest owed in the District's General Budget, the District must adopt a debt service fund budget for the Texas Water Development Board contract and a debt service fund budget default reserve account.

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

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

The General Manager recommended that the Finance and Budget Committee propose that the Board adopt the Debt Service Fund Budgets as follows:



TEXAS WATER DEVELOPMENT BOARD CONTRACT DEBT SERVICE FUND BUDGET

<i><b>Description</b></i>	<i><b>Budget Amount</b></i>
Income	
Transfer In	\$62,273.00
Expenses	
Principal	\$62,000.00
Interest	<u>273.00</u>
Total Expenses	<b>\$62,273.00</b>
<b>Net Income/Expense</b>	<b>\$0.00</b>

TEXAS WATER DEVELOPMENT BOARD DEFAULT RESERVE ACCOUNT DEBT SERVICE FUND BUDGET

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

Zac Yoder moved that the Board adopt debt service fund budgets as follows:

TEXAS WATER DEVELOPMENT BOARD CONTRACT DEBT SERVICE FUND BUDGET

<i><b>Description</b></i>	<i><b>Budget Amount</b></i>
Income	
Transfer In	\$62,273.00
Expenses	
Principal	\$62,000.00
Interest	<u>273.00</u>
Total Expenses	<b>\$62,273.00</b>
<b>Net Income/Expense</b>	<b>\$0.00</b>

TEXAS WATER DEVELOPMENT BOARD DEFAULT RESERVE ACCOUNT DEBT SERVICE FUND BUDGET

<i><b>Description</b></i>	<i><b>Budget Amount</b></i>
Investment Income	\$100.00.

Bob B. Zimmer seconded the motion and it was unanimously approved by the Board.



***Action Agenda 3.d. - Consider action to adopt debt service fund budgets for Texas Water Development Board Agriculture Conservation Equipment Loan default reserve account and contract for 2020- 2021.***

Mr. Walthour reported that he has budgeted \$906,261.70 for principal and interest under the Texas Water Development Board Agriculture Loan Program budget item in the District's General Budget. Instead of accounting for the principal and interest owed in the District's General Budget, the District must adopt a debt service fund budget for the Texas Water Development Board contract and a debt service fund budget default reserve account. Of the \$906,261.70, \$100,000 principal and \$14,310 interest will be paid to the TWDB in May 2021. The remaining \$791,951.70 is available for the District to loan producers for equipment to improve conservation efficiency.

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

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

The General Manager recommended that the Board adopt the Debt Service Fund Budgets as follows:

**TEXAS WATER DEVELOPMENT BOARD AGRICULTURE CONSERVATION EQUIPMENT  
LOAN CONTRACT DEBT SERVICE FUND BUDGET**

<b><i>Description</i></b>	<b><i>Budget Amount</i></b>
Income	
Transfer In	\$114,310.00
Expenses	
Principal	\$100,000.00
Interest	<u>14,310.00</u>
Total Expenses	<b>\$114,310.00</b>
<b>Net Income/Expense</b>	<b>\$0.00</b>

**TEXAS WATER DEVELOPMENT BOARD AGRICULTURE CONSERVATION  
EQUIPMENT LOAN DEFAULT RESERVE ACCOUNT DEBT SERVICE FUND BUDGET**

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

Bob B. Zimmer moved that the Board adopt debt service fund budgets as follows:



TEXAS WATER DEVELOPMENT BOARD AGRICULTURE CONSERVATION EQUIPMENT  
LOAN CONTRACT DEBT SERVICE FUND BUDGET

<i><b>Description</b></i>	<i><b>Budget Amount</b></i>
Income	
Transfer In	\$114,310.00
Expenses	
Principal	\$100,000.00
Interest	<u>14,310.00</u>
Total Expenses	<b>\$114,310.00</b>
<b>Net Income/Expense</b>	<b>\$0.00</b>

TEXAS WATER DEVELOPMENT BOARD AGRICULTURE CONSERVATION  
EQUIPMENT LOAN DEFAULT RESERVE ACCOUNT DEBT SERVICE FUND BUDGET

<i><b>Description</b></i>	<i><b>Budget Amount</b></i>
Investment Income	\$100.00.

Mark Howard seconded the motion and it was unanimously approved by the Board.

***Action Agenda 3.e. - Review last year's tax rate, the 2020 No-New-Revenue Tax Rate and the 2020 Voter-Approval Tax Rate and consider proposing a new tax rate.***

The General Manager presented the following written report to the Board:

District staff will notify the Amarillo-Globe News to publish the Notice of Meeting to Adopt 2020 Property Tax Rates for North Plains Groundwater Conservation District as soon as the publishing documentation comes from the Moore County Tax Assessor-Collector. Legislation has changed considerably this year. The staff published notice on our website. The notice was presented to the Board. The notice starts the process for setting a tax rate for the District.

The District is funded through ad valorem taxes, fees and grants. Ad valorem taxes are based on certified property values in the District. From year-to-year, the certified taxable property values may increase or decrease within each county. The table below shows the certified values by county for the last five years.

The eight county appraisers have provided the District certified values for 2020 tax valuations across the District. The table shows the certified tax values from 2016 to 2020.

	CERTIFIED VALUES				
County	2016	2017	2018	2019	2020
Dallam	854,627,537	892,889,155	898,572,736	935,109,799	<b>973,517,076</b>
Hansford	552,556,961	521,523,254	543,520,467	566,421,569	547,689,169
Hartley	607,891,134	677,107,188	722,720,265	752,067,804	768,066,970
Hutchison	121,890,140	112,744,190	120,874,840	114,574,960	110,352,750
Lipscomb	564,658,748	622,855,165	631,672,875	638,836,622	432,158,279
Moore	1,888,090,299	1,933,338,389	1,989,268,573	2,042,825,518	2,027,103,420
Ochiltree	1,485,046,565	1,430,482,148	1,488,422,874	1,515,365,792	1,227,855,689
Sherman	515,290,433	503,931,340	506,939,140	502,738,820	463,525,100
<b>Total</b>	<b>6,590,051,817</b>	<b>6,694,870,829</b>	<b>6,901,991,770</b>	<b>7,067,940,884</b>	<b>6,550,268,453</b>



Tax funds generated are calculated by multiplying the total taxable value of properties within the District and the tax rate set by the District. It presents information about three tax rates. The 2019 tax rate (0.032600 /\$100) is the actual rate the District used to determine property taxes last year. If the District elects to keep last year's tax rate of 0.032600/\$100 of taxable value, income from taxes would be \$2,209,152, and yield \$85,909 less than estimated for last year. The 2020 No-New- Revenue-Tax Rate is 0.034100/\$100 and would levy and additional \$15,739 more tax income than last year. The Voter-Approval Tax Rate is 0.035200/\$100 valuation and would yield \$90,281 in additional tax revenue. The Notice & Hearing Limit which is the highest tax rate that may be adopted without notices and public hearing is the No-New-Revenue Rate. To preclude the possibility of a hearing, the District must not exceed its No-New-Revenue limit. If the District were to elect to propose its Voter-Approval Rate, taxpayers may petition for an election. This year's Voter-Approval-Tax Rate (0.035200/\$100) is the highest tax rate the taxing unit may adopt without holding a mandatory election for voter approval.

The General Manager recommended that the Board propose the 2019 tax rate of 0.032600/\$100 of taxable value as the District tax rate for 2020.

Zac Yoder moved that the Board propose last year's tax rate of 0.032600/\$100 of taxable value as the District tax rate for 2020, which is less than the District's 2020 No-New-Revenue-Tax Rate. Mark Howard seconded the motion and President Krienke called for a roll-call vote:

Bob B. Zimmer	Yes;
Gene Born	Yes;
Daniel L. Krienke	Yes;
Justin Crownover	Yes;
Mark Howard	Yes; and
Zac Yoder	Yes.

The motion passed unanimously by the Board. Harold Grall was absent.

***Action Agenda 3.f. - Review and consider Dallam County non-taxed area production fees to pay the area's share for District administration and services.***

Steve Walthour reported that 2020 is the fourth year that the District has collected production fees from the Dallam County untaxed area to pay for District's regulation of groundwater.

In August 2013, the Dallam County Priority Groundwater Management Area was annexed by the North Plains Groundwater Conservation District pursuant to Title 2, Texas Water Code (TWC), Chapters 35 and 36. The District held an election for the residents within the annexed area to cast votes for the levy of an ad valorem tax to pay for the District's regulation of groundwater in the District. Ad valorem taxes allow the cost of District operations to be shared by all owners in an area that chooses to be taxed based on the owner's property values and regardless of the amount, or whether the landowner uses water in the area. Most of the votes cast in the election were against the levy of the tax. In voting not to pay taxes, the community tasked the non-exempt well owners to shoulder the burden for the area's share of expenses for the District's operations. According to TWC Section 36.1071(h), if most of the votes cast at the election are against the levy of a maintenance tax, the District shall set fees authorized by this chapter in accordance with Section 35.013(g-1) to pay for the District's regulation of groundwater in the District. For the 2018-2019 budget year, the Board reduced the production fees by 10 percent by adopting adopt a \$0.90 per acre foot for non-exempt groundwater produced for agricultural purposes and \$4.50 per acre foot on all other non-exempt uses.

For groundwater production in 2020, the General Manager recommended that the Board adopt no change to the current fee amounts.



Gene Born moved that the Board adopt no change to the current fee amounts and collect \$0.90 per acre foot for non-exempt groundwater produced for agricultural purposes and \$4.50 per acre foot on all other non-exempt uses in the Dallam non-taxed areas in the District. Mark Howard seconded the motion and it was unanimously approved by the Board.

**Action Agenda 3.g.-      Consider action to order Director’s election in Precinct 5 - Hansford and Hutchinson Counties, Precinct 6 - Ochiltree County, and Precinct 7 - Lipscomb County and consider authorizing the General Manager to issue, post, publish and deliver the Notice of Election as required by the Texas Election Code, or cancel the Election if there is no contested race in Precinct 5, Precinct 6 and/or Precinct 7.**

The General Manager presented the following report to the Board:

On November 3, 2020, the District’s Directors Precinct 5 – Hansford and Hutchinson Counties, Precinct 6 – Ochiltree County; and Precinct 7 – Lipscomb County; are scheduled for election. The election calendar is as follows:

Tuesday, November 3, 2020 – Uniform Election Date	
Deadline to Post Notice of Candidate Filing Deadline (Local Political Subdivisions Only)	Thursday, June 18, 2020 for local political subdivisions that have a first day to file for their candidates
First Day to File for a Place on the General Election Ballot (Local Political Subdivisions Only)	Saturday, July 18, 2020
First Day to File a Declaration of Write-in Candidacy (General Election for State and County Officers)	Saturday, July 18, 2020
Last Day to Order General Election or Special Election on a Measure	Monday, August 17, 2020 at 5:00 p.m.
Last Day to File for a Place on the General Election Ballot (Local Political Subdivisions Only)	Monday, August 17, 2020 at 5:00 p.m.
Last Day to File a Declaration of Write-in Candidacy (General Election for State and County Officers)	Monday, August 17, 2020 at 5:00 p.m.
Last Day to File a Declaration of Write-in Candidacy (Local Political Subdivisions Only)	Friday, August 21, 2020 at 5:00 p.m.
Last Day to Register to Vote	Monday, October 5, 2020
First Day of Early Voting by Personal Appearance	Tuesday, October 13, 2020
Last Day to Apply for Ballot by Mail ( <b>Received, not</b> Postmarked)	Friday, October 23, 2020
Last Day of Early Voting by Personal Appearance	Friday, October 30, 2020



Last day to Receive Ballot by Mail	Tuesday, November 3, 2020 (Election Day) at 7:00 p.m. if carrier envelope is <b>not</b> postmarked, <b>OR</b> Wednesday, November 4, 2020 (next business day after Election Day) at 5:00 p.m. If carrier envelope is postmarked by 7:00 p.m. at the location of the election on Election Day (unless overseas or military voter deadlines apply)
------------------------------------	--

The District posted the Notice of Candidate Filing Deadline by June 18, 2020. District staff will be contacting the county election officials to inquire whether the District can contract with them to hold the elections if there are two or more candidates who file for the same precinct for the November 3, 2020 election. If only one candidate files for a precinct, the Board may cancel that election after the write-in candidacy period has expired.

Monday, August 24, 2020, is the recommended first day that a general or special election may be cancelled.

The General Manager recommended that the Board order the Director's elections to be held on November 3, 2020 in Precinct 5 – Hansford and Hutchinson Counties, Precinct 6 – Ochiltree County; and Precinct 7 – Lipscomb County and that the Board authorize the General Manager to issue, post and publish notice of the election, news releases, obtain all of the necessary election supplies, and to take any further action required to secure a November 3, 2020 Director's election in Precincts 5 – Hansford and Hutchinson Counties, Precinct 6 – Ochiltree County; and Precinct 7 – Lipscomb County, or to cancel the November 3, 2020 Director's election if there is no contested race in an election precinct.

Bob B. Zimmer moved to order a Director's election in Precinct 5 - Hansford and Hutchison Counties, Precinct 6 - Ochiltree County, and Precinct 7 - Lipscomb County and authorize the General Manager to issue, post and publish notice of the election, news releases, obtain all the necessary election supplies, and to take any further action required to secure a November 3, 2020 Director's election in Precinct 5 – Hansford and Hutchinson Counties, Precinct 6 – Ochiltree County; and Precinct 7 – Lipscomb County, or to cancel the election if there is no contested race in Precinct 5, Precinct 6 and/or Precinct 7. Gene Born seconded the motion and it was unanimously approved by the Board.

***Action Agenda 3.h.- Consider action to approve the General Manager's request to amend the 2019-2020 Budget.***

The General Manager stated that he had reviewed the District's 2019 – 2020 Budget to cover possible costs under specific budget items. The General Manager requested that the Board amend the 2019 - 2020 Budget as follows:

Budget Item description	Current Budget Amount	Increase or (Decrease)	Proposed Budget Amount	Explanation
Professional Fees	\$183,000.00.	40,000.00	\$223,000.00	Increased related to additional Professional Fee expenses from May forward.
Tech.,Comm., & Utilities	\$140,000/00	20,000.00	\$160,000.00	Increased related to upgrades to the District's data systems.
Capital Outlay	\$250,000	(\$30,000.00)	\$220,000.00	Decrease related to Capital Projects not initiated.
Conservation Outreach	\$470,000.00	(\$30,000.00)	\$440,000.00	Decrease related to Conservation Outreach programs cancelled because of COVID-19.
<b>Total overall 2019-2020 budget</b>		<b>0</b>		<b>No change in overall budget</b>



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

Bob B. Zimmer moved that the Board amend the 2019 -2020 budget as follows:

- Increase Professional Fees budget from \$183,000.00 to \$223,000.00;
- Increase Tech., Comm., & Utilities budget from \$140,000.00 to \$160,000.00;
- Decrease Capital budget from \$250,000.00 to \$220,000.00; and
- Decrease Conservation Outreach budget from 470,000.00 to \$440,000.00.

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

***Action Agenda 3.i.- Receive Quarterly Investment Report ending March 31, 2020.***

The General Manager presented a quarterly investment report for the District for the period from January 1, through March 31, 2020 reflecting the North Plains Groundwater Conservation District’s investment transactions for all District funds subject to the District’s Public Funds Investment Policy.

The report described in detail the District’s investment position as of March 31, 2020; stated the maturity date of each separately invested asset that has a maturity date; and stated the compliance of the investment portfolio of the District with the investment strategy expressed in the District’s investment policy; and relevant provisions of Public Funds Investment Act, Chapter 2256, Texas Government Code (the “Act”).

**Standard of Care**

The Board directs that public funds investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. The order of investment priorities are as follows:

1. Preservation and safety of principal;
2. Liquidity; and
3. Yield.

In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds, or funds under the District’s control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and whether the investment decision was consistent with the District’s written investment policy.

**Investments**

The District may invest in obligations of, or guaranteed by, governmental entities as provided in Section 2256.009(a) of the Act.

The District’s Board has authorized Perryton National Bank (PNB) as its primary depository and First State Bank as secondary depository as follows:

Bank Accounts	Account Name	Account Number	January 1, through March 31, 2020	Interest Rate
Perryton National Bank	Main Account	337	\$ 2,845,271.96	0.01%



Perryton National Bank	Default Reserve	116	\$ 11,225.00	Non-Interest Bearing
Perryton National Bank	Interest & Sinking	256	\$ 100.00	Non-Interest Bearing
First State Bank	Late Filer Fees	9005805	\$ 14,335.80	Non-Interest Bearing
Perryton National Bank	Ag Loan - Interest & Sinking	531	\$ 100.00	Non-Interest Bearing
Perryton National Bank	Ag Loan - Default Reserve	566	\$ 100.00	Non-Interest Bearing

Perryton National Bank is the District's primary financial institution that provides the District's main operating account. The main operating account and CDs at Perryton National Bank exceeds the FDIC insurance coverage so the bank pledges funds that are secured by securities more than FDIC insurance for all District funds deposited with the bank. The District is currently holding pledged securities of \$3,195,000. Texas Water Development Board funds of \$1,000,000 are deposited in the Perryton National Bank Main Account. The Default Reserve Account, the Interest & Sinking Account, the Ag Loan Interest & Sinking Account, and the Ag Loan Default Reserve Account are non-interest-bearing accounts used to service Texas Water Development Board Loans for Water Conservation Center agriculture equipment construction and Ag Loans for Equipment to qualified agriculture growers. By contract these accounts are required to be non-interest bearing. The District holds \$168.06 in petty cash at its offices. The First State Bank Account is used by the District to secure funds of well owners that filed their 2018 production reports late. Funds in the account will be refunded to the late filers if they turn in their 2019 Production Report by January 15, 2020. Afterward, all remaining funds are swept from the account and are deposited in the District's operating account at Perryton National Bank.

The District primarily secures its funds in certificate of deposits (CDs) issued by a state or national bank domiciled in Texas, a savings and loan association domiciled in Texas and is guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or its successor. The maximum allowable maturity of any authorized investment is two (2) years. The District's Board has approved a list of depositories for the District to purchase CDs. The District has CDs as follows:

All interest from the CDs are paid by check to the District and deposited into the District's Perryton National Bank main operating account. On March 31, 2020, the District had one CD that was set to renew within the next 91 days and there are no CDs that mature between 90-180 days. The largest amount of the District's investments is held in both the main operating account and certificates of deposit (CD) with a maturity date over 180 days. A

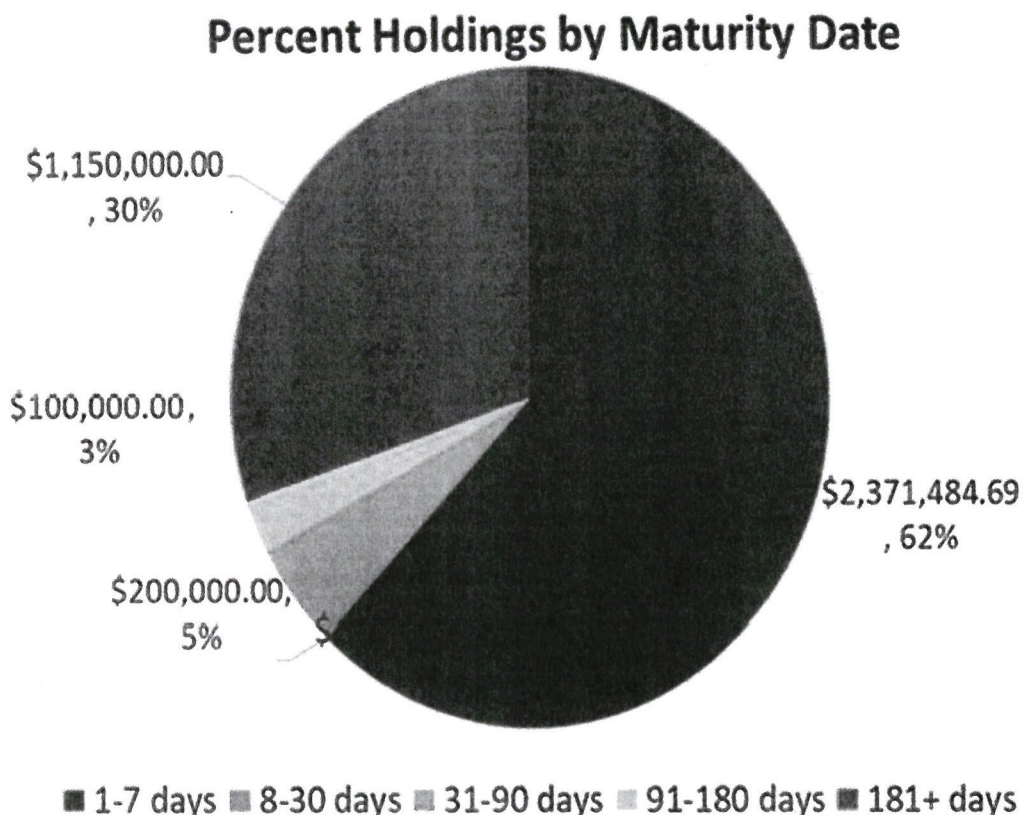
summary of District funds by dollar amount, number of days until maturity, and weighted average maturity (WAM) is as follows:

Security Description	Investment Amount	Mat. in Day	WAM
Perryton National Bank Main Account	\$2,845,271.96	1	0.66
First Bank Southwest CD 10000222	\$100,000.00	1	4.33
First State Bank - Spearman CD 45152	\$150,000.00	2	10.41
Dalhart Federal Savings & Loan CD 602- 609183-3	\$150,000.00	3	11.24



Happy State Bank CD 11297	\$150,000.00	3	11.21
Western State Bank CD 20855	\$250,000.00	3	18.86
First State Bank CD 21046	\$100,000.00	3	0.07
Dalhart Federal Savings & Loan CD 602- 608808-8	\$100,000.00	3	7.50
Happy State Bank CD 12046	\$100,000.00	1	3.03
Perryton National Bank CD 21457	\$100,000.00	1	3.38
First National Bank CD 82818	\$100,000.00	2	6.77
Interstate Bank SSB CD 9361-13004190	\$150,000.00	3	12.61
<b>Total</b>	<b>\$4,295,271.96</b>		<b>90.06</b>

The Ag Loan- Interest & Sinking Account, the Ag Loan -Default Reserve Account, the Default Reserve Account, Interest & Sinking Account, and the Late Filer Fees Account are non-interest- bearing accounts and are not included in this analysis. The WAM is used to illustrate the average amount of days it takes district investments to mature. The Perryton National Bank Account is the main operating account used by the district. Funds within this account are available within one day and are shown in the 1-7-day maturity date in the pie chart below. The district is currently operating on a 90.06-day WAM. The following pie chart represents the percent of holdings in investments based on the days to maturity:



This chart shows a snapshot of what percent of the District's money is being held in longer investments versus money on hand. Forty-one percent of the District's investments are held in the main operating account and one \$100,000 CD with less than seven days maturity. Whereas 26 percent of the District's investments are held in CD's with a maturity date of over 180 days. The final three pieces of the pie are investments that are held for a period of 8-30 days, 31-90 days, and 91- 180 days. The highest interest rates the District receives on CD's is 2.02 percent.

As of March 31, 2020 (last trading day of month), the US Department of Treasury Yield Curve Rates for one month is 0.05 percent and the one year is 0.17 percent. Treasury Yield Curve Rates are commonly referred to as "Constant Maturity Treasury" rates, or CMTs. Yields are interpolated by the Treasury from the daily yield curve. This curve, which relates the yield on a security to its time to maturity is based on the closing



market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of indicative, bid-side market quotations (not actual transactions) obtained by the Federal Reserve Bank of New York, at or near, 3:30 P.M. each trading day.

### District Loan Obligations

The District entered into two loan agreements with the Texas Water Development Board. The first loan agreement was executed in October 2014 for \$620,000.00 to equip the North Plains Water Conservation Center. The loan is for ten years with an 0.11 percent annual fixed interest rate. Five years are remaining on the loan. The account number the remaining loan amount as of March 31, 2020 and the remaining number of payments are as follows:

Loan	Account #	March 31, 2020	Notes
TWDB	21743	\$248,000.00	4 annual payments + 0.11% interest

The schedule of loan payments including interest is as follows:

Amount	Year
62,273	2021
62,205	2022
62,136	2023
62,068	2024

The second loan agreement was executed in November 2019 for \$1,000,000.00 to loan agriculture producers’ funds to update existing irrigation systems for conservation and efficiency purposes. The loan is for ten years with a 1.59 percent annual fixed interest rate. The Board has elected to add an additional 1% interest rate to loan amounts to producers to cover District costs for administering the program. The account number the remaining loan amount as of March 31, 2020 and the remaining number of payments are as follows:

Loan	Account #	March 31, 2020	Notes
TWDB	21781	\$1,000,000.00	10 annual payments +1.59% interest

The schedule of loan payments including interest is as follows:

Amount	Year
108,038.30	2020
114,310	2021
112,720	2022
111,130	2023
109,540	2024
107,950	2025
106,360	2026
104,777	2027
103,180	2028
101,590	2029



**Action Agenda 3.j.-      Receive Quarterly Investment Report ending June 30, 2020.**

The General Manager presented a quarterly investment report for the District for the period from January 1, through March 31, 2020 reflecting the North Plains Groundwater Conservation District’s investment transactions for all District funds subject to the District’s Public Funds Investment Policy.

The report described in detail the District’s investment position as of March 31, 2020; stated the maturity date of each separately invested asset that has a maturity date; and stated the compliance of the investment portfolio of the District with the investment strategy expressed in the District’s investment policy; and relevant provisions of Public Funds Investment Act, Chapter 2256, Texas Government Code (the “Act”).

**Standard of Care**

The Board directs that public funds investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. The order of investment priorities are as follows:

- 1.        Preservation and safety of principal;
- 2.        Liquidity; and
- 3.        Yield.

In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds, or funds under the District’s control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and whether the investment decision was consistent with the District’s written investment policy.

**Investments**

The District may invest in obligations of, or guaranteed by, governmental entities as provided in Section 2256.009(a) of the Act.

The District’s Board has authorized Perryton National Bank (PNB) as its primary depository and First State Bank as secondary depository as follows:

Bank Accounts	Account Name	Account Number	April 1 through June 30, 2020	Interest Rate
Perryton National Bank	Main Account	337	\$ 2,346,623.89	0.01%
Perryton National Bank	Default Reserve	116	\$ 11,225.00	Non-Interest Bearing
Perryton National Bank	Interest & Sinking	256	\$ 100.00	Non-Interest Bearing
First State Bank	Late Filer Fees	9005805	\$ 13,335.80	Non-Interest Bearing
Perryton National Bank	Ag Loan - Interest &	531	\$ 100.00	Non-Interest Bearing
Perryton National Bank	Ag Loan - Default	566	\$ 100.00	Non-Interest Bearing

Perryton National Bank is the District’s primary financial institution that provides the District’s main operating account. The main operating account and CDs at Perryton National Bank exceeds the FDIC insurance coverage so the bank pledges funds that are



secured by securities more than FDIC insurance for all District funds deposited with the bank. The District is currently holding pledged securities of \$3,195,000. Texas Water Development Board funds of \$1,000,000 are deposited in the Perryton National Bank Main Account. The Default Reserve Account, the Interest & Sinking Account, the Ag Loan Interest & Sinking Account, and the Ag Loan Default Reserve Account are non-interest-bearing accounts used to service Texas Water Development Board Loans for Water Conservation Center agriculture equipment construction and Ag Loans for Equipment to qualified agriculture growers. By contract these accounts are required to be non-interest bearing. The District holds \$67.67 in petty cash at its offices. The First State Bank Account is used by the District to secure funds of well owners that filed their 2019 production reports late. Funds in the account will be refunded to the late filers if they turn in their 2020 Production Report by April 15, 2021. Afterward, all remaining funds are swept from the account and are deposited in the District's operating account at Perryton National Bank.

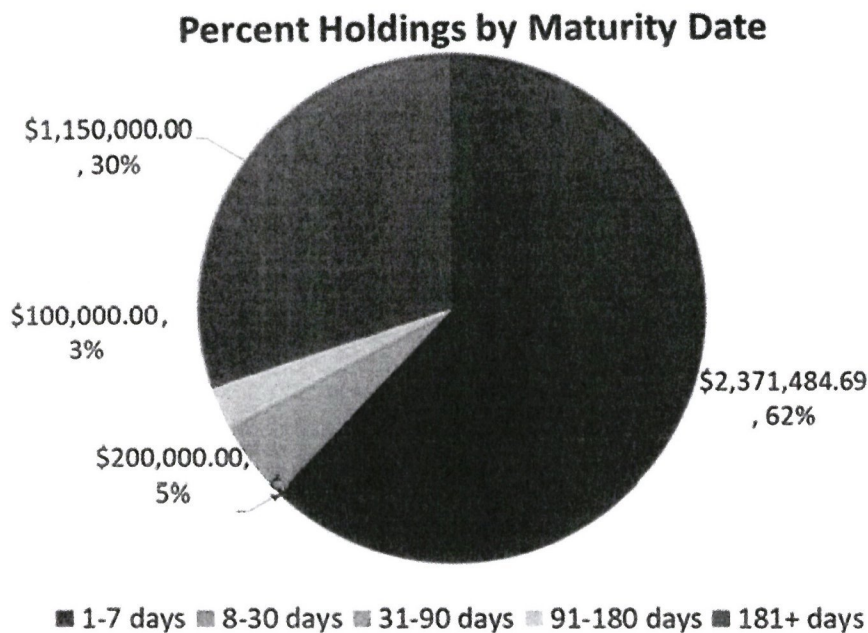
The District primarily secures its funds in certificate of deposits (CDs) issued by a state or national bank domiciled in Texas, a savings and loan association domiciled in Texas and is guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or its successor. The maximum allowable maturity of any authorized investment is two (2) years. The District's Board has approved a list of depositories for the District to purchase CDs. The District has CDs as follows:

All interest from the CDs are paid by check to the District and deposited into the District's Perryton National Bank main operating account. On June 30, 2020, the District had two CDs that are set to renew within the next 90-180 days. The largest amount of the District's investments is held in both the main operating account and certificates of deposit (CD) with a maturity date over 180 days. A summary of District funds by dollar amount, number of days until maturity, and weighted average maturity (WAM) is as follows:

Security Description	Investment Amount	Mat. in Days	WAM
Perryton National Bank Main Account	\$2,346,623.89	1	0.62
First Bank Southwest CD 10000222	\$100,000.00	95	2.50
First State Bank - Spearman CD 45152	\$150,000.00	207	8.18
Dalhart Federal Savings & Loan CD 602- 609183-3	\$150,000.00	231	9.13
Happy State Bank CD 11297	\$150,000.00	230	9.09
Western State Bank CD 20855	\$250,000.00	233	15.34
First State Bank CD 21046	\$100,000.00	277	7.30
Dalhart Federal Savings & Loan CD 602- 608808-8	\$100,000.00	307	8.09
Happy State Bank CD 12046	\$100,000.00	38	1.00
Perryton National Bank CD 21457	\$100,000.00	54	1.42
First National Bank CD 82818	\$100,000.00	200	5.27
Interstate Bank SSB CD 9361-13004190	\$150,000.00	270	10.67
Total	\$3,796,623.89		78.60

The Ag Loan- Interest & Sinking Account, the Ag Loan -Default Reserve Account, the Default Reserve Account, Interest & Sinking Account, and the Late Filer Fees Account are non-interest-bearing accounts and are not included in this analysis. The WAM is used to illustrate the average amount of days it takes District investments to mature. The Perryton National Bank Account is the main operating account used by the District. Funds within this account are available within one day and are shown in the 1-7-day maturity date in the pie chart below. The District is currently operating on a 78.60-day WAM. The following pie chart represents the percent of holdings in investments based on the days to maturity:





This chart shows a snapshot of what percent of District's money is being held in longer investments versus money on hand. Sixty-two percent of the District's investments are held in the main operating with less than seven days maturity. Whereas 30.09 percent of the District's investments are held in CD's with a maturity date of over 180 days. The final three pieces of the pie are investments that are held for a period of 8-30 days, 31-90 days, and 91-180 days. The highest interest rates the District receives on CD's is 2.02 percent.

As of June 30, 2020 (last trading day of month), the US Department of Treasury Yield Curve Rates for one month is 0.13 percent and the one year is 0.16 percent. Treasury Yield Curve Rates are commonly referred to as "Constant Maturity Treasury" rates, or CMTs. Yields are interpolated by the Treasury from the daily yield curve. This curve, which relates the yield on a security to its time to maturity is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of indicative, bid-side market quotations (not actual transactions) obtained by the Federal Reserve Bank of New York at, or near, 3:30 P.M. each trading day.

## District Loan Obligations

The District entered into two loan agreements with the Texas Water Development Board. The first loan agreement was executed in October 2014 for \$620,000.00 to equip the North Plains Water Conservation Center. The loan is for ten years with an 0.11 percent annual fixed interest rate. Five years are remaining on the loan. The account number the remaining loan amount as of March 31, 2020 and the remaining number of payments are as follows:

Loan	Account #	March 31, 2020	Notes
TWDB	21743	\$248,000.00	4 annual payments + 0.11% interest

The schedule of loan payments including interest is as follows:

Amount	Year
62,273	2021
62,205	2022
62,136	2023
62,068	2024



The second loan agreement was executed in November 2019 for \$1,000,000.00 to loan agriculture producers' funds to update existing irrigation systems for conservation and efficiency purposes. The loan is for ten years with a 1.59 percent annual fixed interest rate. The Board has elected to add an additional 1% interest rate to loan amounts to producers to cover District costs for administering the program. The account number the remaining loan amount as of March 31, 2020 and the remaining number of payments are as follows:

Loan	Account #	March 31, 2020	Notes
TWDB	21781	\$900,000.00	9 annual payments +1.59% interest

The schedule of loan payments including interest is as follows:

Amount	Year
114,310	2021
112,720	2022
111,130	2023
109,540	2024
107,950	2025
106,360	2026
104,777	2027
103,180	2028
101,590	2029

***Action Agenda 3.k.- Consider action directing the General Manager to amend the 2019-2020 Budget based on consultation with Auditor and report any changes to the Board for review.***

The General Manager reported to the Board that at the end of each fiscal year, the Board requires that the District's Auditor perform a financial audit of the District's operations. As a result of the audit and in consultation with the Auditor, the District may be compelled to amend its books pursuant to fiscal policy, state and/or local law. The General Manager requested that the Board direct the General Manager to amend the 2019-2020 Budget if necessary, based on consultation with the Auditor, and report any changes to the Board for review.

The General Manager did not anticipate that a budget amendment of the District's financial records will be compelled by the auditor pursuant to fiscal policy, state and/or local law after the end of the fiscal year.

Gene Born moved that the Board direct the General Manager to amend the 2019-2020 budget if necessary, based on consultation with the Auditor, and report any changes to the Board for review. Mark Howard seconded the motion and it was unanimously approved by the Board.

***Action Agenda 3.l.- Receive report regarding District agriculture irrigation demonstration conservation programs and other water conservation education initiatives.***

Nich Kenny and Kirk Welch, Assistant General Manager — Outreach, presented the following reports to the Board:



SDI Cotton at the WCC has been segregated into "full" and "limited" irrigation by schedule, but the rainfall events in July have provide excellent soil moisture for both plots. Because of the favorable conditions and good timing, the cotton boll load at the WCC is quite high. The plan is to promote cotton growth and boll set deep into August with minimal irrigation events on the western 1/2 of the plots and potentially zero irrigation events on the eastern 1/2 of the plots.

East Pivot	4.14" Irrigation
Cotton Zones 1-4	3.6" Irrigation
Cotton Zones 5-8	2.6" Irrigation

Intense management during August will be paramount. The plant stage at the beginning of August is Early Bloom.



## Corn

The WCC corn looks excellent as of the first week of August. Silks emerged across all plots on approximately 17 July and the pollination period occurred during very favorable weather and soil moisture conditions. With a late May planting date (21 May), the pollination date is pushed back into late July where winds traditionally diminish, and humidity increases. This is exactly what happened in this 2020 season.

UN-32 was applied on the SDI blocks on 2-3 August and begun over the same period in the West Pivot. This is the first of the post-tassel applications and depending on how favorable August remains, additional UN-32 may be applied through the SDI and pivot.

Soil moisture in early-August is excellent. This is primarily due to very timely precipitation events in July. The multiple events were of suitable duration and staggered timing that the SDI irrigation was able to be halted for 13 days and the west pivot was able to be shut-off for 4 days. As of 5 August, the corn has received the following irrigation values:

West Pivot	13.79" (including the pre-water)
SDI 9-10 (1x)	10.04"
SDI 11-12 (2x)	9.13"
SDI 13-14 (3x)	10.8"
SDI 15-16 (4x)	10.38"

Rainfall across the WCC ranges from 12.69" and 14.31" depending on the different measurement tools.

*Figure 3: Ceres infrared aerial images from 20 July. Notice the very uniform status of the corn fields and the variation in the cotton. Much of the weak cotton was replanted.*

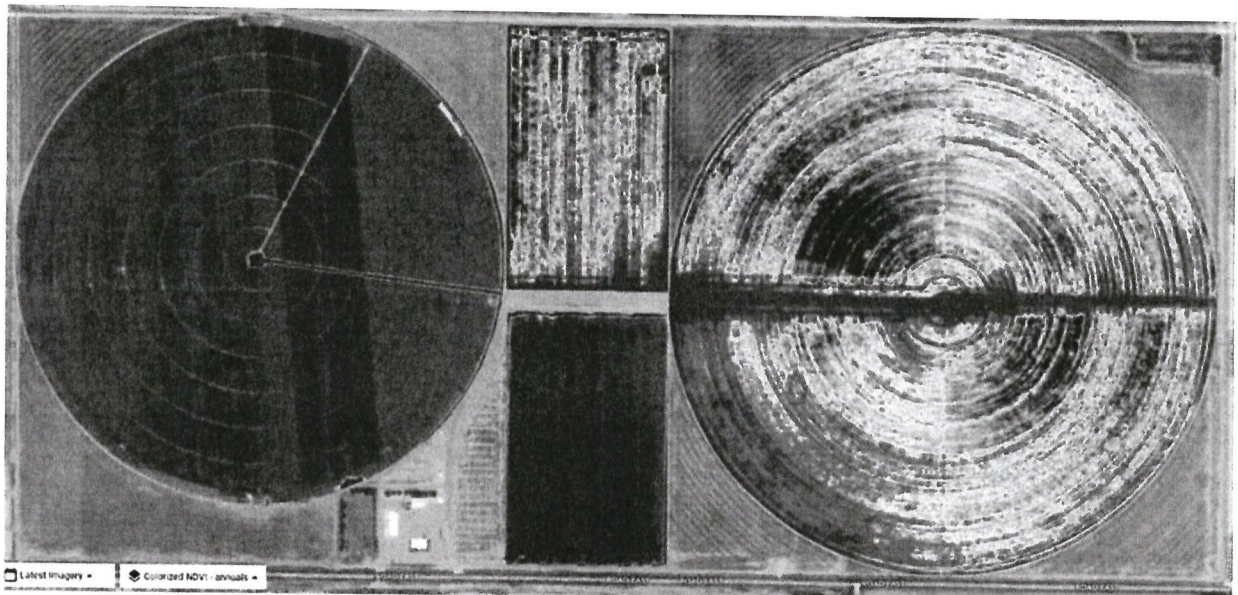




Figure 4: GroGuru chart of West Pivot corn, demonstrating aggressive water use beginning in late June with the profile beginning to draw down. Rainfall in July and August has been timed very well to fill the profile.

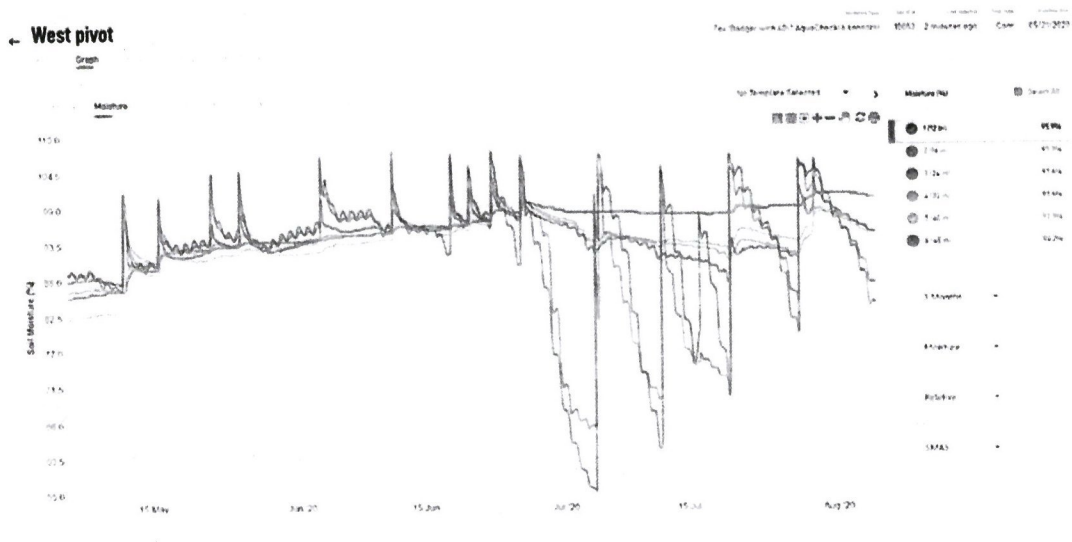
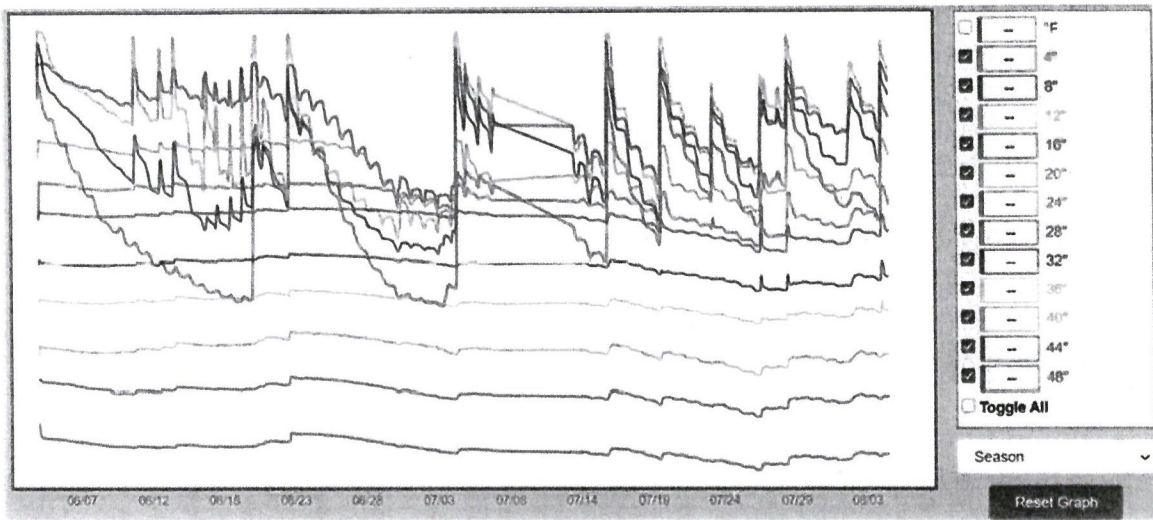


Figure 5: Aquaspy Chart of South SDI Corn, zones 9-10. This is the management area that receives 0.21" daily to represent 4 GPM / acre capacity.



### Master Irrigator

The Master Irrigator Project Advisory Committee (PAC) met on July 21. Funding for the Master Irrigator program has been obtained via the TWDB for the next 2 years in the form of a cost- share agreements with program graduates. In addition, funding for operating the program may become available through a multi-state federal proposal that has been submitted.

An implementation survey conducted of the 2016 Master Irrigator graduates found that 100% of respondents implemented one or more conservation practices taught in the training with all reporting gains in water use efficiency and 2/3 reported achieving water savings. Graduates also indicated that NRCS cost-share incentive was important to their attendance decision. This survey will be revised and repeated with the 2017 graduates this winter.

Dates for the 2021 program were selected: March 24, March 31, April 7 and April 14.

Due to COVID19 concerns leading to the need for social distancing the Moore Community Center was selected as the preferred location for the 2021 training. Kirk and/or Krista are going to check on availability and book if possible. The PAC is going to *consider* an alternative location such as Spearman for the 2022 program.

### WCC Rainwater Harvesting Project

A concrete pad has been poured for positioning of a 3,000-gallon tank and materials have been purchased to build a rainwater catchment system to collect rainwater from the



Richard S. Bowers Conservation Learning Center. This project is being partially funded through an urban grant from the United States Department of Agriculture - Natural Resource Conservation Service. In addition to the rainwater catchment system the project will include landscaping surrounding the Bowers Center featuring pollinator plant varieties.

### ***NRCS Funding Requests Filed***

A reimbursement request is pending with NRCS for District conservation outreach activities. The request for 29,123.59 is part of a cooperative agreement for \$40,000 in matching funds to support agricultural conservation outreach initiatives including the Master Irrigator program and revision of an irrigation systems manual. A future request will be submitted for the remainder of the matching funds in the agreement.

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

The General Manager reported, in regard to Well permitting compliance matters before the District, that the Board had directed the staff to implement a notice program for producers obtaining new Well permits but who have Rule compliance issues with other Wells in the GPU wherein the new Well permit was issued. District Rule Number \_\_\_\_\_, provides that such producer has 365 days to bring the non-complying Wells in the GPU into compliance. Mr. Walthour stated the notice program, as implemented by the staff, provides for such producer to receive a written notice, 8 months after issuance of the permit, to bring all non-complying Wells within the GPU into compliance within 365 days from the permit issue date. Further, Mr. Walthour stated that all such producers will also receive a written notice in September (after irrigation season) to correct any non-complying Wells in the GPU.

The General Manager stated that on September 8, 2020, the District has scheduled two Show Cause hearings. One is for a driller drilling without a Registration, or Permit. The other is for a meter issue where the District has encountered difficulty getting a producer to install operational meters on his Wells.

Mr. Walthour stated that he would have additional matters that would require Show Cause hearings in October, unless something works out pretty quickly. I am going to request a Show Cause hearing in September for that October deadline.

The General Manager requested an Executive Session for legal matters.

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

At 10:58 a.m., Bob B. Zimmer moved to go into Executive Session in compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, §551.071, to obtain legal advice 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. Gene Born seconded the motion and it was unanimously approved by the Board.

Executive Session: At 11:08 a.m., the Board went into Executive Session. At 11:44 a.m., Bob B. Zimmer moved that the Board reconvene into regular session. Gene Born seconded the motion and it was unanimously approved by the Board.

The Board reconvened into regular session at 11:45 a.m.

Bob B. Zimmer moved that the Board issue an Order for, and Notice of Show Cause hearing to Branden Gibson, doing business as Gibson Farms for 10:30 a.m. on October 13, 2020 at the North Plains Groundwater Conservation District Water Conservation Center Barn, 6045 County Road E, Dumas, Texas 79029-7201 for the apparent violation



of District Rule 9. Zac Yoder seconded the motion and the motion passed by the majority vote of the Board with Gene Born abstaining from the vote.

Mark Howard moved that the Board issue a Show Cause hearing to Lone Star Family Farms for 9:30 a.m. on October 13, 2020 at the North Plains Groundwater Conservation District Water Conservation Center Barn, 6045 County Road E, Dumas, Texas 79029-7201 for the apparent violation of Rule 9. Zac Yoder seconded the motion and it passed by the majority vote of the Board with Justin Crownover and Bob B. Zimmer abstaining from the vote.

***Discussion Agenda 4.a. - District Director Reports regarding meetings and/or seminars attended, weather conditions and economic development in each Director's precinct.***

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

General Counsel reported that he had received a report from Brad Howard regarding the Chris Hanes matter and requested that the Board convene into Executive Session under Section 551.071 of the Texas Government Code.

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

At 11:55 a.m., Bob B. Zimmer moved to go into Executive Session in compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, §551.071, to obtain legal advice 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. Gene Born seconded the motion and it was unanimously approved by the Board.

Executive Session: At 11:56 a.m., the Board went into Executive Session. At 12:03 p.m., Bob B. Zimmer moved that the Board reconvene into regular session. Gene Born seconded the motion and it was unanimously approved by the Board.

The Board reconvened into regular session at 12:04 p.m.

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

Excepted as reported herein, no Committee reports were presented.

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

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



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

By consensus, the Board set its next regular meeting on Tuesday, September 8, 2020 at 9:30 a.m. which will be a "live" meeting at the North Plains Water Conservation Center Barn, 6045 County Road E., Dumas, Texas 79029. Further, by consensus, the Board also set its "live" October Board meeting for 9:30 a.m. on October 13, 2020 at the North Plains Water Conservation Center Barn, 6045 County Road E., Dumas, Texas 79029.

***Agenda 6 - Adjournment.***

There being no further business to come before the meeting, President Krienke declared the meeting adjourned at 12:09 p.m.

  
\_\_\_\_\_  
Daniel L. Krienke, President

  
\_\_\_\_\_  
Mark Howard, Secretary