

**MINUTES OF THE JULY 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 July 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 9:30 a.m.:

Daniel L. Krienke, President;
Bob B. Zimmer, Vice-President;
Mark Howard, Secretary;
Gene Born, Director;
Harold Grall, Director;
Justin Crownover; 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;
Shari Stanford, Permitting and Meter Program Coordinator;
Paige Glazner, Conservation Outreach Assistant; and
Dusty Holt, Permitting Specialist.

Others present during part or all of the meeting:

Tom Forbes, Esq.;
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 9:30 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 Board of Directors Meeting on June 9, 2020; the review and approval of the Minutes of the Property Committee Meeting held on June 26, 2020; the review and approval of un-audited District expenditures for June 1, 2020 through June 30, 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 June 1, 2020 through

June 30, 2020, in the amount of \$7,017.78; the review and approval of the tax sale for Lots 354 and 355, Unit 6, Lot 34, Unit 7 and Lots 297 and 300, Unit 6 all in Double Diamond Estates, Moore County, Texas; and the review and approval of the Texas Municipal League rerate notice for District employee health insurance.

Gene Born moved to approve the Consent Agent. Zac Yoder 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.

Steve Walthour introduced new District employee, Dusty Holt, who is working in permitting.

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 81 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-4433	C	SE	0	0	114	906S	828E
DA-9483	C	NW/4	22	6	CSS	314 N	844 W
DA-9944	C	SW/4	4	48	H&TC	301 S	46 W
DA-10813	C	NE/4	2	2	CSS	625 N	190 E
DA-10892	B	SW/4	63	5	CSS	782 S	861 W
DA-10900	C	NE/4	66	4	CSS	102 N	108 E
DA-10929	C	NE/4	52	1	B&B	849 N	299 E
DA-10940	D	SE/4	3	48	H&TC	101 S	519 E
DA-10951	C	SE/4	0	0	League 114	1255 S	530 E
DA-10952	B	SE/4	0	0	League 114	1437 S	173 E
DA-10953	B	SE/4	0	0	League 114	1416 S	626 E
DA-10954	B	SE/4	29	2	B&B	723 S	412 E
DA-10962	C	SW/4	20	1	BS&F	592 S	482 W
DA-10973	D	NE/4	48	2	B&B	137 N	153 E
DA-10978	B	SW/4	327	1-T	T&NO	454 S	415 W
DA-11020	C	NE/4	41	6	CSS	27 N	312 E
DA-11021	C	NE/4	41	6	CSS	533 N	238 E
DA-11023	C	NW/4	41	6	CSS	67 N	887 W
DA-11069	B	NE/4	58	5	CSS	147 N	211 E
DA-11159	C	SE/4	75	0	E Gee	27 S	113 E
DA-11168	C	SW/4	20	6	CSS	123 S	883 W
DA-11281	B	NW/4	44	8	CSS	727 N	730 W
HA-10723	C	SE/4	F Jordan			2030 N	904 E

HA-10785	D	NW/4	252	44	H&TC	33 N	603 W
HA-10823	B	SW/4	85	48	H&TC	138 N	41 W
HA-10901	C	SE/4	41	48	H&TC	703 S	234 E
HA-10944	B	NW/4	53	48	H&TC	781 N	117 W
HA-11029	C	NW/4	84	21	CSS	110 N	144 W
HA-11035	C	NE/4	6	11	CSS	429 N	447 E
HA-11036	C	NE/4	6	11	CSS	865 N	355 E
HA-11037	C	SE/4	6	11	CSS	862 S	827 E
HA-11038	C	NW/4	6	11	CSS	486 N	1 W
HA-11050	B	NE/4	WN Adams	NONE	NONE	51 N	14 E
HA-11052	C	NE/4	7	11	CSS	343 N	866 E
HA-11064	C	NE/4	126	44	H&TC	463 N	532 E
HA-11068	C	SE/4	210	44	H&TC	415 S	123 E
HA-11090	C	NW/4	Joseph Beaty			1103 N	541 W
HA-11145	C	NW/4	7	11	CSS	265 N	464 W
HA-11361	B	SW/4	44	48	H&TC	251 S	845 W
HA-11367	C	SW/4	5	A-4	PFS	624 S	626 W
HN-10981	D	SE/4	255	2	GH&H	800 S	809 E
HN-10984	C	NE/4	61	R	AB&M	28 N	533 E
HN-11008	D	NE/4	98	4-T	T&NO	184 N	740 E
HN-11009	D	NE/4	98	4-T	T&NO	774 N	554 E
HU-10897	D	SE/4	17	3	SA&MG	348 S	103 E
HU-11042	D	SW/4	105	5-T	T&NO	18 S	307 W
LI-10841	D	SE/4	953	43	H&TC	517 S	118 E
MO-10731	B	NE/4	177	3-T	T&NO	627 N	107 E
MO-10732	B	SE/4	177	3-T	T&NO	453 S	107 E
MO-10736	C	SW/4	177	3-T	T&NO	428 S	470 W
MO-10737	C	SW/4	181	3-T	T&NO	237 S	30 W
MO-10739	B	SW/4	181	3-T	T&NO	204 S	343 W
MO-10979	C	SE/4	14	Q	H&GN	305 S	873 E
MO-10980	C	NE/4	14	Q	H&GN	847 N	301 E
MO-11001	C	NW/4	260	44	H&TC	443 N	103 W
MO-11055	C	NE/4	176	3-T	T&NO	42 N	334 E
MO-11192	C	SW/4	289	44	H&TC	430 S	127 W
OC-0383	C	NE	937	43	H&TC	417 N	461 E
OC-10924	D	SE/4	7	12	H&GN	222 S	633 E
OC-10946	D	NW/4	927	43	H&TC	224 N	225 W
OC-11012	D	NE/4	930	43	H&TC	457 N	343 E
OC-11013	C	NE/4	930	43	H&TC	100 N	536 E
SH-10905	B	SW/4	247	1-T	T&NO	437 S	103 W
SH-10906	B	NW/4	247	1-T	T&NO	446 N	106 W
SH-10907	B	NW/4	247	1-T	T&NO	107 N	106 W
SH-10931	B	SW/4	247	1-T	T&NO	701 S	108 W
SH-10932	B	NW/4	247	1-T	T&NO	694 N	105 W
SH-10957	C	NW/4	244	1-T	T&NO	248 N	32 W
SH-10966	C	SE/4	145	1-C	GH&H	103 S	155 E
SH-10967	C	NW/4	126	1-C	GH&H	101 N	134 W
SH-10968	C	NW/4	126	1-C	GH&H	845 N	174 W
SH-10969	C	NW/4	116	1-C	GH&H	199 N	568 W
SH-10970	C	NE/4	116	1-C	GH&H	204 N	204 E
SH-10974	D	SW/4	12	1	PSL	700 S	402 W
SH-10975	D	SE/4	11	1	PSL	122 S	633 E
SH-11019	C	SW/4	9	2-B	GH&H	113 S	510 W
SH-11032	B	SE/4	132	1-T	T&NO	132 S	105 E
SH-11074	B	NE/4	9	2	PSL	105 N	132 E
SH-11093	C	SE/4	9	2-B	GH&H	48 S	24 E
SH-11094	C	SE/4	9	2-B	GH&H	243 S	483 E
SH-11161	B	SE/4	160	1-C	GH&H	120 S	460 E

It was reported that Mark Howard had Well Permit HA-10785 on the Well Permit Schedule; that Daniel L. Krienke had Well Permit OC-10924 on the Well Permit Schedule and that Zac Yoder had Well Permit DA-10892 on the Well Permit Schedule.

Zac Yoder moved to approve all of the permits on the Well Permit Schedule with the exception of Well Permit HA-10785, Well Permit OC-10924 and Well Permit DA-10892. Harold Grall seconded the motion and it was unanimously approved by the Board.

Bob Zimmer moved to approve Well Permit HA-10785, Well Permit OC-10924 and Well Permit DA-10892 on the Well Permit Schedule. Harold Grall seconded the motion and it was approved by the majority vote of the Board, with Mark Howard, Daniel L. Krienke and Zac Yoder abstaining from the vote.

Action Agenda 3.b. - Receive preliminary report regarding North Plains GCD tax valuations for the purposes of developing a budget.

The General Manager presented the following report to the Board:

The eight county appraisers have provided the District preliminary values for 2020 tax valuations across the District. Some appraisers reduce the preliminary amount by 10 to 12 percent of the anticipated certified appraisals. Based on the historical preliminary values, compared to the 2020 preliminary value, if the District elected to keep its current tax rate of \$0.032600 per \$100 of property value, income from ad valorem taxes would be \$2,126,126 or approximately \$150,000 less than anticipated for the 2019-2020 fiscal year. If the District elected to accept the new No-New-Tax rate (effective tax rate) the tax rate would climb to between 0.0347027/\$100 per valuation based on the Preliminary Values and 0.0378816/\$100 based on comparing the current preliminary values to previous certified values. The tables below show the preliminary tax and certified tax values from 2015 – 2019 compared to the preliminary 2020 values.

	CERTIFIED VALUES					Preliminary
County	2015	2016	2017	2018	2019	2020
Dallam	803,102,856	854,627,537	892,889,155	898,572,736	935,109,799	938,729,086
Hansford	657,620,582	552,556,961	521,523,254	543,520,467	566,421,569	542,987,221
Hartley	609,979,400	607,891,134	677,107,188	722,720,265	752,067,804	717,499,720
Hutchison	186,668,380	121,890,140	112,744,190	120,874,840	114,574,960	92,851,552
Lipscomb	910,776,732	564,658,748	622,855,165	631,672,875	638,836,622	331,297,206
Moore	2,149,580,872	1,888,090,299	1,933,338,389	1,989,268,573	2,042,825,518	1,785,001,204
Ochiltree	2,159,858,960	1,485,046,565	1,430,482,148	1,488,422,874	1,515,365,792	1,243,389,922
Sherman	626,051,650	515,290,433	503,931,340	506,939,140	502,738,820	442,542,824
Total	8,103,639,432	6,590,051,817	6,694,870,829	6,901,991,770	7,067,940,884	6,094,298,735
	-2.0%	-23.0%	1.6%	3.0%	2.3%	-16.0%

	Preliminary Values					
County	2015	2016	2017	2018	2019	2020
Dallam	803,102,856	854,627,537	892,889,155	898,572,736	911,377,196	938,729,086
Hansford	657,620,582	552,556,961	521,523,254	543,520,467	478,298,011	542,987,221
Hartley	609,979,400	607,891,134	677,107,188	722,720,265	701,655,699	717,499,720
Hutchison	186,668,380	121,890,140	112,744,190	120,874,840	120,497,180	92,851,552
Lipscomb	910,776,732	564,658,748	622,855,165	631,672,875	622,792,127	331,297,206
Moore	2,149,580,872	1,888,090,299	1,933,338,389	1,989,268,573	1,982,011,024	1,785,001,204
Ochiltree	2,159,858,960	1,485,046,565	1,430,482,148	1,488,422,874	1,180,439,483	1,243,389,922
Sherman	626,051,650	515,290,433	503,931,340	506,939,140	490,119,801	442,542,824
Total	6,867,608,382	6,590,051,817	6,694,870,829	6,901,991,770	6,487,190,521	6,094,298,735
	-2.13%	-4.21%	1.57%	3.00%	-6.39%	-6.45%

This information was provided to the Board for guidance related to potential ad valorem tax income in developing a budget for 2020-2021. The development of a 2020-2021 budget by the Board should occur in July.

Action Agenda 3.c. - Receive report and consider District Agriculture Committee recommendations regarding agriculture irrigation demonstration conservation programs and other water conservation education initiatives and recommendations regarding the 2020-2021 budget.

Assistant Manager, Kirk Welch presented the following report:

The agriculture committee communicated by phone, email and text to determine recommendations relating to the 2020-21 budget and other conservation programs. A spreadsheet was presented to the Board that reflected the totals for the specific budget areas affected. Recommendations reflect continuation of activities from last year with the following changes:

Income

1. \$40,000 in NRCS Grant income excluded as the grant is not confirmed;
2. A reduction in the TWDB loan funds from \$1,000,000 to \$891,961.70 after principal and interest payment;
3. Renaming of the ICI line item to Master Irrigator/ICI to reflect redirection of those funds to Master Irrigator; and,
4. Increase of Master Irrigator/ICI income item to \$250,000 reflecting additional TWDB grant.

Expense

1. Restoring Water Conservation Education line item to the original \$35,000 level in anticipation of offering the Water Wise Program in 2020-21;
2. Increasing Master Irrigator/ICI line item to \$290,000 by adding the \$40,000 that was listed under Conservation Demo Project into Conservation Outreach;
3. Eliminating the line item for the Irrigation Dashboard as the program has been discontinued;
4. Increasing the Subcontracted Services line item by \$25,000 to cover costs of Nich Kenny's direction of ag conservation programs, providing additional technical assistance and technology transfer activities; and,

The result of the recommendations is a total increase in ag programs of \$74,000. \$50k will come from TWDB grant funds for the Master Irrigator program and \$24,000 are for subcontracted services and would come from District funds or other sources.

Master Irrigator

Due to the COVID-19 virus, the 2020 Master Irrigator Program was initially postponed with the thought that it might be possible to reschedule sometime before the end of the year. At this time, based on on-going health and safety concerns, and the logistics of rescheduling speakers and attendees, the ag committee recommended cancellation of the event for 2020.

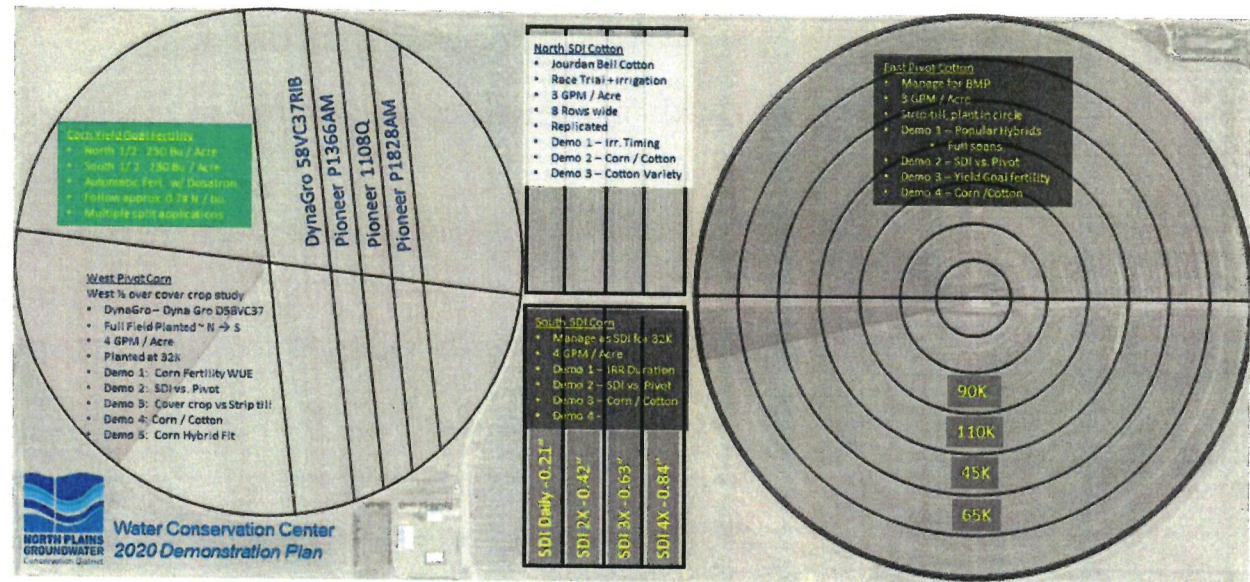
The District has participated as a partner in submitting an application for a multi-state Master Irrigator Conservation Innovation Grant (CIG) from USDA-NRCS. The proposal is for a three-year program that would provide \$100,000 each year to the District to support the Master Irrigator Program. The CIG requires a funding match from applicants to be eligible for the program. The District was able to provide almost a 70-percent match of over \$600,000 using in-kind expenses and TWDB grant funds. The additional matching funds over the District's requested amount will help strengthen the overall application.

Mr. Walthour stated that he had just learned that the District had been approved for an additional \$250,000 grant from the TWDB which was not included in the income figures above and would be used for the Master Irrigator Program in fiscal year 2021-2022.

WCC Status

Mr. Nich Kenny stated that water was holding up well and the crops look good.

Mr. Kenny presented the following report:



West Well

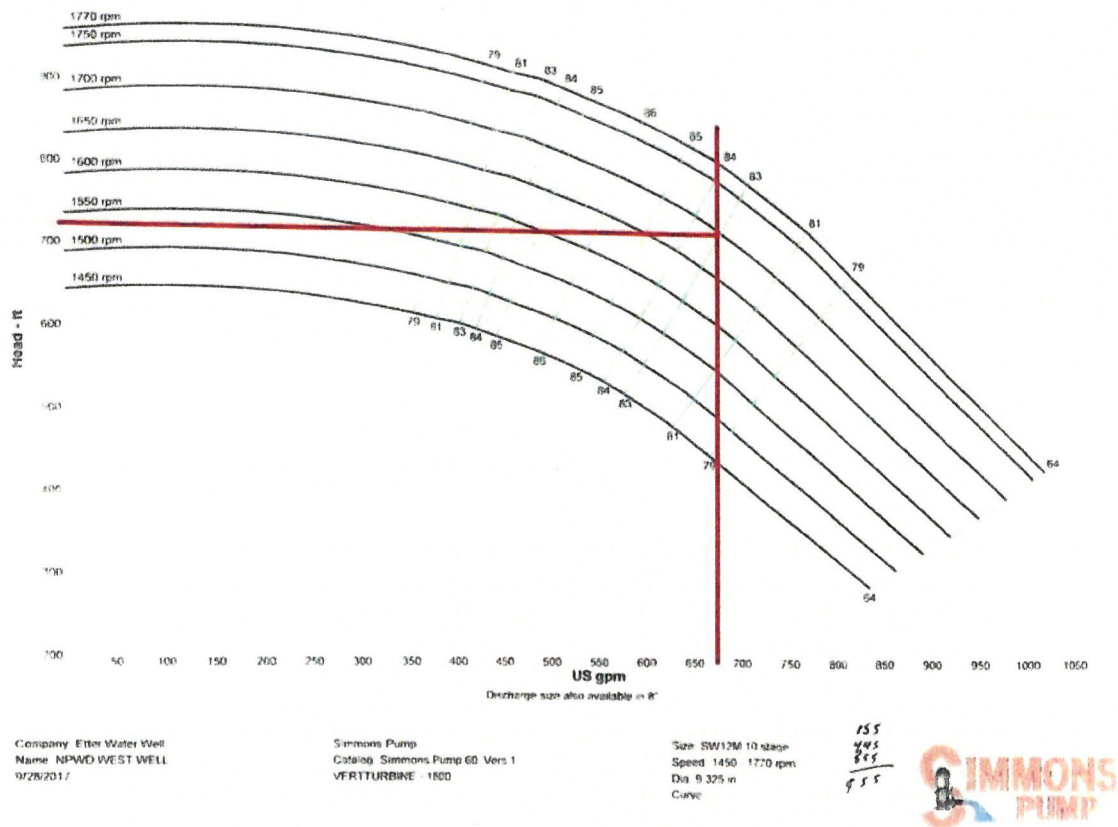
The well shaft on the West Well broke during operation on 29 June – 1 July. The 250-hp motor was taken out after the shaft broke. Fortunately, the shaft broke just below the stretch assembly and the repair was completed in 36 hours. The repair consisted of the shaft replacement and a 200-hp rewind motor installed. There is insurance on the blown motor and the details are being reviewed currently to determine if a new 200-hp motor should be purchased at \$11,498 or the current motor should remain in place that was purchased for \$9773.

Motor loading was reviewed, and it was determined that a 200-hp motor is the correct size for this application since the maximum loading with the current pump is 150-hp and the pump performance shows to match the pump curve very well.

It is unusual for the pump shaft to break this high on the string of pipe without noticeable knocking, but well visits by Stan, Curtis, and Nich verify that there were not noticeable knocking multiple days prior to the shaft breaking.

The VFD will be reprogrammed to match the 200-hp motor with the appropriate loading parameters, overload protection, and start/stop ramps.

figure 2: WCC West Well Curve - Simmons SQ12M 10-stage and the well operating point at about 57 hz.



Cotton

Cotton has yet to reach first bloom at WCC as of 13 July although much cotton across the District has solidly entered bloom. The most advanced squares at WCC are approximately mid-point squares (just past matchhead). Across all treatments the percent stand is approximately 50% which is slightly lower than 2019.

The second application of plant growth regulator is scheduled for application on 14 July (3oz Stance) with a tank mix of herbicide. Cotton growing conditions have been excellent, so caution will be necessary to maintain node lengths.

Approximately 18-acres of cotton was replanted on 16 June in the East Pivot and SE corner of the North SDI.

SDI cotton has received automated water as a rider with the SDI corn program. As of 13 July, water will be withheld from blocks 5-8 while blocks 1-4 will receive water at 3GPM / acre capacity through bloom. There are visible variety differences in these RACE trial plots.

Figure 3: Cotton pictures in the East Pivot on 13 July. 45K is on the left and 110K is on the right. Both have approximately 50% stands, but notice the better density and uniformity of the 110K,



Figure 4: Cotton planting map on the West pivot, indicating the population demonstration

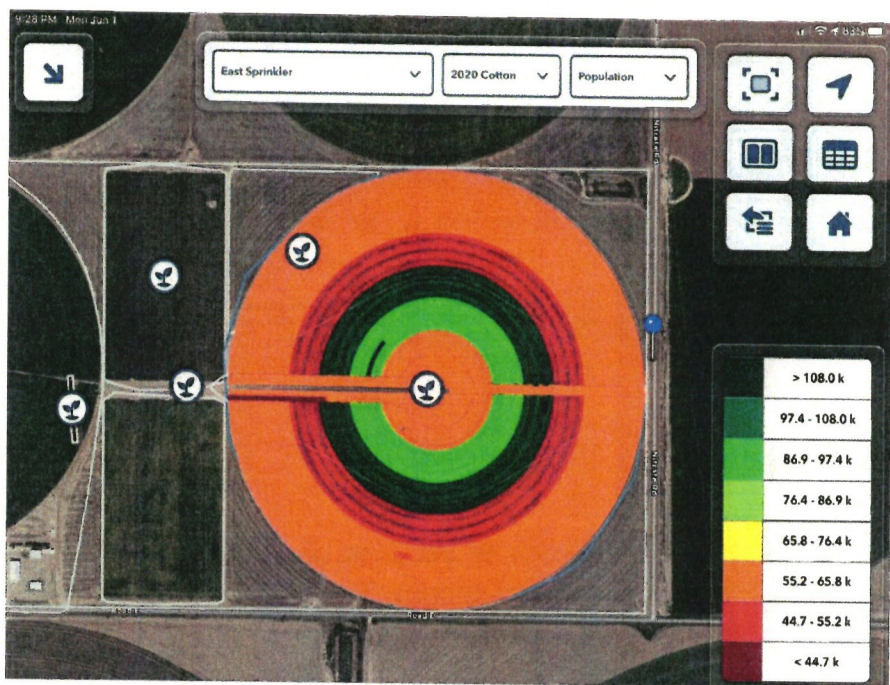


Figure 5: 8 July imagery of chlorophyll from Ceres Imaging. Notice the higher vegetation near the center of the pivot aligning with higher population areas. Red areas on the map were replanted on 16 June and represent approximately 18 acres.

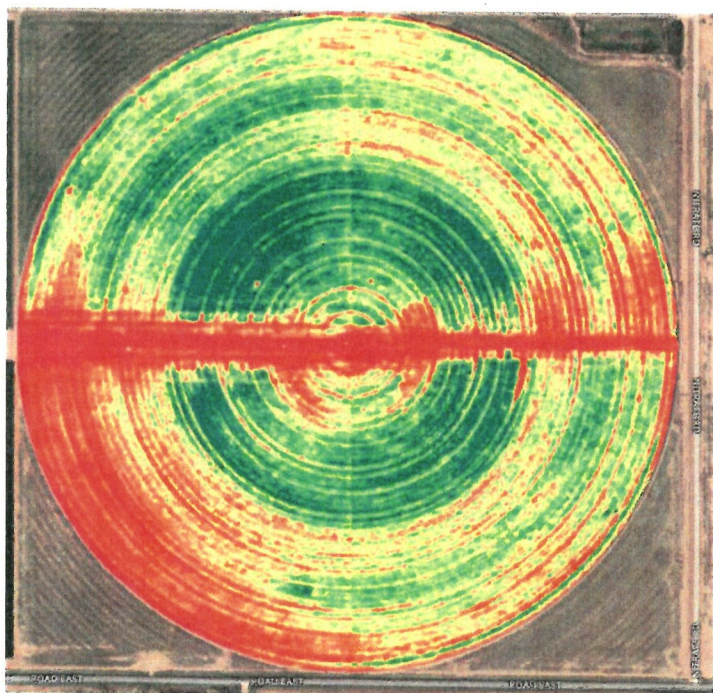


Figure 6: Stand Count results from the cotton population demonstration in the East Pivot. Cotton stands across the demonstration are nominally 50% of seed drop.

Date		17 Jun 2020															
East Pivot																	
Cotton Stand Counts		Spacing		30 inches		2000 ft.		1/2000									
		Plants		17424		linear ft / acre											
Quadrant		NW		SW		NE		SE									
45K	1	14	28,000	23,200	45K 1	10	20,000	19,600	45K 1	10	20,000	23,200	45K 1	12	24,000	23,200	
	2	12	24,000		45K 2	11	22,000		45K 2	11	22,000		45K 2	10	20,000		
	3	10	20,000	52%	45K 3	7	14,000	44%	45K 3	15	30,000	52%	45K 3	14	28,000	52%	
	4	12	24,000		45K 4	10	20,000		45K 4	12	24,000		45K 4	11	22,000		
	5	10	20,000		45K 5	11	22,000		45K 5	10	20,000		45K 5	11	22,000		
65K	1	17	34,000	31,200	65K 1	19	38,000	33,200	65K 1	13	26,000	29,200	65K 1	11	22,000	31,200	
	2	9	18,000		65K 2	11	22,000		65K 2	12	24,000		65K 2	15	30,000		
	3	22	44,000	48%	65K 3	14	28,000	51%	65K 3	17	34,000	45%	65K 3	17	34,000	48%	
	4	19	38,000		65K 4	17	34,000		65K 4	17	34,000		65K 4	18	36,000		
	5	11	22,000		65K 5	22	44,000		65K 5	14	28,000		65K 5	17	34,000		
95K	1	22	44,000	45,600	95K 1	24	48,000	45,200	95K 1	26	52,000	52,000	95K 1	30	60,000	52,000	
	2	22	44,000		95K 2	23	46,000		95K 2	26	52,000		95K 2	24	48,000		
	3	24	48,000	51%	95K 3	19	38,000	50%	95K 3	24	48,000	58%	95K 3	24	48,000	58%	
	4	24	48,000		95K 4	22	44,000		95K 4	23	46,000		95K 4	29	58,000		
	5	22	44,000		95K 5	25	50,000		95K 5	31	62,000		95K 5	23	46,000		
110K	1	18	36,000	57,200	110K 1	38	76,000	53,200	110K 1	32	64,000	60,000	110K 1	28	56,000	58,000	
	2	32	64,000		110K 2	22	44,000		110K 2	34	68,000		110K 2	33	66,000		
	3	27	54,000	52%	110K 3	35	70,000	48%	110K 3	32	64,000	55%	110K 3	14	28,000	53%	
	4	40	80,000		110K 4	22	44,000		110K 4	21	42,000		110K 4	38	76,000		
	5	26	52,000		110K 5	16	32,000		110K 5	31	62,000		110K 5	32	64,000		

Corn

The WCC corn looks excellent. It has received two split applications of approximately 30 units of N in both the pivot and SDI blocks. It is expected to tassel this week and will be resampled for post-tassel N requirements.

The West pivot was slowed down one day entering July, applying just shy of 1.75" over 8 days. Corn just ahead of the pivot looks excellent and this speed will be maintained going forward.

The SDI corn has been programmed for automatic irrigation for 1x, 2x, 3x, and 4x application pattern. This pattern has been in place for nearly 1 month with only breaks to apply fertilizer. There are no obvious differences in the field and the SDI corn looks excellent.

Figure 7: Ceres infrared aerial images from 8 July. Notice the very uniform status of the corn fields and the variation in the cotton. Much of the weak cotton was replanted. Ceres is performing drone flights approximately every 10 days.

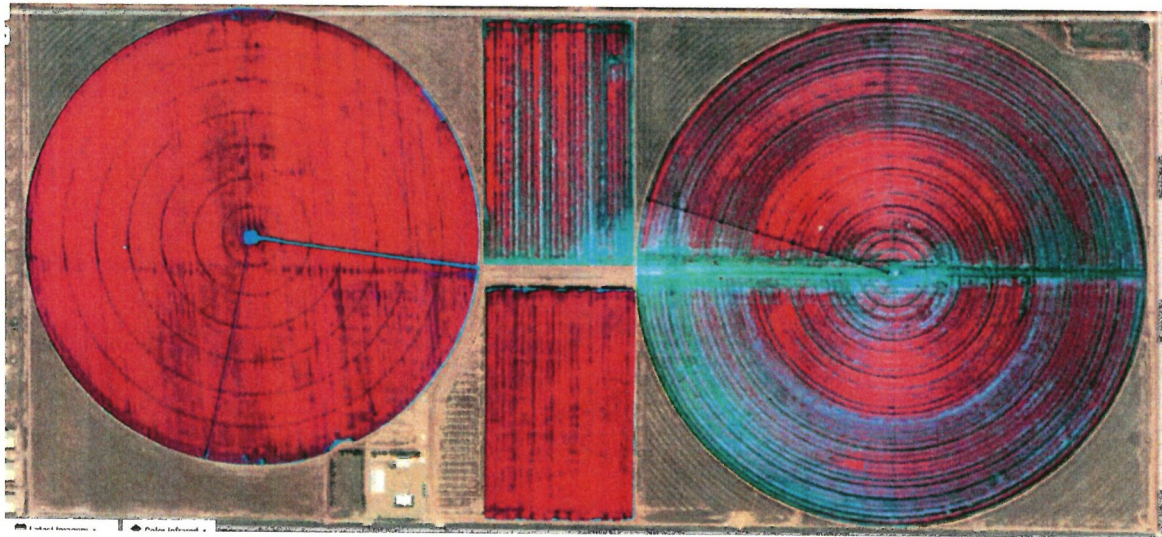


Figure 8: GroGuru chart of West Pivot corn, demonstrating aggressive water use beginning in late June.

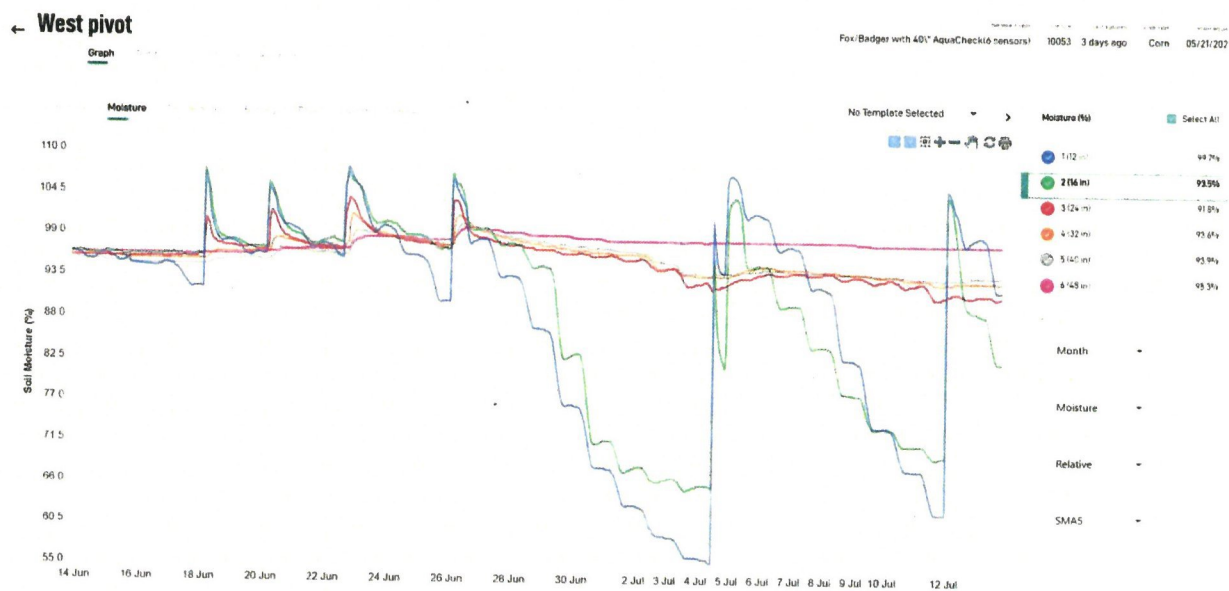


Figure 9: Aquaspy Chart of South SDI Corn, zones 1-2. This is the management area that receives 0.21" daily to represent 4 GPM / acre capacity.

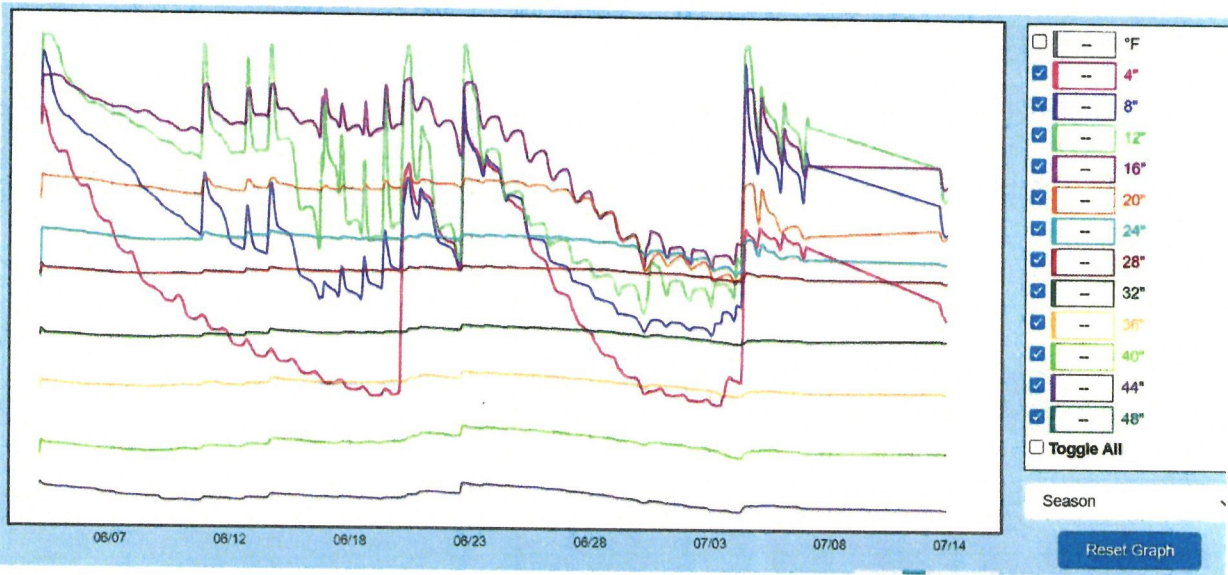


Figure 10: West Pivot corn on 13 July, just ahead of the sprinkler. This picture is early in the morning and color looks excellent. Leaves have been curling slightly each day in July.



Figure 11: South SDI Corn on 13 July, approximately 14 leaves and will be tasseling within the week (13 July)



Zac Yoder moved that the Board approve the recommendations made by the Ag Committee to cancel the 2020 Master Irrigator Program. Gene Born seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.d. - Receive report regarding District construction and facility maintenance activities and the Property Committee recommendations regarding the 2020-2021 budget.

Mr. Walthour reported that on June 26, 2020, the Property Committee met via zoom and in person to review the options related to increasing the District's office space and storage that Parkhill Smith & Cooper had provided opinions of cost to the committee. The General Manager recommended to the Committee not to move forward with any of the options

provided by Parkhill Smith & Cooper to the District at this time based on the anticipated lower property valuations across the District that would affect its financial position.

The General Manager requested that Doug Hatter, of Metal Concept, whose company has done satisfactory construction work on various District projects, provide a cost estimate to simply upgrade the current District storage building behind the District office. The General Manager requested that Mr. Hatter prepare a cost estimate to add an HVAC system, insulation, dry wall, painting, to remove the garage doors, and partially replace some of the skin and make the facility more dust free. The Property Committee had requested that the General Manager provide a cost estimate to simply rent a comparable space from one of the storage facilities in Dumas. The General Manager reported that currently, there is no comparable space for rent in Dumas that can accommodate the District's needs.

By consensus, the Property Committee wanted to hear what Metal Concepts will propose before making any final recommendations to the Board.

The General Manager reported that Metal Concepts has forwarded a proposal that it will potentially cost between \$39,000 and \$53,000 to upgrade the storage building and that the cost estimate has been submitted to the Property Committee.

Mr. Walthour stated that if he could negotiate costs with Metal Concepts to remodel the existing building for \$50,000 or less, that those dollar amounts are within his signature authority. The General Manager reported that funds were in the 2019-2020 budget for this remodel cost and that he would like to have the opportunity to remodel the storage building by the office building for \$50,000 or less. The General Manager also stated that this renovation would conclude anything that he would ask for District construction in the future except for maybe the graveling of a parking lot.

Gene Born moved to authorize the General Manager to pursue the upgrade and enter into a contract for \$50,000 or less to upgrade the existing storage building next to the District office to add an HVAC system, insulation, dry wall, painting, to remove the garage doors, partially replace some of the skin, and make the facility more dust-free. Mark Howard seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.e. - Consider General Manager's recommendation in proposing the 2020-2021 District Budget.

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

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 establishing an estimated tax rate and providing a starting point for the Board to adopt a budget.

The District began its 2019-2020 budget year with \$2,099,590.00 funds in reserves. As of June 26, 2020, the District's cash and certificates of deposit has grown to \$3,827,942.57. By the end of this fiscal year (EOY) the General Manager estimated that the funds will be reduced by \$569,006.85 leaving \$3,258,935.72 in reserves including the TWDB Loan in reserve to start 2020-2021 budget year. If the District elects to adopt the 2019-2020 tax rate for 2020-2021, and approves the income and expense budget shown below, the District's general fund reserves may decrease by \$272,647.25. The TWDB Loan in reserve will decrease by approximately \$900,000. Thus, the District's reserve could be reduced to \$2,094,326.77. Normally, the District does not spend all the expense budget. The District's preliminary income and expense budget are as follows:

Income Description	Current 2019-2020 Budget	Estimate 2019-2020 EOY	2020-2021 Income Budget	2020-2021 Budget with Same Tax	Explanation
Taxes	2,272,640.00	2,320,334.80	2,272,640.00	2,126,125.75	
Penalties and Interest	15,600.00	16,314.82	15,600.00	15,600.00	
Delinquent Taxes	14,800.00	15,110.92	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	6,835.07	5,000.00	5,000.00	
Sale of Assets	5,000.00	58.00	5,000.00	5,000.00	
Fees for District Services	130,000.00	179,500.00	130,000.00	130,000.00	Primary Permitting
Other Income	25,000.00	22,309.18	16,000.00	16,000.00	Compliance and other income not captured in other items.
TWDB Meter/ Equipment Grants	150,000.00	63,392.40	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	26,024.04	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	50,424.24	50,000.00	50,000.00	City of Borger (Variable)
Total Income	4,030,040.00	3,854,902.53	3,041,040.00	2,894,525.75	

Expense	Current 2019-2020 Budget	Estimate 2019-2020 EOY	2020-2021 Expense Budget	2020-2021 Expense Budget	Explanation
Director's Expense	65,000.00	40,423.17	65,000.00	65,000.00	
Personnel	1,251,666.00	1,214,796.43	1,250,000.00	1,250,000.00	
Administrative	123,500.00	101,429.25	158,500.00	158,500.00	
Contracted Services	151,000.00	145,256.36	140,100.00	140,100.00	CAD and GMA-1 Costs
Professional Fees	183,000.00	184,677.82	198,000.00	198,000.00	Legislative Year/ Interstate Water Development, General Legal
Tech., Comm., & Utilities	140,000.00	137,932.46	160,000.00	160,000.00	
Vehicle; Bldg; Field; Supplies	91,000.00	88,335.34	91,000.00	91,000.00	Vehicle, Building Maint. Repair, fuel
Capital Outlay	250,000.00	116,464.92	60,000.00	60,000.00	Construction fund, equipment
Aquifer Science	250,000.00	61,643.70	145,000.00	145,000.00	USGS/ field data costs/ observation wells
Conservation Outreach	470,000.00	244,662.75	585,000.00	585,000.00	Radio, Meter program, ICI/MI program, etc. Partial funded TWDB Meter & MI Grants
Conservation Demo Project	269,000.00	236,865.28	228,000.00	228,000.00	Irrigation Demonstrations - MI moved to Cons. Outreach
North Plains WCC	10,000.00	11,425.66	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
Total Expenses	4,316,507.00	2,754,292.44	4,059,134.70	4,059,134.70	
Total Net Income/Expenses	-286,467.00	1,100,610.09	1,018,094.70	1,164,608.95	

The anticipated funding sources to pay for the District’s mission include Grants and Outside Assisting including the TWDB Loan reserves – 34%, Taxes and PGMA Fees - 59%, other regulatory, export, WCC and investment income – 7 percent. The table below shows the funding sources and amounts.

2020-2021 Funding Sources	2020-2021 Amount	Percent of total funds	2020-2021 (Same Rate)	Percent of total funds
Grants and Outside Assistance/TWD B Loan Reserves	1,291,961.70	33%	1,291,961.70	34%
Taxes - PGMA Fees	2,373,040.00	60%	2,226,525.75	59%
Other regulatory, Export, WCC & investment	268,000.00	7%	268,000.00	7%
Subtotal	3,933,001.70	100%	3,786,487.45	100%
Funds from				
Reserves				
District Reserves (Additional)	126,133.00		272,647.25	
Net Income.				
Reserves &	0.00		0.00	
Expenses				
2020-2021 Fiscal	2,240,841.02		2,094,326.77	
Year End District Reserves				

The Finance Committee and the Agriculture Committee have not met regarding this recommended budget.

Mr. Walthour stated that the Board may either wait for input from the Finance Committee and the Agriculture Committee and propose a budget in August that will need to be adopted in September, or the Board may propose the preliminary budget and elect to amend the proposed preliminary budget, if necessary, or adopt the proposed preliminary budget in August.

Bob B. Zimmer moved that the Board take up the recommended budget in August after the Finance and Agriculture Committees have met. Gene Born seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.f. - Consider proposal regarding securing professional services to upgrade the District’s storage building located a 603 East 1st Street, Dumas, Texas.

No further action was taken on this matter other than the Board action addressed under Action Agenda Item 3.d.

Action Agenda 3.g.- Receive report regarding executive orders and court decisions that may affect groundwater.

The General Manager presented the following report to the Board:

Recently, a federal agency decision and two court decisions could potentially affect the District and its stakeholders.

On April 21, 2020, the U.S. Environmental Protection Agency (EPA) and the Department of the Army (Army) published the Navigable Waters Protection Rule to define "waters of the United States" (WOTUS) in the Federal Register. For the first time, the agencies are streamlining the definition so that it includes four simple categories of jurisdictional waters, provides clear exclusions for many water features that traditionally have not been regulated, and defines terms in the regulatory text that have never been defined before. Congress, in the Clean Water Act, explicitly directed the Agencies to protect "navigable waters." The Navigable Waters Protection Rule regulates traditional navigable waters and the core tributary systems that provide perennial or intermittent flow into them. The final rule fulfills Executive Order 13788 and reflects legal precedent set by key Supreme Court cases as well as robust public outreach and engagement, including pre-proposal input and comments received on the proposed rule. The final rule will become effective on June 22, 2020. Once effective, it replaces the prior rule, which became effective on December 23, 2019. The final authority regarding the Clean Water Act jurisdiction remains with the EPA.

On April 23, 2020, the US Supreme Court entered a judgement relating to the nature of non-point source pollution related to the Clean Water Act (*County of Maui, Hawaii v. Hawaii Wildlife Fund et al.*). The Court ruled that the discharge of wastewater through injection wells into an aquifer, which ultimately polluted the ocean, is considered a point source of pollution as defined by the Clean Water Act.

On May 29, 2020, The United States Court of Appeals for The Fifth Circuit in *David Stratta; Anthony Fazzino V. Brazos Valley GCD* ruled regarding groundwater rights and the application of District rules. The City of Bryan was allowed by the GCD to pump virtually unlimited amounts of groundwater from a small tract. The plaintiff, an adjacent groundwater owner (with a much larger tract), was severely restricted by the GCD in the amount of groundwater he could produce. The Court ruled in favor of the plaintiff, and that, in essence, the GCD was "taking" his groundwater rights.

General Counsel, Keith Good, presented a report to the Board regarding WOTUS.

Action Agenda 3.h.- Receive report regarding Interregional Water Planning Council.

General Manager, Steve Walthour, stated that the report is in the Board packet.

The following report was contained in the Board packet:

Title 31 Texas Administrative Code (TAC)§ 357.50(d)) requires that any assertions of potential interregional conflicts made by Regional Water Planning Groups (RWPG) must be provided in writing to the TWDB Executive Administrator and the other affected RWPG within 60 days of the IPP deadline for submittal.

An interregional conflict exists when:

- More than one regional water plan includes the same source of water supply for identified and quantified recommended water management strategies (WMS) and there is insufficient water available to implement such WMSs; or
- In the instance of a recommended WMS proposed to be supplied from a different regional water planning area, the RWPG with the location of the strategy has studied the impacts of the recommended WMS on its

economic, agricultural, and natural resources and demonstrated to the TWDB board that there is a potential for a substantial adverse effect on the region as a result of those impacts.

A RWPG identifying a potential interregional conflict must submit the following information to the Executive Administrator by the deadline:

- Identification of the specific recommended WMS from another RWPG's IPP.
- A statement of why the RWPG considers there to be an interregional conflict.
- Any other information available to the RWPG that is relevant to the board's decision.

The General Manager has been appointed to the Interregional Planning Council by the Texas Water Development Board to address interregional conflicts. The Interregional Planning Council has met multiple times. The Council Chair has appointed Mr. Walthour to lead the Best Practices Committee, whose first meeting will be held on July 15, 2020. The Council's initial charge should be completed in this fiscal year.

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

The General Manager reported that Odell Ward was virtually present to answer any questions that the Board had regarding this matter. Mr. Walthour stated that Odell told him that the Well that was listed in the Board Packet, HA-2584, was not able to be sampled this year because the water level in that Well was below 700 feet and the District was not prepared to go that deep to obtain a sample of the Well. Mr. Walthour reported that if the Well could have been sampled in March, there would not have been a problem in obtaining a sample from the Well.

The following report was presented in the Board Packet:

In 2012 the North Plains Groundwater Conservation District (NPGCD) contracted with the U.S. Geological Survey (USGS) to collect and analyze water-quality samples at 30 groundwater monitor wells in the NPGCD. All of the wells were completed in the Ogallala Formation of the central High Plains aquifer system. 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.

Fire is a concern during the USGS pumping operations. Lewis Orthman and Odell Ward will be with the USGS team during all pumping activity. District staff will alternate days with the team and will be on fire watch during operations at the sites. District staff is taking extra precautions by mowing around the sites to reduce fuel loads.

The USGS will be placing fire resistant traps on the ground under the rig and will have extra fire extinguishers on hand. The pumping schedule is as follows:

Pumping schedule:

Mo-	Gillespie	Tuesday July 7
Ha-5066	Baumann #2	Wednesday July 8
Ha-5065	Baumann #1	Wednesday July 8
Da-3209	Grassland #11	Thursday July 9

Sh-4136	Spurlock	Thursday July 9
Sh-3719	Donelson	Thursday July 9
Mo-2350	Stringer #2 (W)	Friday July 10
Ha-2583	Schniederjan #1 (S)	Friday July 10
Da-3688	Warfield Brothers	Saturday July 11
Ha-2470	Cover	Saturday July 11
Hu-4855	Borger B2	Sunday July 12
Hu-4871	Borger L2	Sunday July 12
Ha-2584	Schniederjan #2 (N)	Monday July 13
Oc-4465	Cook	Tuesday July 14
Oc-1291	Pshigoda	Tuesday July 14
Li-0656	Born #2	Wednesday July

Mr. Walthour reported that groundwater sampling should be completed by next week.

Action Agenda 3.j.- Consider action regarding Groundwater Management Area - 1 Joint Planning Committee.

The General Manager discussed the following report with the Board:

Groundwater Management Area 1 Joint Planning Committee met by Zoom on May 21, 2020. The committee received an update from the Texas Water Development Board regarding the timing of joint planning and the next round of Regional Water Planning. Wade Oliver of INTERA presented a program on High Plains Aquifer System groundwater availability model pumping update to 2018 conditions. The updated pumping conditions allow the member districts to consider desired future conditions with modeled groundwater availability with the most recent water level and pumping data. Intera returned a Groundwater Availability Model run for the Ogallala/Rita Blanca Aquifer and the Dockum Aquifer as follows:

Ogallala/Rita Blanca Aquifer Pumping by Decade (acre-feet per year)							
	2020	2030	2040	2050	2060	2070	2080
Dallam	319,323.38	269,751.91	228,250.72	195,016.01	165,442.90	144,455.29	127,992.24
Hartley	354,907.49	270,408.07	207,322.51	170,001.68	144,263.70	124,448.17	108,127.80
Moore	140,116.08	139,836.95	132,460.96	121,696.19	105,913.14	88,222.65	72,976.25
Sherman	289,545.52	287,846.26	260,977.90	226,290.33	197,926.37	166,784.13	145,096.79
Hansford	296,868.26	295,894.54	281,027.36	264,464.11	247,229.16	229,951.45	211,025.04
Hutchinson	77,758.65	80,241.62	77,673.59	74,510.15	70,462.05	67,540.72	63,950.39
Lipscomb	250,966.50	270,996.93	262,931.21	250,132.72	235,071.43	219,119.01	201,564.85
Ochiltree	259,136.35	260,144.37	246,760.20	231,654.06	215,169.46	199,454.66	180,918.65
WEST	1,103,892.47	967,843.19	829,012.08	713,004.20	613,546.11	523,910.24	454,193.08
EAST	884,729.76	907,277.46	868,392.37	820,761.04	767,932.10	716,065.84	657,458.93
OGALLALA TOTAL	1,988,622.23	1,875,120.64	1,697,404.45	1,533,765.24	1,381,478.21	1,239,976.08	1,111,652.01
Dockum Aquifer Pumping by Decade (acre-feet per year)							
	2020	2030	2040	2050	2060	2070	2080
Dallam	15,953.05	15,549.47	14,686.93	14,045.49	13,502.08	12,920.27	12,406.16
Hartley	12,378.64	11,801.69	11,030.51	10,342.95	9,736.94	9,242.22	8,814.78
Moore	4,486.72	5,402.42	5,397.87	5,067.77	4,772.54	4,477.18	4,204.34
Sherman	443.82	416.10	308.88	288.68	292.84	287.96	290.17
Dockum Total	33,262.22	33,169.69	31,424.19	29,744.90	28,304.40	26,927.64	25,715.45
West Ogallala -	1,137,154.69	1,001,012.88	860,436.28	742,749.10	641,850.51	550,837.87	479,908.52
Dockum Total							

Intera's model run is a significant departure from the current TWDB modeled available groundwater (MAG) for the four western counties. Intera's model runs start in 2020 and approximates the average groundwater production in the four western counties over the

past five years. Groundwater production in the four eastern counties are well below the modeled available groundwater under any scenario. The difference in the two model runs is that less water is shown pumped initially, but more groundwater is modeled available in the later years in the Intera model. Attached is a table showing measured groundwater production for the District from 2007 to 2019. The table below shows the compilation of the current TWDB Ogallala/Rita Blanca MAG with the Dockum MAG.

TWDB Modeled Available Groundwater (Acre-Feet)							
County	Aquifer	2020	2030	2040	2050	2060	2062
Dallam	Ogallala/ Rita Blanca	387,471	287,205	225,573	166,890	112,864	103,258
Hansford	Ogallala	275,016	272,656	271,226	270,281	269,589	269,479
Hartley	Ogallala	397,585	271,523	212,321	154,433	100,407	90,842
Hutchinson	Ogallala	62,803	64,522	65,652	66,075	66,027	65,956
Lipscomb	Ogallala	266,809	266,710	266,640	266,591	266,559	266,557
Moore	Ogallala	214,853	172,621	139,322	105,016	73,384	67,650
Ochiltree	Ogallala	243,778	243,932	244,002	244,051	244,082	244,085
Sherman	Ogallala	398,056	348,895	281,690	212,744	148,552	136,776
Total	Ogallala	2,246,371	1,928,064	1,706,426	1,486,081	1,281,464	1,244,603
Dallam	Dockum	14,192	14,188	14,186	14,184	14,184	14,184
Moore	Dockum	4,801	4,532	4,493	4,417	4,289	4,261
Hartley	Dockum	11,602	10,766	10,524	10,560	10,815	10,895
Sherman	Dockum	127	127	127	127	95	93
Total	Dockum	30,722	29,613	29,330	29,288	29,383	29,433
East Zone MAG		848,406	847,820	847,520	846,998	846,257	846,077
West Zone MAG		1,428,687	1,109,857	888,236	668,371	464,590	427,959
Total District MAG		2,277,093	1,957,677	1,735,756	1,515,369	1,310,847	1,274,036

The District uses these model runs as indicators of the District's achievement of its stated Desired Future Conditions goals in the two management areas. The General Manager anticipated that by 2062 as shown in the current TWDB MAG, or Intera's model run by 2080, the District will achieve its DFCs in both management zones. The District's adopted rules to achieve the DFC are based largely on the TWDB 2011 and 2012 MAGs. The District's groundwater production is currently well within those MAGs. The West Management Zone is shown below.

	2010	2020	2030	2040	2050	2060
Dallam	404,607.00	352,474.00	309,076.00	270,317.00	234,813.00	203,491.00
Hartley	424,813.00	368,430.00	319,149.00	276,075.00	238,186.00	205,137.00
Moore	193,001.00	186,154.00	162,142.00	137,321.00	114,658.00	95,490.00
Sherman	322,683.00	300,908.00	263,747.00	229,122.00	197,480.00	169,172.00
Dockum	12,118.00	12,118.00	12,118.00	12,118.00	12,118.00	12,118.00
West Ogallala -	1,357,222.00	1,220,084.00	1,066,232.00	924,953.00	797,255.00	685,408.00
Dockum Total						

General Manager recommended that the Board assess any previous and current model runs as a reference for estimating the likelihood for the District achieving its DFCs.

Mr. Zimmer stated that he wanted each member of the Board to be aware of what is beginning to happen with this GAM and MAG. When Daniel Krienke and I presented this to the public in 2008, 2009 and 2010, I believe today, the public in the west still believes

their 40 percent was based on those numbers. What is actually happening, is that every five years, we are recalculating their 40 percent based on new GAMs that are smaller and then taking 40 percent of that calculation. Thus, perhaps what a producer in the West thought was going to be here in 2020, or what was going to be there in 2050, that number is changing every five years. That is not what we originally presented to the public. This is why Steve is talking about the District basing its Rules on 2011 and 2012 GAM runs. Mr. Zimmer stated that he inquired in the last GMA meeting about changing these numbers and Waide Oliver replied that it was his idea. Daniel Krienke and I realized this results in changing the numbers from what we presented to the public in 2010, and that concerned us. So that is why Steve is addressing this matter.

Mr. Walthour stated that his observation on this is that as long as the TWDB has people doing their calculations for them and running their models, because this isn't even the TWDB model run yet, the TWDB has to take this data and they will run it again and return the MAG (Managed Available Groundwater). I think that with the ability of the TWDB and others outside of our control, to control those numbers, that model may look different the beginning years and the ending years on a regular basis. For the most part across the state, many of the areas are set up where they pick the Desired Future Condition that, for example, in our eastern counties, aren't going to get to those numbers at all in the future. Whereas, in other parts of the State, there are some that are tracing along pretty close to the way we are in the west. So, I think that by continuing to use our 2012 TWDB run, we can also look at the water that we didn't pump during those years and that will be our first step in consideration of pumping reductions, or anything of that nature. This will be consistent with what the Board represented to the public back in 2009 and 2010.

Mr. Zimmer inquired whether there were any thoughts from the Directors from the west. Justin Crownover asked Mr. Zimmer to explain what thoughts was he asking the Directors for? Mr. Zimmer stated that he would defer to Mr. Krienke for an explanation.

Mr. Krienke stated that you have heard what Mr. Walthour and Mr. Zimmer both have said. Our Rules are based upon following the trend. When we look at the individual yearly, or five-year numbers, our Management Plan and the Rules are following the trend. It is important that everyone be aware of where these numbers are as the District moves into the future. Mr. Krienke reported that he felt pretty confident that the District was within the trend, and we are apparently going to have a dry year this year. We have had a couple of wet years – so looking at the trend, and not necessarily at one individual year is what we were looking at, I believe, when we looked at the initial run, so compared to that, we just need to be aware of these numbers, but as far as making any changes to the Rules, we are well within our original rules looking at the trends and how we look at the numbers. Mr. Krienke stated that he did not anticipate any changes until 2025 when we look at it again. Everybody needs to be aware that if you look at yearly numbers, as Steve said, there may be some up, or there may be some down, but we all need to be aware of what these numbers are looking like every five years when we do a new run.

Justin Crownover inquired of Mr. Krienke, if the change would be the allocation of 18 inches of water to pump, we could go down if we are over, is that what you are saying?

Mr. Krienke replied there will be a time possibly in the future if the trend continues, keeping in mind, some being up and some being low, there could be a time in the future when that would be necessary, that is right.

Mr. Zimmer stated that part of what triggered all of this was Steve talking to us about this current run that was received and that production in the west was getting close to triggering Rule 8. This is when we began discussing what we presented to the public in 2010. We keep doing new runs and every time we do a new run, the glass is a little less

full, and then we take 40 percent of that less full glass every time we re-do it. That is why the number every five-years, or ten-years, or twenty-years out keeps changing and that is not what we presented to the public, and that is not what the public believed. For example, if they believed there was going to be 1,000,000 acre-feet remaining at a certain year in the future. Now, each time we re-do a run, there is not 1,000,000 acre-feet remaining in that same year. We are just wanting everybody to be aware that built our Rules based upon 2011 and 2012 and we are going to continue to do so.

Justin Crownover asked if that run comes, say in 2025, is there a formula that tells us how much we are going to pump because, ultimately, myself and the guys in my county are more concerned about the 18 inches, and if so, like Panhandle went from whatever they were to 12 – that's significant – is there a formula there and are you thinking –

Mr. Walthour stated that in District Rule 8 there is a formula outlined how the District would initially calculate the water use. For example, if you are essentially consistently ten percent below the trend, and the Board doesn't see that there is something in the future to change that trend, then you take 18 inches and multiply it by 0.9 – this is just really rough math – there is some more to it, but 0.9 of 18 inches would be at something like 16.2 inches. Mr. Walthour stated that please go look at the formula and that he would be happy to walk anyone through on how the formula works – it is not based upon a single year, it is actually based upon multiple years.

Mr. Zimmer stated that we are not expecting a DFC change for another five-year period.

Mr. Grall inquired of Mr. Zimmer if they keep doing these runs, they are kind of changing the goal post a little bit – so we could hit that trigger a lot easier than the way we explained it when we went to all of the hearings several years ago, is that right, and that's the concern?

Mr. Walthour replied, yes, that is what caused the concern – we will continue to use the 2012 run and when you look at the 2012 run compared to the 2017 run, which was last years, 2017 looks better than the 2012 run, but what we will do is look at the amount of water that we saved from the previous years into that year – so we have years that we consistently did not pump the water and we will carry those over – so the next time the Board decides to run this model, it could go the other way. The real concern is that you make a reduction, and then the next model run – oh, we didn't need to make the reduction – I don't want to be in that position either, where it pops back up, and that's the nature of a model, it depends on who runs it, and who is in charge of running the model that makes a lot of difference on what those numbers are.

Mr. Zimmer stated to Harold Grall, that adds a really good argument for why we meter water so that if we think that they are taking out too much we can go back to our actual meter data a say "no, that much water was not removed" and that needs to be added back into the run.

Action Agenda 3.k.- Receive report regarding Texas Legislature Interim Charges and anticipated actions during the 87th Texas Legislative Session.

Tom Forbes, Esq., presented a report to the Board regarding the progress of legislative committees regarding the interim charges and the anticipated character of the 87th legislative session.

Action Agenda 3.l.- Discuss the District's role regarding updating the 1982 US Army Corps of Engineers Six State High Plains -- Ogallala Aquifer Water Transfer Project.

The material presented to the Board in the Packet regarding this matter is as follows:

In 1976, Congress directed the Army Corps of Engineers to work with Colorado, Kansas, Nebraska, New Mexico, Oklahoma, and Texas to complete a comprehensive water resource study to address the problem of depleting the High Plains Ogallala aquifer. The High Plains Study was completed in 1982. The study included state-level research addressing regional economic and policy assessments, and a study of interbasin water transfers for supplying irrigation water. The Corps studied alternative interbasin transfer routes including reconnaissance level designs and cost estimates for ranges of transfer quantities.

The need for water in the Ogallala aquifer as well as other areas of the High Plains and Texas has continued to accelerate while energy costs to move the water have changed since when the study was completed. A reassessment of the 1982 Study might provide new answers that can lead mitigating shortfalls in water supply for Texas as well as other states. This reassessment should include the feasibility of using the water for municipal and industrial purposes, aquifer recharge storage and recovery, flood mitigation, irrigation, and an updated evaluation of water supply infrastructure construction. In December, the board As you requested I am sending this outline of the tasks we propose to undertake to pursue the funding and implementation of an update of the 1982 US Army Corps of Engineers Six State High Plains – Ogallala Aquifer Water Transfer project.

Part of the groundwork for the creation of a consortium of stakeholders in the six affected states: Texas, Oklahoma, Kansas, Nebraska, Colorado, and New Mexico. Using the experience, contacts and expertise of these parties, along with the leadership of the North Plains Groundwater Conservation District this consortium is well placed to advocate for and win funding to update this study and pursue the building of a water transfer program that will be transformative for the Ogallala region. For the advocacy to be successful, the general manager identified the following tasks:

1. Developing a formal organization of the multi-state stakeholders. This partnership will act together for this goal, provide the funding, contacts and experience to further the goal of the partnership;
2. The District can act as the "headquarters" of the partnership;
3. Working with the other 5 states' partners or other groups to develop an advocacy plan which would include, but not be limited to:
 - a. assessment of the Congressional contacts in each partner state;

- b. developing a uniform message supporting the project;
 - c. identifying and recruiting support in each partner state from businesses, universities, public officials, public institutions, chambers of commerce, industry groups, trade and professional organizations, civic, business and professional leaders and others, above;
 - d. developing messages for meetings with groups such as those identified in c., above;
 - e. working with Congress representing the 6-state partnership to develop support;
 - f. working with other members of Congress on key committees to develop support; and,
 - g. advocating with other federal government officials and agencies such as the U.S. Army Corps of Engineers, U.S. Department of Agriculture, and others.
- 4. Coordinating the advocacy with Congress, developing information, meetings, and such other responsibilities as the district and the Partnership decide are necessary; and,
 - 5. Working with the government affairs professionals, attorneys, and communications experts of the other partners to develop a coordinated strategy and ensure that we all work together toward the main goal.

For the District and its partners to get Congress to authorize, and the Corp of Engineers to complete, the update to the 1982 study will take a commitment of financial and professional resources. This item is provided for the Board to discuss the next steps that the District should take into consideration to achieve its goal to set the groundwork for a future water supply for the northern Panhandle and Texas.

The General Manager stated that in January, the Board approved advocating for a reassessment of the 1982 Six-State High Plains Aquifer Study to bring water into the Panhandle.

Mr. Walthour reported that there are many steps in this, and Tom Forbes and I have talked about it. Mr. Walthour stated that Tom has a proposal that Mr. Walthour would like to review with the Executive Committee at a later date. Mr. Walthour stated that he would like for Tom to go through what the parts of what this item is and what he thinks we need to do to move this ball along to actually try to figure out how to get water into the Panhandle.

Mr. Forbes stated that he and Steve have worked on this and have talked about it over a period of months – really, more like a year, or two. The idea is – this 1982 study, which really started, I think in about 1975, to study the feasibility of an interbasin transfer to get water to these six states. To accomplish - the first step would be to update the Corps of Engineers Study, which would then lead to the next steps which would be deciding on the necessary infrastructure, and then assembling the necessary infrastructure. To do things like this, it takes a large degree of interstate cooperation. It is a lot of work and

it takes a lot of effort, but it also provides a lot of strength. There are six states, key Midwestern and Western States, that you all know of, these six states that are critical to this, but there has to be a leader, and Steve and the District, have taken the leadership in having discussions with your counterparts in Oklahoma, Kansas, Nebraska, Colorado and New Mexico, about starting the journey to update this Study and then move forward to do something about it. It requires getting funding from Congress to accomplish this. The material you have in front of you, talks about the various kinds of things that need to be done. It takes the cooperation of your counterparts in these other states, and as I say, the North Plains District has been the leader in talking about this and promoting the idea of a cooperative effort and having a cooperative effort means that you can coordinate the activity so that everyone is asking for the same thing and delivering the same message to members of Congress. I think that with this six-state consortium, there are some key members of Congress in the congressional delegation of each of these states that could be extremely helpful. Obviously, members of Congress want to do the things that they need to do to help their states and help their districts. There are other members of Congress that we would want to communicate with that could be helpful. As an aside, the Chair of the Senate Infrastructure Committee is from Mississippi and our law firm happens to have a very close relationship with him. He is also a member of the Senate Armed Services Committee and we can assume that this study would be redone by the Army Corps of Engineers. There are other kinds of assets around the country that we would want to try to take advantage of to make this a reality. Having support and generating support from influencing organizations and entities across the six-state region would be very important and by that, I mean, trade and professional organizations, commodity groups, industry groups, governmental entities, leaders in these states, Chambers of Commerce, civic organizations, universities and other kinds of institutions, who would tell the story of how important that this is and that it is not just about agriculture, it is not just about people in the water. That is kind of a high-level summary of what Steve and I have been talking about and what the materials that I have provided to Steve reflect. Lastly, let me say, from what I am being told by people that I deal with in Washington, as well as around here, and all around across the country, is that there is a pretty definite consensus that there is going to be a large federal infrastructure bill after the election, and it really doesn't matter who gets elected. There is a lot of consensus that Congress will take on another large infrastructure bill, which is the exact vehicle for an effort like this to be a part of, so the timing should be right to get some good traction on getting this accomplished, especially with a cooperative effort across the region this study update would serve.

Mr. Walthour stated that if you are going to pull the trigger and go do this, it is going to take an effort for us to implement this. Naturally, I am all for this, I think that when we look at water levels in the Panhandle and what our plans are for the next 50, 60 or 70 years, is that we are going to continue to figure out ways to use less and less water, because we have to. If there is, in fact, an outside chance that we would pull this off, long after we are gone, I would like that information out there for the future generations. Right now, I can't image in the current climate between the states that we could get this thing built today, but we can at least look at potentially getting the study done again and making sure that that information is ready for when we get thirsty enough in a couple of areas that this might become a viable opportunity.

Mr. Walthour stated that what he would like from the Board today, as I haven't seen a price tag for this, and I don't know what it is going to cost, but before we move any farther down the road, I would like to know whether the Board is interested in continuing to pursue this issue. If so, I ask that the Executive Committee review some proposals.

Mr. Grall inquired whether Mr. Walthour was recommending monies to start a study, or would we be better off getting a marketing group involved to help tell this story and do that first, before you start spending money.

Mr. Walthour responded, well, that is part of the issue – it has been a piece-meal at this point --- I have had one commodity person call me up, walk in my office talking about this because he was talking to Kent Satterwhite t CRMWA, and they are interested. At this point, we need to figure out what our effort is going to be. Part of it is going to be developing the process – whether it is marketing, or appealing to people, commodity groups, and cities. This project will require an effort by the District.

Mr. Forbes stated that from his observation, the North Plains District has been the leader in these conversations among its counterparts of the five states. I've worked on a couple of other big projects like this, that seem to have, and they do have, a lot of moving parts but having the leadership – having leadership to help direct the conversation so that you come up with, like Steve said, one theme, you have one message about this is what we want to do – we want to take the work that was done, the 1982 Corps of Engineers Study, and bring it up to date and see what that looks like for putting together a project to really accomplish this interbasin transfer. So, this would be the first step in somebody taking the leadership, getting the others organized, so that everybody is pulling the wagon in the same direction. By taking the leadership and by being the leaders, that makes it easier to create the message and have a consensus of what the message needs to be.

Mr. Krienke stated that from his perspective, if the District could obtain the 1982 Study and see what some of the hurdles were, or what some of the projects were, or what the focus was, and how this was going to be accomplished, might that be a starting point. Review the original 1982 document and then go from there.

Mr. Walthour responded to Mr. Krienke that the review of the 1982 Study would be a part of the new updated proposed study would be to look at that 1982 document. Mr. Walthour stated the he had already looked at some of the 1982 Study, Kansas has taken pieces of it – and this product came from Kansas on the back of a napkin and a groundwater district in the western part of Kansas was trying to figure out how to get water to its irrigators – and I looked at the map, and I observed that it is only 150 – 200 miles from there to here – that is really how this thing started. I have looked into this, there are volumes of material to review, but the preliminary process would definitely have to be done, Danny, and to see what we can, or should do, on this. I was hoping to be able to see some of my acquaintances in the states this last year and summer, and that has all been ditched because of COVID. I just want to know if the Board is interested in looking at this project and determining if we want to move forward. I would also ask that the Board send this to the Executive Committee of the Board to make a recommendation as far as any financing is concerned. This is a big project. I can't think of anything that is going to be bigger than this, and, if we are successful, which I hope we are, that it could mean a huge development for the future of the Panhandle.

Mark Howard stated that he was in favor of putting forth the effort. Harold Grall stated that he was too, that it was worthwhile considering.

Mr. Krienke asked if there was anyone opposed? Mr. Krienke stated that hearing none, he guessed that we would try to get together ideas and documents for the Executive

Committee to review and report back to the Board. Mr. Walthour stated that he would prepare documents, and he and Tom would meet with the Executive Committee to review the same.

Mr. Krienke stated that he could be totally wrong, but just thinking about how much water our Districts pumps for irrigation, and then you look at Kansas, the Oklahoma Panhandle, and at least western Colorado and New Mexico, it is just a huge, huge volume of water. If that is what we are looking at, that is one thing, if we are looking at maybe running some water down to the Canadian River and running it down into Lake Meredith to keep it full for municipal use, then that is another thing – I’m just trying to think out loud. I have not read any of the original proposal, I guess for me, personally, that is where I would need to start is – the volumes of water for irrigation is just immense – you know on pipelines, or how you would move that water – where would it be stored? Don’t get me wrong, I know the western states, California, Nevada and those states have already done this years ago with canals to bring water into the San Joaquin Valley and other places, so I’m not saying it can’t be done, or couldn’t be done, but I am just looking at the volumes of water irrigation takes and it would be a huge project versus maybe water for a municipality use, or something like that. The Executive Committee will dig into that and see what we can find out and move forward with a recommendation to the Board.

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

Mr. Walthour stated that the District has a producer, or a Well owner, that has had real problems getting his meters working. On May 14, 2018, Blake Stringer, applied to the District for a permit for Well 10534, on Groundwater Production Unit 7035, and since that time, he has struggled to get two meters on Wells that are operational. At this point, he is 423 days past the 365 days to have those Wells metered. After numerous opportunities that we gave him to bring those in line, I am requesting a hearing to show cause why this Board should not pursue an enforcement matter on this. Also, he has got a Well that he drilled back on May 23, 2014 on which you approved a Permit on a different Property, and he also has a Well there where the meter is not operational, and it has not been operational for several months. He should be reporting by flow meter and I would like those two things to be added to a show cause order to Mr. Stringer, so that he can tell you why he can’t get that stuff done, or report. That would be the hearing that I would ask you to set at a later date. I don’t anticipate us meeting in person in August – I think we will still be Zooming.

Mr. Krienke inquired of Mr. Walthour, if the Board approved a motion for the issuance of a Show Cause Order to Blake Stringer, that the General Manager and General Counsel could work out a date and how we could physically do that. Mr. Walthour responded, yes, sir.

Mr. Krienke stated that he would entertain a motion that the Board issue a Show Cause Order to Blake Stringer.

Bob Zimmer asked if the Show Cause Order would be issued for 2 apparent violations or 1? Mr. Walthour responded that it was two items in one hearing.

Harold Grall moved that the Board issue a Show Cause Notice and Order to Blake Stringer for two separate violations in one Order. Bob Zimmer seconded the motion and it was unanimously approved by the Board.

Mr. Walthour stated that he has another issue – as you are aware when we issue a Well Permit, the Owner has 365 days to bring all of the issues that the District finds, at the time of issuance of that Permit, into compliance. What has occurred, is that if the District waits until 365 days to see the Owner, then it pushes the actual final approval by the Board of the Permit even further, much like Mr. Stringer's issue. In enforcing that Rule, I am proposing that we remind the permittee that they have issues to address and that it needs to be completed by whatever the date certain in the permit is and give them 60 days to get caught up. Usually, when someone comes in and gets a Permit, some people are all excited about drilling a Well, others are not, but they are either trying to get water or do something for a Well, and then they leave everything else undone on the other issues. I plan on starting to issue a letter to let them know that you need to get this done. I anticipate that there will be one or two when we contact them that say, well, I'm not going to get it done because I'm in the middle of irrigation season now. They have had a year – how would the Board like me to handle that?

General Counsel stated that he did not know exactly what the procedure was and ask if there was any interim follow-up from the time the interim Permit on the new Well is issued and the deadline for the other compliance matters to be remedied?

Mr. Walthour stated that the District has tried several different things. At this point, we have been simply waiting until the expiration of the 365-day period. Mr. Walthour reported that he was planning to send notice 60 days in advance of the 365-day deadline, or that he could even do it earlier to give the producer more than enough time to do that – but that's my plan. I contemplate, though informed --- if the producer doesn't have it done when I call, depending on the time, he/she will want more time. I can move the timing back when we contact people to remind them – reminding a producer is less expensive than sending an employee to the field.

Bob Zimmer asked to speak to that. Mr. Zimmer stated that he had a call from a farmer recently, who said, well, I bought a place and I'm already on notice by the District and, I'm not going to mention names, because I don't know who all is listening, and I don't want the farmer to receive calls before we contact him. The number one argument I hear from the farmers when they call me is well, I'm irrigating and its burning up hot out there and I'm not going to stop to put a flow meter in. So I thought about that in the last two weeks since he called me and I thought, maybe instead of a year, we move where you have eight (8) months from when you file that permit to get all of those things fixed and I'm pretty sure that just about any farm out there in eight (8) months will have a period of non-irrigation when they could take care of those issues. Mr. Zimmer asked what was the opinion of the other Board members regarding this matter?

Mr. Zimmer stated that he was just proposing a pre-notice, not a Rule change.

Mr. Walthour stated that the District could do a notice at eight (8) months – that is what he was asking direction from the Board about because on the 365th day, he wants the civil penalty for failure to install a flow meter to start running because they have had a year. We have bent over backwards to try to get someone into compliance – I want to do it early enough in that year so that they know that they need to take care of it. That is really why I am asking what the Board wants and how you feel about on the day 365, the day count begins on a civil penalty. We also encounter producers who get a Permit, drill the Well, and have compliance matters to correct but then the producer flips the

then the producer flips the Property before the year is up. At eight (8) months we may be in a better position to find out who is really operating the Property.

Mr. Krienke stated that he was in agreement and asked if anyone else wanted to address the issue. Harold Grall stated that he was fine with the reminder, that he believed it was a good idea. Mark Howard asked if the District could send that reminder out at the end of each pumping season to whomever needs to complete compliance matters before the 365-day period. If you knew that they needed to get it done, could you just send a reminder letter out in September, or something like that?

Mr. Walthour replied to Mr. Howard that he had a great idea. The District could send, or e-mail a letter, with a list of required corrections to the producer before the deadline. That way, the producer knows to correct the issues before the deadline. So, we could look at – we've got e-mails to potentially do an e-mail at eight (8) months and maybe also e-mail in September.

Mr. Krienke stated that maybe at the end of September, because most pumping stops, or the middle of October, would be a good time to send the reminder letter out and basically, you are reminding them as to what they have promised to do.

Mr. Zimmer stated that another question – that he was ok with the civil penalty beginning to run at the end of a year.

Mr. Walthour replied yes, that he needed the Board to feel comfortable with that because it is expensive for the District, and maybe he comes to the Board with a proposal of what those penalties might be, but I like \$50 per day – it seems to work pretty quick in getting a meter right and not dragging their feet. Naturally, occasionally, there is the situation where a Property has changed hands in the middle of all of this and that sometimes requires giving the new producer an additional amount of time for corrections.

Zac Yoder stated that he was ok with it.

Justin Crownover stated that he was ok with it -- you have just got to plan – it is the Rule and you have got to do it – get it done. There are all kinds of services that can come do that for you, so get it done.

Mr. Krienke stated that he liked that. Is that what you needed, Steve?

Mr. Walthour responded that he would put that in place. Mr. Walthour also stated that he was going to say that after the 365th day in his letter, that civil penalties can be assessed, and give the producer the ranges of the penalty.

Justin Crownover stated that he appreciated what Mark said about the reminder letter in September or October, because it can get passed you if you do something in April, or a replacement Well during the season, by I think it is a good deal.

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.

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.

Mr. Walthour also reported that he planned to hire an additional Natural Resource Specialist hired by the end of the week to fill Jerry's position which has been vacated for a couple of months now. Dale Hallmark is moving to be the District's hydrologist and has asked to no longer manage people -- so we are making some changes there so that he can concentrate on hydrology. He is looking at retiring in the next couple of years and trying to do that transition. Also, Pauletta Rhoades is looking at transitioning out of the District as she is approaching that retirement age -- Mr. Walthour stated that he was trying to talk her into staying as long as she wants to -- but we are working with her, too, -- you will be seeing some changes at the District with personnel and stuff for the next few months. The person who is picking up on what Pauletta has been doing for us managing administration is Kristen Blackwell, and you know her. Mr. Walthour stated that Kristen is one of the most efficient, most organized people that he has ever met. Mr. Walthour further stated that he believes that she is going to do a good job helping with administration of the office.

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 Friday, August 14, 2020 at 9:30 a.m. The Board also discussed attempting to have a "live" Board Meeting in September for the hearings.

Mr. Krienke stated that he would hate to move the hearing beyond September.

Mr. Krienke stated that the Board will be looking at the budget in August, and probably will have finalized values. Mr. Krienke asked Mr. Walthour if he knew of any reason why the Board could not set the budget in August, and get that out of the way, or do we need to wait until September?

Mr. Walthour responded that if you propose a budget in August, then the Board could address it in September and adopt it before setting the tax rate. Hopefully, by August, you will have an idea of what you are going to do for tax rate -- if the District stays with the same tax rate, then I don't think that you have to do anything -- we have to do some stuff on our end -- if you go with the effective tax rate, I'm not sure what we have to do for that -- if you decide to go up, then you will have to have some hearings, so I would anticipate that you will probably be set to propose a tax rate in August. You may be able to approve it then. If not, you can approve it in September.

Mr. Krienke stated unless something drastic comes up on the values -- I think what I am hearing is a consensus to just leave the tax rate the same -- we will go on with that assumption and the Executive Committee will take a look at it sometime before the August meeting and we will go from there.

Mr. Good stated that one thing that we will need to get on the agenda for the August meeting is to Order the District's 2020 General Election. Mr. Walthour responded that the item would be placed on the August agenda.

Agenda 6 - Adjournment.

There being no further business to come before the meeting, President Krienke declared the meeting adjourned at 12:38 p.m.



Daniel L. Krienke, President



Mark Howard, Secretary