

**MINUTES OF THE MARCH 9, 2021
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 March 9, 2021, at 9:00 a.m. at the offices of North Plains Groundwater Conservation District, 603 East First Street, Dumas, Texas 79029. Due to the restrictions of COVID-19, the meeting was held through Zoom Meeting in Dumas, Texas. The following persons participated in the Meeting:

Members Present at 9:01 a.m.:

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

Staff present during part or all of the meeting:

Steve Walthour, General Manager;
Kirk Welch, Assistant General Manager;
Kristen Blackwell, Administration Manager;
Paige Glazner, Conservation Outreach Assistant;
Odell Ward, Field Supervisor;
Dusty Holt, Permitting Specialist;
Dale Hallmark, Hydrologist; and,
Curtis Schwertner, Natural Resource Specialist.

Others present during part or all of the meeting:

Scotty Schilling;
Cheri Dejong;
Tom Forbes, Esq.
F. Keith Good, General Counsel for the District; and,
Ellen Orr, Paralegal.

President Zimmer declared a quorum present and called the meeting to order at 9:01 a.m. Director, Gene Born, gave the invocation and Director, Harold Grall, 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 Agriculture Committee Meeting held on February 8, 2021; the review and approval of the Minutes of the regularly scheduled Board of Directors Meeting held on February 9, 2021; the review and approval of un-audited District expenditures for February 1, 2021 through February 28, 2021, including the General Manager's expense and activity report; and the review and approval of payment to Lemon, Shearer, Phillips & Good, P.C. for professional services and out-of-pocket expenses incurred from February 1, 2021 through February 28, 2021, in the amount of \$4,762.50.

Daniel L. Krienke moved to approve the review and approval of the Minutes of the Agriculture Committee Meeting held on February 8, 2021; and the review and approval of the Minutes of the regularly scheduled Board of Directors Meeting held on February 9, 2021. Harold Grall seconded the motion and it was unanimously approved by the Board.

Harold Grall moved to approve the remaining items on Consent Agenda, consisting of the review and approval of un-audited District expenditures for February 1, 2021 through February 28, 2021, including the General Manager's expense and activity report; and the review and approval of payment to Lemon, Shearer, Phillips & Good, P.C. for professional services and out-of-pocket expenses incurred from February 1, 2021 through February 28, 2021, in the amount of \$4,762.50. Daniel L. Krienke seconded the motion, and the motion was unanimously approved by the Board.

Action Agenda 3.a. - Consider Bobby and Dana Nelms request to lower or remove 2020 tax fees and penalties for the property ID R000053230 located at 303 Elm Street, Darrouzett, Texas.

The General Manager reported that on February 8, 2021, the District received a request by Bobby and Dana Nelms to lower or remove 2020 ad valorem tax fees and penalties for the Property ID R000053230 located at 303 Elm Street, Darrouzett, Texas. A copy of the Nelms' letter and a copy of the Nelms' 2020 ad valorem tax statement from the Lipscomb County Appraisal District for the property was presented to the Board. The Lipscomb County Appraisal District indicated that the Nelms owe \$28.20.

The District has in the past has allowed for a different tax fee or reduced penalty upon request from a county appraisal district (CAD) when the CAD has indicated that it had made an error. The General Manager reached out to the Lipscomb CAD to inquire if there is an error. The County Appraiser indicated that there was no error or other issue.

After review of the request letter and determining that there has not been sufficient evidence presented that the Lipscomb CAD erred in preparing a tax statement, the General Manager recommended that the Board deny the request by Bobby and Dana Nelms to lower or remove 2020 ad valorem tax fees and penalties for the Property ID R000053230 located at 303 Elm Street, Darrouzett, Texas.

No Board action was taken on this item.

Action Agenda 3.b. - Consider City of Follett request for assistance to purchase a control system for a water tower and two wells.

The General Manager reported that on March 1, Scotty Schilling contacted him and discussed the District providing assistance in purchasing a control system for a water tower and two wells. We discussed it and I decided to place the request on the Board Agenda. Scotty was seeking a grant for the City of Follett of approximately \$12,000. Scotty has asked to tell you what the City's needs are.

Scotty Schilling stated that the City needed some help because it uses 30 million gallons of water a year and can only account for 22 million gallons. The City has an antiquated system on its water tower and it runs over 3 or 4 times a month, If it starts running over at 1:00 o'clock in the morning and isn't discovered until 6:00 o'clock in the morning when somebody gets out and it happens consistently --- you know, and I know the District is about saving water and that's why I came to you. It is a water-savings matter and it benefits 450 people in our community and if we could get the equipment it will save electricity and it will save water.

Mr. Walthour stated that he has contacted the Panhandle Regional Planning Commission and the City if filing an application with it, I believe, or are putting together an application to the Water Development Board for a larger grant from what PRPC has told me. Mr. Walthour inquired whether the City has added this equipment to that list that was on that grant?

Mr. Schilling replied, no, it wasn't added to it. Our water lines are so bad, I mean we're going to burn through that just fixing water lines and replacing them that are so bad and not even get 1/5 of what we need to get done with it you know.

Mr. Walthour stated that he checked with PRPC and there are multiple applications available for that grant money. At this point, only about 50% of it is will probably get approved by the board (meaning 50% of the grant applications). This is similar to what we do when we do applications for agricultural irrigation use to the Water Development Board. We are in a competitive bid and it's never a sure thing that we are going to get the funding. We make an application, and with Kirk's help, we've been very successful in getting that pass-through grant application stuff. The City of Follett is the first time any public water supply, that I can recall, has asked us to help find money, or to assist with a project. We don't have any money in our budget listed to buy this system.

Mr. Schilling stated that he understood that and that his only complaint with this deal is you charge all of us city people the same tax, ok, and that's fine, you guys do a great job conserving water and everything but why don't you work for all taxpayers, city people included, in procuring this money instead of just farmers. You know your two biggest users are farmers and cities and that's my complaint with it, you charge us the tax but then we get --- we get the benefit, yeah, you conserve water --- outside that --- but help us, too, all the municipalities.

Mr. Walthour stated that he was going to go ahead and finish his recommendation. I'm recommending that the Board support the City of Follett's application to the PRPC and direct District staff to assist the City of Follett in applying for funds from other potential sources to cover that funding. That's what we've done with the agricultural irrigation grants and we will certainly do that for the City of Follett.

Mr. Zimmer inquired of Mr. Schilling what type of water tower the City of Follett had?

Mr. Schilling responded that it was a 50,000-gallon tower and was probably installed in the 70s. It's phone lines and it does it off of pressures. They hang up, the old needles – you know they have looked at it – and we just don't have a lot of money to spend. Our budget is pretty tight all of the time. I can install the overflow control, and if it starts overflowing it'll shut the wells off and alert us. We can put flowmeters in and digitally keep track of all our gallons used.

Mr. Zimmer inquired how much does that overflow control system cost?

Mr. Schilling responded, that's hard to know. What we have now wouldn't work. You couldn't put the overflow switch on. It wouldn't work because the system is so antiquated. I mean it's a 70s vintage. It's just phone lines, and if a squirrel gets in the phone lines and chews it through, it'll run all night, and that happens quite frequently.

Mr. Zimmer inquired how far away the wells were from the water tower?

Mr. Schilling responded that the most-distant well was half a mile away from the water tower and the other well was in between. The proposal is for a cellular-based system on the cloud network we'll get a text whenever things are going wrong, or pressures aren't where they should be.

Mr. Walthour inquired of Mr. Schilling, if any other cities have the proposed overflow control system in your area?

Mr. Schilling responded, yes, I think Higgins has a radio-based system – Darrouzett, I'm not sure -- but yes, the town of Amarillo, of course, it is big and has such a system. There are 50,000 systems that you can get, but this is the one that I researched and liked the best for our City.

Mr. Grall stated that he had a question. My question to Steve and the rest of the Board to what extent do we usually help municipalities? Are we getting into something – are we staying in our lane here, or are we opening up a door that we can't close, not that we don't like to reach out and help people.

Mr. Walthour responded, I think as far as helping any public water supplier to go find funding, I see this as a conservation matter. The reason that we received irrigation grants was because a large group of the community did not have meters on their wells and requested financial assistance for meters. Well, we didn't write checks to buy meters directly, what we did was go to the Water Development Board and we have been successful in getting funding that's passed through that is 50/50. If a municipal water supplier came to us, I think the first thing we would measure is it a conservation issue -- and it certainly is --- it is the same as us getting meters for industrial users, but to help someone to apply -- to help advocate via letter that says we think this is a great conservation project, at the very least, we can certainly do that, and we can spend some of our time --- I don't have a whole staff --- but we can look into this to see if we can find some other funding resources.

Mr. Zimmer stated, Harold, I'll answer that. It doesn't matter who it is, if they produce water in our District, and we can help in the sense of conservation --- it doesn't matter because we represent all five stakeholders -- all types of stakeholders. I don't have a problem if we can help find something. I believe that TCEQ could probably help.

Mr. Grall stated that we have never been bought a request like this, to my knowledge, and that is why I am asking. Scotty has a great argument.

Mr. Zimmer stated these little towns, they need assistance.

Mr. Grall responded, they do. They don't have the tax base to be able to have an EEC -- that's what we do here in Dumas – so they are a little bit more limited in accessing some of the money that we do.

Mr. Zimmer stated to Mr. Schilling that he knew a person that he could call that might be able to help him. I will talk to him, and if it works, we'll get back to you. I have an idea that I will follow up on also.

Mr. Schilling responded, ok, I appreciate it.

Mr. Walthour stated that he requested that the Board authorize Mr. Walthour and District staff to start helping Scotty look for some funding for the City of Follett on this. I really don't need the Board authorization, but I think that since it was a formal request to the Board, Board action is appropriate.

Gene Board moved that the Board authorize the General Manager and District staff to assist Scotty Schilling in obtaining funding resources to assist the City of Follett in purchasing a control system for a water tower and two wells. Daniel L. Krienke seconded the motion and it was unanimously approved by the Board.

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

The General Manager reported that District Rule 2.13 provides, after the site inspection is complete, and it is determined that the Well (and all Wells within the Groundwater Production Unit) 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 29 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.

Permit Number	Permit Status	Well Class	Quarter	Section	Block	Survey	Yards N S	Yards EW
DA-11108	Board	B	SE/4	15	6	CSS	103 S	161 E
DA-11386	Board	D	SW/4	12	3	CSS	454 S	435 W
DA-11402	Board	B	NW/4	30	48	H&TC	764 N	173 W
DA-11480	Board	C	SE/4	6	48	H&TC	592 S	805 E
HA-11246	Board	C	NE/4	51	2	B&B	450 N	451 E
HA-11247	Board	C	NW/4	69	2	B&B	431 N	405 W
HA-11351	Board	C	NW/4	1	1	J Poitevent	26 N	49 W
HA-11354	Board	C	NE/4	29	12	CSS	103 N	117 E
HA-11359	Board	C	SE/4	103	48	H&TC	30 N	403 E
HA-11379	Board	C	NW/4	27	LE	G&M	607 N	128 W
HA-11380	Board	C	NW/4	3	LE	G&M	333 N	82 W
HN-11253	Board	D	NE/4	10	3	GH&H	140 N	292 E
HN-11319	Board	A	NW/4	86	4-T	T&NO	111 N	106 W
HN-11324	Board	D	SE/4	18	1	CIF	270 S	107 E
HN-11350	Board	B	SW/4	89	2	GH&H	289 S	110 W
HU-11479	Board	C	SW/4	44	5-T	T&NO	103 S	766 E
HU-9074	Board	D	SE/4	54	M-23	Robert Sikes	207 S	2023 E
LI-11342	Board	D	NE/4	113	10	HT&B	149 N	118 E
MO-11242	Board	B	NW/4	194	3-T	T&NO	122 N	125 W
MO-11326	Board	D	SE/4	258	44	H&TC	45 S	545 E
MO-11337	Board	C	SW/4	18	Q	H&GN	198 S	556 W
MO-11347	Board	B	NW/4	352	44	H&TC	367 N	169 W
MO-11352	Board	B	SW/4	14	Q	H&GN	75 S	35 W
SH-11088	Board	C	NE/4	41	3-T	T&NO	236 N	713 E
SH-11297	Board	B	SW/4	375	1-T	T&NO	101 S	372 W
SH-11299	Board	B	SW/4	375	1-T	T&NO	107 S	118 W
SH-11300	Board	B	SW/4	375	1-T	T&NO	364 S	139 W
SH-11348	Board	B	SE/4	268	1-T	T&NO	119 S	206 E
SH-11349	Board	B	SE/4	268	1-T	T&NO	107 S	449 E

It was noted that Director, Mark Howard, had two Well Permits on the Well Permit Schedule, Well Permit HA-11379 and Well Permit HA-11380.

Daniel L. Krienke moved to approve HA-11379 and Well Permit HA-11380 on the Well Permit Schedule, noting that the Wells are properly equipped and otherwise comply with District Rules. Harold Grall seconded the motion and it was approved by the majority vote of the Board with Mark Howard abstaining from the vote.

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

Action Agenda 3.d.- Receive report and consider action regarding the District's agriculture conservation programs and other conservation education programs.

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

Nich Kenny was not able to join us today, but at this point, I believe he has gotten everyone caught up with updates of the 2020 season. At the end of my report, I will be addressing a hybrid meeting that is planned for April the 15th that will be available via Zoom, but also live, for stakeholders regarding the 2020 demonstrations at the WCC. Jourdan Bell will be a presenter at that meeting with the possibility of some other speakers. A morning meeting with a lunch is what is planned at this moment, and it could be at the WCC, or we might have to look for an alternative location to accommodate the conferencing. I want to make sure that we don't have any issues. Next on my list, is that we have received news that The Master Irrigator Program has received a Blue Legacy Award from the Texas Water Conservation Advisory Council -- there's a paragraph in your summary in the Board packet that talks a little bit about that --- but The Master Irrigator in 2018 received the Environmental Excellence Award and the 2012 program received this Blue Legacy Award, as well, from the Texas Water Conservation Advisory Council, which was actually created originally by the legislature, or the legislature directed the Water Development Board to create this Advisory Council, to be a resource for water conservation information to basically state government -- to the Governor, the Lieutenant Governor and the legislature. One of the big things that they do is recognize conservation activities throughout the state --- so it's obviously a great honor. We've received other awards, including the Epic Project, as well as, Leon New's award. I feel like it's great recognition for The Master Irrigator program.

In speaking of The Master Irrigation, we are full force in getting prepared for our first session of the 2021 class that will begin on March 24th. That's going to be the first session and then classes will be held on successive Wednesdays the 31st, April 7th, and then April 14th. This week is the last week for accepting applications, that's Friday, March 12th. Thereafter, based on recommendations from the Ag Committee, we will finalize our class of 2021 and be reaching out and contacting all of those who are going to be a part of that class. Any applicants who don't make it into the class of 2021 will then be moved to first in line on the waiting list for 2022 class.

In addition, I don't know if I did report this last month, but we've made application to the Water Development Board to secure funding for the 2023 Master Irrigator program. So far, historically, we have not had issues with filling the class and that is the direction of the Board to continue The Master Irrigator program, as long as we have interest in the course. So, we'd like to try to make the financial arrangements for 2023 and have that taken care of.

We do have a commencement speaker for the last day of the program and that is Brooke Paup of the Texas Water Development Board. I believe Director Paup will be accessing and participating via the Zoom platform to congratulate our graduates.

The other item that's listed here is our agricultural loan program. Based on recommendations from the Ag Committee, the Board directed management to move forward with any action necessary to cancel that loan program. The General Manager has been actively involved in that process.

President Zimmer inquired where the Grower's Day was going to be held.

Mr. Welch responded that it's a little bit of a moving target --- we would like to do it at the Water Conservation Center and will be testing to make sure that we can accommodate a hybrid-type meeting such as a live and teleconference-type meeting, at that location. If we can't do it there, we will have to obtain an alternative location that will be announced later.

Mr. Walthour stated that he was extremely pleased that the District was holding The Master Irrigator program again this year. Mr. Walthour inquired if the end of this week was the last day to sign up?

Mr. Welch responded that the end of the week was the last day to sign up.

Mr. Walthour stated that we have a couple of different companies which have signed up multiple people for The Master Irrigator program. Single individuals that sign up that are not associated with companies will be given preference in getting into the course before companies with multiple individuals that have signed up to attend. We are ready to go on it. If you know of someone that wants to get in on it, they need to get in touch with us now.

Mr. Welch stated that he believes that it is important to let them know that if they put in an application now there's really not a guarantee that they will be in the 2021 class because we are close to full, but they would certainly go onto the waiting list for 2022.

Mr. Zimmer stated that he thinks it is very assuring that that we still have that many people willing to participate in the program.

Mr. Krienke inquired whether the District would want to invite Nich Kenny and maybe Dr. Steve Amosson to join that virtual award to get them recognition for their work concerning The Master Irrigator program.

Mr. Walthour responded, if we know when it is, we're still trying to figure out when that's held – it's on the 18th, and we're trying to figure out when the time is. I don't have a problem doing that if we could just figure out the timing.

Mr. Welch stated that the organizers have mentioned that they may have to limit to just one recipient of the award because of the teleconference -- the nature of the presentation --- and so we may just have one representative on camera. Certainly, you we may want to try to mention some other people --- that may be a possibility.

Mr. Walthour stated that we may be able to put more people on camera in his office.

Mr. Zimmer stated that the 18th was GMA day so Steve and I are trying to coordinate that with GMA.

Mr. Walthour thanked Mr. Welch for all of his work on the project.

Action Agenda 3.e. - Receive report regarding 2020 Annual Production Reporting.

Mr. Walthour reported that out of all of the reports the District submitted, District staff is down to approximately 15 reports. Most of them, we have gotten responses back and we have been told that we are going to receive them. I have a few that I will be calling Board members in those counties, not for the Board member to call them, but for you to confirm that we are talking to the right person. I have already found out this morning on the ones that Bob, and I reviewed, two of the three that we looked at, there is probably a change in who has been farming the property, and that is the reason that we have not gotten the report. There is one in Dallam and Zac, that is going to be a question, if you know Richard Mason, and whether you have any information on that person, and I will talk to you about that later.

I'm just looking through my list, and we have a John Franz, from Hartley – I'll be checking with you, Mark, to see whether you know of any mitigating circumstances.

Really, right now, the ones that we are concerned about are the ones on which we apparently don't have good contact information, because they are not returning our calls.

Also, during the production reporting, we have had numerous people concerned about water use and production and declining water in areas in the District. I have looked at that and thought about it. This Summer, I would like to do a study. We would select some areas that would include a segment of all water user groups, from public water suppliers, irrigated agriculture, industrial user, feed lots and dairies, and look at an area and do draw-down studies on a weekly basis throughout the Summer to look at capturing how much pumping levels are falling off by reading meters throughout the season for the ones that have meters on their wells and then come back and do a report later. I can discuss that a little bit more. Since I have some funding available to do this in other resources, I would be looking at trying to put this together and just trying to compare the production in an area over time and see how that effects our water level drops on what we have left as far as pumping in gallons per minute well capacities. I think this will help address some of the issues about some of the changes in the way we have seen irrigated agriculture develop in this area. We've got people who are pumping more throughout the year now than just growing a corn or cotton crop. This information would help us in evaluating whether we are meeting our Desired Future Conditions – and whether we need to make any tweaks to our Rules—or just leave our Rules the way they are. I don't think that we are at a point where we have enough information to make any changes in the way we are doing our production reporting. I ask the Board to authorize District staff to do this study.

Mr. Zimmer stated, let me give the rest of the Directors a little background about where Steve is headed with this. Harold, I understand that you had a person come to you asking about lowering the annual allowable, is that correct? Do you want to speak on that? And then I've got something to add.

Mr. Grall responded, yes, and his reasoning was the dairies, and, you know, that is the talk of the town, especially in Moore County. We have another huge dairy being built and I don't know whether there are any more of them. I don't believe any of the Directors want to go down the path of lowering production limits at this point. We just want to gather some information to see whether these are normal losses or declines that we're going to continue to see. It's just a proactive way of gathering some data so we can do a better job of telling what's going on, basically.

Gene Born stated that the other day a person from Booker called him and said he had heard a rumor that we were considering lowering the allowable production and he was all for it. He thought that we should lower it and that's the first Mr. Born had heard about it.

Mr. Zimmer stated, since the last Board meeting, I've had five different farmers talk to me and each conversation started with: is the District going to lower the annual allowable?

Mr. Zimmer stated that he talked to them a little bit and these were larger, prominent farmers in the area and then they followed up and said, well, we would like for the District to lower it and four of the five asked to go all the way to one foot. I talked to them, and I finally asked the sixth farmer his thoughts and he said, well, the talk is, there are so many wells being drilled that we think that the District is going to have to cut back on production because of the volume of wells being drilled. I told him to understand that the Board does not watch the quantity of wells drilled, we have to watch the volume of water produced annually against the MAG. It doesn't matter to the Board whether you drill one well or 10 on a section, or whichever that's within the Rules. There was more than one request, so I told these particular farmers this: I would like for you to get together, if you are truly interested in lowering the annual allowable, please make a formal request to the District. Once you have made a formal request, I will request for the Board to have an open public meeting in the East and see how many people show up, and if the Board views that there is a considerable amount of positive interest in lowering the annual allowable, then the Board can make a decision if they would like to move forward on changing the Rules. They made the comment that they are figuring

out that most of them don't pump more than a foot. One of them made the comment, I finally got to the point (he's older -- he's about my age) I realize I do think that we ought to save something for the future. If most people aren't pumping much over a foot, why not lower it and send a message to the state that we can manage this ourselves and we can take care of it and we don't need help from downstate -- we can be positive about it. There is a considerable amount of farmers concerned a little bit because they have watched their meters enough years that they believe they can survive with a lower pumping limit. One gentleman talked to me and said, well, I've got one of the landlocked small acreages, like that quarter half section and he said that he could still figure out how to make it work on a foot and a quarter. So, there is a fair amount of talk starting up in Hutchinson and Hansford Counties, I know, thinking about this. I don't know if anybody else is hearing anything, but that's where the lower pumping limit discussion got started.

Mr. Walthour stated that his intent with this study is to gather data and review and look at any kind of model that we can to see if considering lowering any production limit is needed, or whether it would help. The answer could be that we go through all this and lowering the production limit could have some unintended consequences until we actually understand and get a really good set of data and information to make decisions on. If you have a group of people showing up requesting that the production limit be lowered for whatever reason, you would still want to go through this process to make sure that any data or information we collect would help you determine if it's actually going to affect the aquifer to the extent that it would slow pumping down, or slow groundwater withdrawals down. It also will allow us to at least look at possibly some data that we can plug into some sort of socio-economic study on declining water levels and the effects on lower pumping limits. That's the purpose of this is not my intent to come to you and have a recommendation to change our Rules at all, my intent is to get you enough data to see how our production is going today and how our regulatory scheme is working today, and in the future.

President Zimmer stated, just know I told them, if anyone else calls you, I'm not interested in bringing anything to the Board unless we get a formal request. Mr. Zimmer asked the Board members present what they thought.

Gene Born stated that it sounded good to him.

Mark Howard stated that he didn't hear what Bob said.

Mr. Zimmer responded that he told them that he was not interested in bringing anything to the Board about changing the existing Rules without a formal request.

Mr. Howard stated that what he had been hearing over here is mostly there's a lot of fear and frustration out there and people are worried that, you know, dairies weren't complying with the Rules. I think we need to make sure that everyone knows that they are. I believe that Steve is monitoring to the point we can always say that everybody is in compliance that operates in this District. Gathering the other data that you are talking about --- I've seen this before, but I agree with you that you have got to have a formal request to start thinking about some changes, but I haven't found anybody asking for that to change over here. I'm sure there are a few folks that are, but the ones that I have asked directly has said no, don't change production, but they do want to make sure everybody is in compliance.

Zac Yoder stated that he hasn't heard anyone complain about lowering the production limit, the only complaint that he has heard lately, is that they don't want to deal with production reporting because they don't use anywhere near the limit.

Justin Crowover said that he was like Mark, let's make sure everybody is following the Rules. I understand the concerns --you know when we're trying to drill wells and have problems-- how are you going to deal with 100-gallon wells. I think at the end, you know, we say we're getting some traction, but when you look at it from the amount of

producers, we're talking about seven people -- so seven people that are voicing their opinion versus however many producers we have in the in the District that are not -- so I don't consider that a lot. I just consider that some people voicing concerns. I'm ok with looking at it, it's just the way I think about it.

Harold Grall stated, Bob, I just want to say that I like our approach here. We want to be able to make informed decisions and we need to collect data to do so. I would like to just tamp down the emotion on this thing -- I think it could get to be a real emotional topic. If we have the data to support what we are doing and that our Rules are working, then we should just leave things alone.

Justin Crownover stated that something else that he would say that he doesn't want to pick on the industry. The dairy guys have been getting a lot of flak, but ultimately, I can tell you, I'm neighbors to a couple of dairies. One of them that is out there is doing berries and then the one that's out is doing a lot of no till and is switching to the narrow rows and trying to conserve water and make good decisions and be good stewards. I think Harold is right, I think the information that we have is just outside looking in and perception and sometimes they think big means bad, but it's not necessarily that way. I think if we can get the information, we can be supportive of an industry that's --- I can tell you this --- I've never sold land for what I sold land for and if any of you in the room of property owners, there's a lot of good things that come from that, and also just the other industries that are supported. We can thank God we live in a community that has opportunities like this and not in a community that's without industry and hopeless. I think we ought to be supportive and just look for information, so that we can give people good information to make decisions on because today, I think a lot of it's just being scared.

Mr. Grall stated for the record the dairies in my immediate area are making a huge economic impact and they don't ask for any help incentive wise. They are just saying -- -we want to do this -- we want to be in your community and there's a lot of supporting industry that comes along with that. I think we just need to be really careful how we react to this.

Mr. Walthour stated, for me to do this, I want to put a new person on staff focused on just reading meters. When we go do a site inspection, we do a bunch of stuff. But just reading meters, and taking water level measurements through this year, at least. The meter reading thing will give us some information on timing when water is being used throughout the area to the extent that it's affecting --- and I think it should help, or at least answer some of the questions on things like --- is everyone reporting all the water they're using. I think that will be a good compliance thing in the future. If they're not, then we need to do something different, or I need to do something different -- we have Rules to take care of those type of issues if we run across that. I anticipate that almost everyone that we measure is probably reporting as accurately as they can and that's what my anticipation is. I doubt that I find anyone who is a cheater. For the purpose of the study is just to get an idea of how water is being used with this new industry in here. Even the growers that are here are changing their water practices. There have been people here for years that have changed their practices and farming and all and is that water being distributed over a different period of time.

Mr. Zimmer stated that one of the answers he gave to one of the guys when it was stated that dairies looked like they were irrigating two or three crops a year --- how are they making that work? I told them, I think they are doing the same thing the rest of you farmers are doing, they are getting enough acres to draw from that they still fit the annual allowable. I think that is the top answer, right there -- if they use more water, that they have the acres to cover it just like any other farmer is doing. I agree with Justin.

Justin Crownover stated that one other thing that he would say when you are talking to these guys, things that they're not paying attention to, or understanding, is when you look at whenever they go out there and they are harvesting silage, they've got a full

profile under that – they’re taking the plant off -- then when they come back in and do their planting, if you watch what they’re doing, they’re planting the corn crop based on the water that they need to raise a good corn crop and then they are putting a Sudan or silage-type product in on the other side and that crop has a lot of give to it and a lot of forgiveness ---if we get blessed with rains, then they’re able to scoot over and water it and if they’re not, then they don’t. I don’t think they’re paying attention --- they really ought to be in awe of what those guys are doing because, not that I know a lot, but you can just tell when you are out driving by these sprinklers you can’t tell exactly what they are nozzled for, but I can tell you there are not any more 3,200-gallon pivots, or there are not a lot of them. There are not a lot of 2,400-gallon pivots, or half-milers. But when you look at it, I think those guys are really trying and they’re utilizing water systems that are out there that this area has adopted to be more efficient with their water because they know they have to do so.

Daniel L. Krienke stated that he agreed with what everybody has said. To the extent of a Rule change at this time, I think we need to do the study and I support what Steve suggested. We do have another item here talking about doing a management plan. We do have a management plan that will have to be looked and Rules with the next DFC process. I believe that this information will help support what we do with our next Management Plan and DFC process. So, I am in favor of that and I move that we authorize Steve to hire one more staff member to do the study. Harold Grall seconded the motion and further Board discussion ensued regarding the permanency of the employment position; what information the study would provide the District; if grassland was being broken out and wells drilled thereon, or in wells were being drilled to sustain production. The entire Board discussion can be viewed on the March 9, 2021 video recording of the Board meeting. President Zimmer called for a vote on the motion and it was unanimously approved by the Board.

Action Agenda 3.f. - Receive report and consider action as needed regarding Groundwater Management Area 1 Joint Planning.

General Manager, Steve Walthour, reported to the Board that there isn’t any action to take on this agenda item. We had to reschedule our meeting until March 18, 2021. I have noticed that in one of the Bills that has been filed, has added something else dealing with the DFC process next time around. The meeting on the 18th will be via Zoom and Bob and I will be participating in that meeting.

Action Agenda 3.g. - Receive Investment Report for October 1, through December 31, 2020.

Steve Walthour presented the following report:

This quarterly investment report for the period from October 1, 2020 through December 31, 2020 reflects the North Plains Groundwater Conservation District investment transactions for all District funds subject to the District’s Public Funds Investment Policy. A copy of the report was presented to the Board.

The report described in detail the District’s investment position as of December 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 the relevant provisions of the 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