

**MINUTES OF THE APRIL 13, 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 April 13, 2021, at 9:30 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 9:34 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, Finance/Administration Manager;
Paige Glazner, Conservation Outreach Assistant;
Odell Ward, Field Supervisor;
Dusty Holt, Permitting Specialist;
Dale Hallmark, Hydrologist;
Curtis Schwertner, Natural Resource Specialist; and,
Krista Hopkins, Public Information Officer.

Others present during part or all of the meeting:

Nich Kenny;
Mandi Boychuk, Natural Prairie & Northside Farmland;
Nick DeJong;
Travis Spence;
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 9:34 a.m. Director, Harold Grall, gave the invocation and President, Bob B. Zimmer, 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: (a) the review and approval of the Minutes of the regularly scheduled Board of Directors Meeting held on March 9, 2021; (b) the review and approval of un-audited District expenditures for March 1, 2021 through March 31, 2021, including the General Manager's expense and activity report; (c) the review and approval of payment to Lemon, Shearer, Phillips & Good, P.C. for professional services and out-of-pocket expenses incurred from March 1, 2021

through March 31, 2021, in the amount of \$5,300.00; (d) the review and approval of the Hansford County Tax Collection Contract for 2021-2022; (e) the review and approval of the Moore County Tax Collection Contract for 2021-2022; (f) the review and adoption of an Order Allowing Discounts from the Lipscomb County Ad Valorem Tax due if paid before January 2022; and the review and approval of the Sherman County Appraisal District proposed 2022 budget.

President Zimmer stated that the General Manager asked him to see if the Board would consider removing item (g) from the Consent Agenda for the General Manager to discuss separately. Mr. Zimmer also stated that he thought most ad valorem discounts in most counties were if you paid before the 1st of February but it appears Lipscomb County is setting it before January 1st so that seemed a little different to Mr. Zimmer. Mr. Born responded that Lipscomb County had done that for years.

Mr. Krienke stated that he wanted to make a comment and maybe a question on the budget. President Zimmer asked Mr. Krienke to tell the Board the page he was referring to, if he could. Mr. Krienke responded that what he was on is the tax revenue – it looks like, if I'm on the right page, that Lipscomb County is only 67.1% collected and Ochiltree County is 78.2% collected. Mr. Zimmer asked Mr. Krienke for the title of the page from which he was reading. Mr. Krienke responded, Budget Report. Mr. Walthour responded that it was the very first report after the fund balances.

Mr. Krienke stated, I'm just wondering, Gene, if you might want to make a comment to your County Commissioners that apparently, if that is correct, their discount is not doing much good. These counties that don't have a discount are collected well ahead of what – and I was surprised that Lipscomb and Ochiltree Counties were that far behind. We are already through the first quarter.

Mr. Walthour responded, usually by the end of March, we have collected the lion's share of funds. I don't know if there is a COVID thing, or something else going on with their personnel in order to do the work. I don't know, but I can report in June what the disposition of those accounts are.

Mr. Krienke stated just a comment, according to this report, that offering the discount doesn't seem to be helping in getting the collections in.

Mr. Zimmer responded, well, unless they just have not gotten their numbers together yet through the end of March.

Mr. Grall asked, could that happen? General Manager, Walthour, responded, yes. The appraisal district sends us a check, and some of them deposit funds directly into our account, and we've seen it slow across all counties. Most of the counties have been a little bit slow this year, they just have not been that slow.

Mr. Grall inquired whether taxpayers were given some type of grace period last year for COVID? President Zimmer responded, no.

Mr. Walthour stated that in 2019 the Legislature changed the way that taxes are collected across the board. This is the first full year that everything has been implemented and that has slowed us down a little bit, but I do not know if that is why we are slow now. We will check into that and get back to you.

Daniel L. Krienke moved to approve the Consent Agenda, with the exception of item (g), the review and approval of the Sherman County Appraisal District proposed 2022 budget. Harold Grall seconded the motion and it was unanimously approved by the Board.

Mr. Walthour stated that the reason he asked that item (g) be removed from the Consent Agenda, was that the District didn't get this out to you until yesterday. I know that since there are a couple of Board members that had reviewed the materials we submitted to

you the previous week, you didn't have a chance to look at this. Mr. Walthour stated that he was recommending that the Board approve Sherman County Appraisal District's proposed 2022 budget. Not all appraisal districts ask that the District approve their budgets, but the District Board has been approving the budget of the Sherman County Appraisal District for a couple of years.

Daniel L. Krienke moved to approve Consent Agenda item (g), the review and approval of the Sherman County Appraisal District proposed 2022 budget. Harold Grall seconded the motion and it passed by the majority vote of the Board, with Bob B. Zimmer opposing the motion.

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

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

District Receives Blue Legacy Award from Texas Water Conservation Advisory Council

Moore County Director and Chairman of the Ag Committee, Harold Grall, received the Blue Legacy Award presented virtually by the Texas Water Conservation Advisory Council. The virtual presentation was a part of the Texas American Water Works Association's Texas Water 2021 conference on March 18th. The award was mailed to the District offices.

Master Irrigator 2021

The final session of the 2021 Master Irrigator program will take place on April 14, 2021. The first three sessions were presented on March 24 & 31 and April 7. The class ended-up with 19 participants made up mostly of registrants from the 2020 class and some new registrants.

Mr. Welch stated that there were a couple of items that the Board needed to weigh in on and give direction, in terms of how the District staff should proceed, now that we are at the end of the program with 19 participants, the District is in a position of being able to potentially make more money available per individual participant. The District had budgeted \$250,000 for the total program, which worked out to somewhere in the neighborhood of \$10,000 per participant, if there was a full class of 25 participants. This year's class is down to 19 participants. I would add that there are three individuals from a past class that District staff has discussed their situations and believe that they should have at least have the opportunity access funds through the master irrigator. In doing calculations, even with those three additional participants from the 2019 class, the District could still increase the payment to \$11,000 per participant and just about use the entire \$250,000 that the District has been granted from the Texas Water Development Board.

The other option would be to leave the payment at \$10,000 per participant, which would leave about \$30,000 available for any additional projects that the Ag Committee and Board would feel qualified for funding through this program. That is authority that the Board would have, even based on the grant, in the way that it's written, to use those funds for something other than master irrigator, as long as it's a conservation-related program.

The last thing, is that we had, or the Ag Committee had, made the recommendation to be approved by the Board, that there would be a one-year time limit on these funds --- that graduates would have one year to use these funds. Therefore, we just need to determine an official end date. We could call that April 14, 2022, since that's going to be the last date, or do you want to go to May 1 — we just need to establish an official end date for these funds being available to this particular class. As I see it, whatever

expiration date that you determine for this 2021 class, those from the previous 2019 class would also be subject to the same expiration date on their access to the funds.

Mr. Krienke stated, Kirk, if I recall, didn't our motion authorize you to manage the funds? Mr. Welch responded, I believe so, yes. Mr. Krienke stated those two items I think you could do based on that motion – if, I'm correct, you could do those administratively. Mr. Welch responded, that sounds great. Mr. Krienke responded, I trust your judgement on that. Mr. Krienke stated, I believe we made that motion, but I could be wrong -- we talked about it in the Ag Committee. Mr. Grall stated, yeah, I don't remember. Mr. Walthour inquired, would you want to make that motion at the Board level? Mr. Krienke responded, if it's not already been made, yes. Mr. Walthour stated, we can adjourn, and I can spend the next hour and one-half going through the minutes.

Mr. Krienke responded, I'll make the motion that we authorize Kirk to manage the funds and the date for the Master Irrigator program. Harold Grall seconded the motion and it was unanimously approved by the Board.

Agriculture Loan Program Discontinued

During the February meeting of the Board of Directors, the Board voted to discontinue the agriculture loan program and authorized the General Manager to take any action necessary to cancel the loan. There is currently no demand for the loans for more efficient irrigation systems and equipment at the interest rate of 2.59-percent. The General Manager returned the remaining principal and interest to the Texas Water Development Board on March 24, 2021.

WCC Grower Day

The District will host a Grower Day on April 15 to present findings from District demonstrations. Nich Kenny, PE, and Jourdan Bell, PhD, will present information from the various demonstration they are conducting relating to agriculture water conservation. Continuing education credits will be available, and a drawing will be held for a YETI cooler. The meeting is planned to run from 8:30 a.m.-1:00 p.m. Lunch will be served. We plan to make the meeting available virtually as well as in-person, observing all health and safety protocols. Radio promotion of the meeting began around April 1 and will run through April 14. The District will also promote the event using social media, text and email campaigns.

Action Agenda 3.b. - 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.

It was noted that 150 non-exempt Well Permits had been issued by the District since January 1, 2021, and that 87 non-exempt Well Permits had been approved by the Board since January 1, 2021.

The General Manager reported that the District staff had processed 21 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	Well Class	Quarter	Section	Block	Survey	Yards N S	Yards E W
DA-11407	B	SE/4	57	5	CSS	100 S	737 E
DA-11414	C	NW/4	61	5	CSS	450 N	433 W
HA-11381	C	SW/4	3	LE	G&M	457 S	578 W
HA-11404	C	NW/4	9	2	BS&F	448 N	440 W
HA-11423	D	NE/4	3	0	F&A	451 N	465 E
HA-11449	D	SW/4	5	14	CSS	848 S	118 W
HA-11450	D	NW/4	6	14	CSS	204 N	111 W
HA-11451	D	NW/4	6	14	CSS	658 N	335 W
HA-11452	D	NE/4	15	14	CSS	332 N	640 E
HA-11453	D	NW/4	15	14	CSS	390 N	381 W
HA-11456	D	SE/4	15	14	CSS	352 S	751 E
HN-11422	C	NE/4	168	2	GH&H	701 N	366 E
LI-11343	D	SE/4	113	10	HT&B	115 S	125 E
MO-11288	C	NW/4	370	44	H&TC	72 N	137 W
MO-11442	D	NE/4	392	44	H&TC	844 N	855 E
MO-11447	C	NE/4	158	3-T	T&NO	58 N	484 E
SH-11199	D	SE/4	16	1	PSL	131 S	627 E
SH-11396	C	NE/4	446	1-T	T&NO	834 N	515 E
SH-11399	C	SW/4	232	1-T	T&NO	887 S	130 W
SH-11408	B	NE/4	162	1-T	T&NO	425 N	351 E
SH-11425	B	SW/4	162	1-T	T&NO	778 S	727 W

It was noted that Director, Mark Howard, had Well Permit #HA-11381 on the Well Permit Schedule.

Daniel L. Krienke moved to approve Well Permit HA-11381 on the Well Permit Schedule, noting that the Well is properly equipped and otherwise complies 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.c.- Consider General Manager's request to amend the District's 2020 – 2021 Budget.

The General Manager reported the he has reviewed the District's 2020 – 2021 Budget to cover possible costs under specific budget items. The General Manager requested that the Board amend the 2020 - 2021 budget as follows:

Budget Item description	Current Budget Amount	Increase or (Decrease)	Proposed Budget Amount	Explanation
TWDB Irr. Loan Program	\$906,261.70	\$6,021.05	\$912,282.75	Increased to pay off loan.
Administrative	\$158,500.00	(-\$6,021.05)	152,478.95	Decreased to cover TWDB Irr. Loan
Vehicle, Building Field Supplies	\$91,000.00	\$15,000.00	\$106,000.00	Increased to cover unanticipated vehicle repairs
Aquifer Science	145,000.00	(-\$15,000.00)	\$130,000.00	Decreased to cover unanticipated repairs to aquifer science equipment under Vehicle, Building Field

Personnel	1,250,000.00	\$60,000.00	\$1,310,000.00	Increase for additional personnel
Capital Outlay	60,000.00	(-\$15,000.00)	\$45,000.00	Anticipate less Capital Outlay expenses regarding software
Conservation Outreach	\$585,000.00	(-\$45,000.00)	\$540,000.00	Anticipate less expenses related to youth education and meter reimbursement
Total overall 2020-2021		0		No change in overall budget

Mr. Walthour stated that the above proposed budget amendments reflect no change in the District's overall budget.

Harold Grall moved that the Board amend the 2020 - 2021 budget as follows:

- Increase TWDB Irr. Loan Program from \$906,261.70 to \$912,282.75;
- Decrease Administration budget from \$158,500.00 to \$152,478.95;
- Increase Vehicle, Building Field Supplies budget from \$91,000.00 to \$106,000.00;
- Decrease Aquifer Science budget from \$145,000.00 to \$130,000.00;
- Increase Personnel budget from \$1,250,000.00 to \$1,310,000.00;
- Decrease Capital Outlay from \$60,000.00 to \$45,000.00; and
- Decrease Conservation Outreach from \$585,000.00 to \$540,000.00.

Daniel L. Krienke seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.d. - Consider Action to set hearing regarding Groundwater Management Area 1 Joint Planning Desired Future Conditions.

Mr. Walthour stated that on March 18th GMA 1 proposed DFCs and has sent out those Desired Future Conditions for public input and for a hearing that the we are required to have as a District Board. As you can see listed on the sheet in your Board Packet, the the Ogallala aquifer DFCs that are currently proposed and the Dockum aquifer DFC that are currently proposed. We are required to have a public hearing and the public comment period cannot be less than 90 days. So, I'm requesting -- we have a resolution by the Board, I believe to set the public hearing and set the day that we are going to do that -- Keith do you have anything to add?

Mr. Good responded, one thing -- this is a public comment hearing, it is not a hearing to consider adopting these proposed DFCs. The District is required, during the 90-day public comment period to have this hearing and we are to accumulate the comments and to ultimately report those back to GMA 1 Committee for final consideration of these DFCs. Then at a later time when they are considered, we will then have a hearing to adopt them, but we have this full 90-day period like Steve said beginning March 18, 2021 for public comment and during that 90-day period we have to have this hearing that he is talking about here.

Mr. Krienke stated from a mechanical standpoint, would it make sense to have that toward the end of that, or after that is expired, to make sure all the comments have come in, or what is your recommendation on it for this comment period?

Mr. Walthour responded, well, for the comment period, it's open now anyone can comment to us ---- we notice that ---- we've put it out in the public and it's gone to the counties, I think it has even been posted our website. What we will do is, we do need to have a public hearing for anyone who wants to -- instead of in writing-- wants to provide some sort of verbal presentation. I would recommend that we do this on the same day as we do our Board meeting, only because that seems to be a simpler way to maintain it. I would like to recommend that we do this hearing on June 1, 2021. That's about a week before our normal Board meeting time but if we could our Board meeting that day, and the hearing that day, we could check that box and collect that information and make sure that it gets to GMA 1 in time for their consideration, also.

President Zimmer stated, that at our last GMA 1 meeting, Wade Oliver us that the time clock started that day for the 90 days.

Mr. Good responded, that it starts when the DFCs are mailed to the districts. It is very explicit.

Mr. Zimmer responded, that is correct, and they have already been mailed so the time clock has started.

Mr. Walthour stated that we are not limited by 90 days -- that's a minimum -- you have to have at least a 90-day period. So, we don't need to have this done on or before June 29, for example, so you could look at this that way.

Mr. Krienke stated, I don't have a problem with June 1st -- your deal shows 9:00.

Mr. Walthour stated, you can set it at any time you want.

President Zimmer stated that Steve and I wanted to ask all of the Directors if you would consider having the meeting -- we are thinking, just to give you a heads-up here, is to move the May meeting on out to June 1st and then have the hearing and the meeting on the same day takes which will take up less of your time. I don't expect a lot of people to show up for the hearing. maybe not any, so it may be a very short hearing. We will need to have at least a minimal amount of time set there, and, then if we do our Board Meeting the same day, we could perhaps start the Board Meeting and then have a certain time for the hearing to start, and if we're not finished with the Board Meeting, we could recess it temporarily, hold the hearing, and then finish up Board business, depending upon how long it will take to hear whoever wants to participate in the hearing.

Mr. Walthour stated, my other recommendation, is that if we choose to do this in person that we do it out in the barn at the field --- in the water conservation center on June 1. I would recommend that, because we can spread out there in that facility.

Mr. Krienke, inquired, and that date would satisfy the May and the June meeting? Is that what you are anticipating, Bob?

Mr. Zimmer responded, yes

Mr. Krienke, responded, I'm OK with that myself.

President Zimmer, inquired, is everybody else ok with that?

Mr. Good stated, in regard to time, it might be helpful, from just a planning standpoint - - we will need a Court Reporter at that hearing and getting her scheduled -- it would be better if we could do that first thing.

Mr. Walthour inquired, Keith, do we have to have a Court reporter?

Mr. Good responded, either that, or we have to record it. We have to make a record of any public comments – there may not be any, but if there are, we need a record of it.

President Zimmer stated, well, I wanted to ask you Keith, maybe for this hearing, if we're not expecting a lot of input, if we maybe not hire the Court Reporter, but at the final hearing we can hire one then.

Mr. Good responded, that will be fine. We would like to have electronic capability then at the barn, so we can record the commentary if, indeed, we have public comment.

Mr. Zimmer stated, everybody, please keep in mind even though we are going to have this hearing on June 1st, that's not the end of the 90-day comment period. People can still submit comments to us after that day, we just have to have a minimum 90 days be open to hear something.

Mr. Good, responded, that's correct.

Mr. Walthour presented the following report in the Board packet:

At the last GMA 1 joint planning meeting on March 18, 2021, the district representatives voted to approve the proposed Desired Future Conditions (DFCs). These proposed DFCs were mailed to each of the districts in GMA 1 on March 29, 2021, triggering a 90-day public comment period. Public comments may be submitted in writing to the District at any time during this period or may be made orally at a hearing within the District.

The following proposed DFCs approved by the district representatives of GMA 1 are described in terms of acceptable drawdown levels for each subdivision of the Ogallala Aquifer (inclusive of the Rita Blanca Aquifer) and the Dockum Aquifer:

Ogallala (inclusive of Rita Blanca) Aquifer:

- At least 40 percent of volume in storage remaining for each 50-year period between 2018 and 2080 in Dallam, Hartley, Moore, and Sherman counties;
- At least 50 percent of volume in storage remaining for each 50-year period between 2018 and 2080 in Hansford, Hutchinson, Lipscomb, Ochiltree, Carson, Donley, Gray, Roberts, Wheeler, and Oldham Counties; and within the Panhandle District portions of Armstrong and Potter Counties;
- At least 80 percent of volume in storage remaining for each 50-year period between 2018 and 2080 in Hemphill County; and,
- Approximately 20 feet of total average drawdown for each 50-year period between 2012 and 2080 in Randall County and within High Plains District in Armstrong and in Potter Counties.

Dockum Aquifer:

- At least 40 percent of the average available drawdown remaining for each 50-year period between 2018 and 2080 for Dallam, Hartley, Moore, and Sherman Counties;
- No more than 30 feet average decline in water levels for each 50-year period between 2018 and 2080 in Oldham and Carson Counties and the Panhandle District portions of Potter and Armstrong Counties; and,

- Approximately 40 feet average decline in water levels for each 50-year period between 2012 and 2080 in Randall County and within High Plains District in Armstrong and Potter Counties.

Any person who desires to appear at the hearing and present comments or other information on the proposed DFCs may do so in person, by counsel, or both. Comments may be presented verbally or in written form. Limits may be placed on the amount of time that each person can present verbal comments at the hearing. The hearing described in this notice may be recessed from day to day or continued where appropriate.

Copies of the proposed DFCs may be requested by email at swalthour@northplainsgcd.org; are available at www.NorthPlainsgcd.org and www.PanhandleWater.org; and may be reviewed or copied at the North Plains Groundwater Conservation District, 603 East 1st Street, Dumas, Texas. Any person who wishes to receive more detailed information on this notice or the proposed DFCs should contact Steve Walthour, General Manager.

A copy of the Draft Explanatory Report can be downloaded as follows:
<https://intera.filegenius.com/downloadPublic/niiib5twhn9vqmtn>

Chapter 36 of the Texas Water Code requires the following:

Sec. 36.108(d-2). PUBLIC COMMENT PERIOD.

*(d-2) * * * a period of not less than 90 days for public comments begins on the day the proposed desired future conditions are mailed to the districts. During the public comment period and after posting notice as required by Section 36.063, each district shall hold a public hearing on any proposed desired future conditions relevant to that district. During the public comment period, the district shall make available in its office a copy of the proposed desired future conditions and any supporting materials, such as the documentation of factors considered under Subsection (d) and groundwater availability model run results. After the close of the public comment period, the district shall compile for consideration at the next joint planning meeting a summary of relevant comments received, any suggested revisions to the proposed desired future conditions, and the basis for the revisions.*

Sec. 36.063. NOTICE OF MEETINGS.

*(a) Except as provided * * **

(b) At least 10 days before a hearing under Section 36.108(d-2) or a meeting at which a district will adopt a desired future condition under Section 36.108(d-4), the board must post notice that includes:

- (1) The proposed desired future condition and a list of any other agenda items;*
- (2) The date, time, and location of the meeting or hearing; The name, telephone number, and address of the persons to whom questions or requests for additional information may be submitted;*
- (3) The names of the other districts in the district's management area; and*
- (4) Information on how the public may submit comments;*

(c) Except as provided by Subsection (b), notice of a hearing described by Subsection (b) must be provided in the manner prescribed for a rulemaking hearing under Section 36.101(d).

Sec. 36.101(d). RULEMAKING POWER (to comply with Sub-section 36.063(c) above)

(d) Not later than the 20th day before the date of a rulemaking (a DFC) hearing, the general manager or board shall:

- (1) Post notice in a place readily accessible to the public at the district office;*
- (2) Provide notice to the county clerk of each county in the district;*
- (3) Publish notice in one or more newspapers of general circulation in the county or counties in which the district is located;*
- (4) Provide notice by mail, facsimile, or electronic mail to any person who has requested notice * * *.*

The General Manager requested that the Board set a hearing date for the same day as the regular board meeting in June or July.

A draft Explanatory Report was presented to the Board.

Daniel L. Krienke moved that the Board set a hearing regarding Groundwater Management Area 1 Joint Planning Desired Future Conditions on June 1, 2021 at 9:00 a.m. CDT at the Water Conservation Center. Harold Grall seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.e. - Receive 2020 Annual Groundwater Production Report.

General Manager, Steve Walthour, reported that the District had a public information request a few weeks ago that took District staff a little longer to fill so the District is not completely finished with the Annual Groundwater Production Reporting. We have about three-fourths of them entered and based upon those reports, it appears when you do some calculations that in 2019, 1.4 million acre-feet of groundwater was pumped, and it appears that annual production in 2020 (based on the reports entered) is about 19% over 2019 annual groundwater production. So, we are anticipating that total annual production for 2020 to be approximately 1.7 million acre-feet because of the conditions. This is based upon looking at everyone who reported in 2019 and comparing the 2019 numbers to their 2020 numbers and taking that as a percentage and applying that to the entire amount for 2019. If you think about it, that makes a lot of sense, 2020 was a challenging year. Once we get all of those numbers entered, we will compare those to our management goals and I will get that information to you in June.

I think we probably have about 10 properties that filed late out of 2,900 properties and when we are finished with the production reporting we anticipate about 12 GPUs that produced more than their annual allowable allotment out of 2,900 properties.

President Zimmer stated, gentlemen, just think about that, if we are looking at about 12 properties, we are looking at about .4 tenths of one percent of failed compliance. I think that is really good!

Mr. Good stated, Steve, I have had an inquiry from another of my water districts, about how many production reports that we receive routinely? Mr. Walthour responded, 2,900. Mr. Good asked if those were all different reporting entities? Mr. Walthour responded, offhand, there are approximately 800 different entities. Mr. Walthour stated that he would send Mr. Good solid numbers regarding his inquiry.

Action Agenda 3.f. - Receive report and consider action related to 87th Texas Legislative Session and Issues.

Steve Walthour presented the following report:

HB2095 – Wilson: relating to water research conducted by The University of Texas Bureau of Economic Geology. The bureau shall collect monitoring data related to surface water and groundwater and the integration of surface water and groundwater. For purposes of this section, the bureau may collect data related to soil or atmospheric moisture, if appropriate. On Friday, I received a copy of an anticipated Committee Substitute for HB 2095 including a new Section 2. Under new 36.125 (c.) it appears that a district that collects water well flow measurement data or water level data to enforce its rules will be prohibited from using that data to enforce production limits or decline limits. Wilson's staff says the following is an error from legislative counsel.

SECTION 2. Subchapter D, Chapter 36, Water Code, is amended by adding Section 36.125 to read as follows:

Sec. 36.125. DATA COLLECTION. (a) A district may collect or cause to be collected from wells in the district data related to groundwater or to the interaction of surface water and groundwater.

(b) A district shall report all data collected under Subsection (a) to The University of Texas Bureau of Economic Geology for the purposes of inclusion in the Texas Water Information System Engagement.

(c) A district may not use data collected under Subsection(a) for the purpose of enforcing district rules. Currently the bill is set for hearing on 4/13/2021.

<https://capitol.texas.gov/tlodocs/87R/billtext/pdf/HB02095I.pdf>

HB 2103 – Bowers: Relating to the authority of certain water planning entities to hold an open or closed meeting by telephone conference call or videoconference call. Consistent with TAGD's request, this committee substitute modifies 36.108(e) to clarify video and telephonic meetings are available to GMAs. Its companion, SB 859 (Johnson) was heard in the Senate Committee on Business and Commerce on Tuesday and voted favorably from committee yesterday. The Senate version does not currently include GMAs or the interregional planning council, though TAGD has been in discussions with his staff regarding possible inclusion. The bill passed favorably out of Natural Resource Committee on 4/4/2021. The introduced version is as follows:

<https://capitol.texas.gov/tlodocs/87R/billtext/pdf/HB02103I.pdf>

Mr. Forbes also addressed HB2095 and stated late yesterday afternoon he received a Committee substitute. As Steve reported, they took out the problem we have the most which it which was to deny groundwater conservation districts the ability to utilize the information that they compile. That is gone, and the Committee substitute does have some different language that the originally-filed Bill. I don't think it is substantially different from the originally-filed Bill, and they told me in Representative Wilson's office late yesterday afternoon that there still may be some additional changes and we will follow that.

HB 2652 – Larson: Relating to establishing an advisory board to study surface water and groundwater interaction. SECTION 3. SURFACE WATER AND GROUNDWATER INTERACTION STUDY. The advisory board will study the extent to which surface water and groundwater interact in this state; challenges arising in this state from the interaction of surface water and groundwater; and approaches to mitigating challenges arising in this state from the interaction of surface water and groundwater. In conducting the study under this section, the advisory board shall consult with the Texas Commission on Environmental Quality ,groundwater conservation districts and river authorities. CSHB 2652 (Larson) favorably from committee. The CSHB 2652 added a second representative from groundwater conservation districts to the proposed advisory council.

<https://capitol.texas.gov/tlodocs/87R/billtext/pdf/HB02652I.pdf>

HB 3619 - Bowers: Relating to the criteria considered by groundwater conservation districts before granting or denying a permit. Adds language that requires districts to

consider whether a proposed use of water unreasonably affects wells that are exempt from the requirement to obtain a permit under chapter 36 or district rules. TAGD is continuing to work on HB 3619 to clarify that this bill would not obligate districts to consider wells that are not registered. The bill without any amendments reported favorably out of committee on April 8, 2021.

<https://capitol.texas.gov/tlodocs/87R/billtext/pdf/HB03619I.pdf>

SB 152 CSSB – Perry: relating to the regulation of groundwater conservation districts. Committee Substitute was reported favorably out of the Senate on 4/7/2021 and received by the House on 4/8/2021.

<https://capitol.texas.gov/tlodocs/87R/billtext/pdf/SB00152E.pdf>

The substitute's affect is as follows:

- Allows the District to create its own rules for structuring how a citizen can request a rule change through a petition process and a time frame for the board to act upon the change.
- Incorporates Texas Water Conservation Association recommended language for a district to complete its management plan using the most recently approved TWDB DFCs if the most recent DFC proposal reasonableness is challenged.
- Provides for an exception for the Notice Required for an Application for a permit or permit amendment that allows the District to post the applicant's name and approximate location of the proposed well site in the District offices and on the District's website and would have no significant financial impact on the District.

SB 601 – Perry: relating to the creation and activities of the Texas Produced Water Consortium.– voted favorable out of the Senate April 7, Received by the House 4/8/2021.

<https://capitol.texas.gov/tlodocs/87R/billtext/pdf/SB00601E.pdf>

SB 861 – Paxton: Relating to remote meetings under the open meetings law. On March 16, 2020, the governor temporarily suspended certain open meeting laws in response to COVID-19, which will expire once the disaster declaration is lifted. This allowed greater flexibility for governmental bodies to meet via telephone or video conference in light of public health concerns by limiting face-to-face meetings. Interested parties believe the added flexibility resulted in increased participation in the open meetings. S.B. 861 makes permanent in statute certain Open Meetings Act provisions that were suspended due to COVID-19 and more clearly allow for virtual meetings. The bill was heard in Senate Committee on Business and Commerce on Tuesday. This bill makes changes to the open meetings law to better facilitate remote meetings. The committee substitute was voted favorably from committee April 9, 2021.

<https://capitol.texas.gov/tlodocs/87R/billtext/pdf/SB00861S.pdf>

Mr. Forbes stated that we have talked in the past about Representative Mayes Middleton's Bill, House Bill 749, dealing with what he calls, taxpayer-funded lobbying, which would prohibit the ability of groundwater conservation districts, school districts, city councils, counties, hospital districts, river authorities, and any kind of governmental entity from hiring any expert to help that had to register under chapter 305 of the Government Code, which is the Statutory provision requiring people who lobby at the Legislature, to register. That Bill has a companion in the Senate and there's another Bill that would limit that prohibition to schools, cities and counties only. Those Bills will probably pass the Senate, but they're getting --- there's a lot of opposition to them in the House and in the Speaker's office -- apparently the Speaker's office is beginning to understand groundwater conservation districts, school districts, and other political subdivisions are complicated enterprises and you all need to be able to hire the experts that you need. That's the situation and I'm cautiously optimistic that those Bills will not make it through the House. I'm working on that and opposing it on behalf of another client and

I will keep you apprised. The Legislature adjourns on May 31st and by May 1, essentially, things really stop happening in terms of getting things passed, and that sort of thing. That starts grinding to a halt because by mid-May at the latest, because there are deadlines that start kicking in and that sort of thing. So, effectively, the effective work of the Legislature will really, really, slow down by the middle of May.

Mr. Forbes departed the meeting at 10:28 a.m.

Action Agenda 3.g. -

Receive report and consider action regarding compliance and contested matters before the District.

The General Manager reported that there were no compliance matters to be addressed at the meeting. As you all know, Pauletta Rhoades retired on March 1, 2021. We will do something for here when we can all get together again, which is coming up soon. In her place, and helping process compliance, we've placed Lewis Orthman, in that position. Lewis had enough field experience to answer questions when someone has a compliance issue when they call into the office, so we think it is going to be very helpful.

We had a well owner who drilled a well and was unaware that he needed to put meters on his wells because apparently the permit application was not clear enough saying that you needed to have a meter on your wells, so we cleared that up and sent them a thank you letter. He is in compliance now.

We will bring anything as far as overproduction, or late-filing producers to you in June.

Mr. Good reported that he wanted to address the attorney's fees regarding shall and may – you need to remember that there are two attorney's fees sections in Chapter 36. One is Section 36.066 which is the one when the District is in a lawsuit and it prevails, under Senator Perry's proposed Bill, the court may, and the way it is today in the Statute is, the court shall. The other provision is in Section 36.102 where if the District attempts to enforce its Rules, that is another mandatory attorney's fees provision. That has been under attack – I don't believe Senator Perry attacked it, but I think another Representative has and to me, that is a little more problematic and I would like to see that provision remain as it is currently drafted as a mandatory payment to districts that prevail in enforcing their rules.

Mr. Walthour stated that if you look back that is a Burns Bill that hasn't gotten out of Committee yet – so I'm not sure that it is going to get very far. Burns is carrying that Bill to change all of the shalls to may, and at this point, it hasn't made it out of the House Natural Resources Committee yet. There is not a Bill on the Senate side. Mr. Good responded, thank you, Steve.

Mr. Zimmer asked Mr. Walthour to discuss the four water ambassadors who will be visiting the District.

Mr. Walthour responded, we still have item (h) on the Action Agenda, which is Closed Session.

Mr. Zimmer responded, do you have anything for Closed Session at this time? Mr. Good and Mr. Walthour each responded that they did not.

Mr. Walthour stated that the water ambassadors --- we had these last year, or year before last – we didn't have them last year because of COVID, but two years ago, the 4H2O Water Ambassadors, which is run by Texas A&M, I believe, and 4-H, have a youth leadership program that youth can participate in throughout the State.

Mr. Welch stated that for the first time since he has been involved with the water ambassadors, we have a representative from a local 4-H group, Justin Hill – that group is made up of high school students across the State and they do an annual tour, and as Steve talked about, was cancelled last year. It is about a 10-day tour and they visit water entities and look at water use across the State. Like I said, it is a 10-day tour and they take them from one location to another and they didn't come to the Northern Panhandle,

until two years ago. We had a great presentation and got great feedback and are looking forward to having them back here again – I believe June 30th is the date that we will have them here for the tour of the Water Conservation Center.

Mr. Krienke inquired how many young people were involved? Mr. Welch responded, roughly 25, plus sponsors.

Mr. Zimmer asked, but only four are coming here? Mr. Welch responded, no, we are having them all.

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

Steve Walthour presented a report to the Board, which included the General Manager's activity summary, the District's activity summary, permits issued by the District in March 2021, post-drill well inspections as of March 31, 2021, and upcoming meetings and conferences.

Mr. Walthour reported that the District is participating in the Texas Alliance of Groundwater Districts, as a sponsor. The General Manager also stated that he would keep the Board informed if there was anything that arose during the remainder of the Legislative Session that the Board needed to take action regarding.

Discussion Agenda 4.- Discuss Items for Future Board Meeting Agendas and Set Next Meeting Date and Time.

By consensus, the Board set its next regular Board meeting in person on June 1, 2021 at the Water Conservation Center at the conclusion of the hearing regarding Groundwater Management Area 1 Joint Planning Desired Future Conditions.

Action 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.

Except as previously stated herein, no other Committee reports were presented to the Board.

Agenda 6. - Adjournment.

There being no further business to come before the meeting, President adjourned the meeting at 10:45 a.m.


Bob B. Zimmer, President


Zac Yoder, Secretary