

**MINUTES OF THE NOVEMBER 15, 2022
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 November 15, 2022, at 9:00 a.m. in the Conference Room in the Richard S. Bowers Water Conservation Learning Center Building at the North Plains Water Conservation Center, 6045 West County Road E., Dumas, Texas 79029-7201. The following persons were present:

Members Present at 9:05 a.m.:

Bob B. Zimmer, President;
Mark Howard, Vice-President;
Daniel L. Krienke, Director;
Justin Crownover, Director; and,
Gene Born, Director – via Zoom.

Staff present during part or all of the meeting:

Steve Walthour, General Manager;
Kristen Blackwell, Administration Manager;
Odell Ward, Aquifer Science Manager;
Dusty Holt, Permitting Specialist/Finance Assistant;
Curtis Schwertner, Natural Resource Specialist;
Baylee Barnes, Conservation Outreach Specialist; and,
Krystal Donley, Administrative Assistant.

Others present during part or all of the meeting:

Shelly Burnett, Court Reporter;
Allan Frerich;
Nich Kenny, via Zoom;
F. Keith Good; and,
Ellen Orr, Paralegal.

President Zimmer declared a quorum present and called the meeting to order at 9:05 a.m. Justin Crownover gave the invocation and President Zimmer led the pledge.

At 9:07 a.m., President Zimmer recessed the regular board meeting and opened the public hearing concerning the District's intent to repeal District Rule 3.3. A record of the public hearing was made by Shelly Burnett, Court Reporter. At 9:42 a.m., President Zimmer closed the public hearing and reconvened the regular Board meeting of the District.

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 September 13, 2022 (b) the review and approval of un-audited District expenditures for September 1, 2022 through October 31, 2022, including the General Manager's expense and activity reports; (c) the review and approval of payment to Lemon, Shearer, Phillips & Good, P.C. for professional services and out-of-pocket expenses incurred from September 1, 2022 through October 31, 2022 in the amount of \$8,845.25; and (d) consider approval of Sherman County Appraisal District's request to approve the 2022 tax amount for tax roll in Sherman County.

Daniel L. Krienke moved to approve the Consent Agenda. Mark Howard seconded the motion, and it was unanimously approved by the Board.

Action Agenda 3.i. - Administer Oath of Office to Directors Precinct 1- Dallam County, Precinct 2- Hartley County, Precinct 3- Sherman County, and Precinct 4 - Moore County.

The General Manager stated that Zach Yoder, current Director of Precinct 1 - Dallam County has chosen not to seek re-election. Subsequently, no election is necessary as Allan Frerich is unopposed for the position. Elections for Directors for Precinct 2 - Hartley County, Precinct 3 - Sherman County, and Precinct 4 – Moore County were cancelled because the incumbent directors for those precincts did not receive a challenge to the office. A state-wide general election was held on November 8, 2022, which would have been the District's election date for the above-mentioned precincts. There is no limit on the number of terms a director may be elected or re-elected.

At 9:47 a.m., Kristen Blackwell administered the Oath of Office to the Directors of Precinct 1 - Dallam County, Precinct 2 - Hartley County, Precinct 3 - Sherman County, and Precinct 4 – Moore County.

Allan Frerich began serving as a Director of the Board at 9:47 a.m.

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

The General Manager reported that the District staff had processed 60 Water Well Permits which are ready for Board consideration and approval. These permits, listed in the table below, represent completed Wells that have been inspected and are in compliance with District Rules. The inspections verify that the Wells were completed as required by the respective Permits, including proper Well location, Well classification, maximum yield, and proper installations of check valves and flow meters. Copies of the individual permits were presented to the Board.

It was noted that 339 non-exempt Well Permits had been issued by the District since January 1, 2022; that 107 Exempt Wells had been Registered since January 1, 2022; and that 180 non-exempt Well Permits had been approved by the Board since January 1, 2022.

Permit Number	Well Class	Quarter	Section	Block	Survey	N S	E W
DA-11767	C	NE	16	1	B&B	115 N	894 W
DA-11851	B	S.E.	45	7	CSS	462 S	674 W
DA-12105	C	N.W.	45	6	CSS	445 N	47 W
DA-12106	B	S.E.	45	6	CSS	555 S	69 E
DA-12107	B	S.E.	45	6	CSS	460 S	493 E
DA-12108	B	S.E.	55	6	CSS	140 S	760 E
DA-12130	C	S.E.	27	2	CSS	176 S	715 E
DA-12131	C	S.W.	27	2	CSS	413 S	257 W
DA-12167	B	S.E.	45	6	CSS	320 S	289 E
DA-12169	C	S.E.	80	47.5	H&TC	575 S	445 E
DA-12223	C	N.W.	48	1	B&B	444 N	434 W
DA-12255	B	S.W.	9	3	CSS	815 S	108 W
HA-11664	C	NE	18	5	CSS	860 N	271 E
HA-11744	C	NE	32	11	CSS	745 N	63 E
HA-11920	C	N.W.	45	11	CSS	812 N	748 W
HA-11921	C	NE	45	11	CSS	585 N	342 E
HA-12025	B	S.E.	47	48	H&TC	361 S	873 E
HA-12071	C	NE	166	44	H&TC	750 N	831 E

HA-12087	C	S.W.	20	12	CSS	446 S	432 W
HA-12088	C	N.W.	21	12	CSS	415 N	427 E
HA-12138	C	NE	35	13	CSS	463 N	396 E
HA-12139	C	S.W.	7	12	CSS	114 S	300 W
HA-12140	C	S.E.	7	12	CSS	124 S	851 E
HA-12141	C	NE	46	13	CSS	179 N	586 E
HA-12163	D	SW	167	44	H&TC	875 S	16 E
HA-12170	C	S.E.	39	11	CSS	760 S	126 E
HA-12173	C	NE	17	14	CSS	763 N	870 E
HN-12039	D	S.E.	4	1	H&GN	102 S	105 E
HN-12150	D	NW	110	2	GH&H	136 N	113 W
HU-12190	D	NE	69	5-T	T&NO	116 N	693 E
LI-11858	B	SE	243	43	H&TC	103 S	199 E
MO-11545	C	NW	232	44	H&TC	830 N	871 W
MO-12028	B	SW	318	44	H&TC	301 S	201 W
MO-12043	C	NE	110	3-T	T&NO	855 N	110 E
MO-12044	C	NE	110	3-T	T&NO	112 N	198 E
MO-12045	B	NE	110	3-T	T&NO	539 N	114 E
MO-12064	B	SE	441	44	H&TC	455 N	430 W
MO-12068	B	NW	343	44	H&TC	62 N	117 W
MO-12094	B	SE	172	3-T	T&NO	265 S	165 E
MO-12110	D	NW	7	M-2		596 N	18 W
MO-12112	B	NE	363	44	H&TC	108 N	443 E
MO-12179	B	SW	318	44	H&TC	111 S	428 W
MO-12195	C	SE	178	3-T	T&NO	427 S	781 E
MO-12196	C	SE	178	3-T	T&NO	135 S	471 E
MO-12197	C	SW	178	3-T	T&NO	133 S	523 W
MO-12288	B	SE	318	44	H&TC	6 S	783 E
MO-12289	B	SE	318	44	H&TC	6 S	526 E
SH-11966	B	S.E.	32	3-T	T&NO	580 S	34 E
SH-12022	D	N.W.	23	2-B	GH&H	107 N	136 W
SH-12023	D	S.W.	32	2-B	GH&H	224 S	119 W
SH-12053	B	SW	146	1-T	T&NO	79 S	103 W
SH-12054	C	SW	202	1-C	GH&H	39 S	150 W
SH-12067	C	NE	53	2-B	GH&H	279 N	739 W
SH-12120	C	S.W.	68	3-T	T&NO	750 S	108 W
SH-12174	B	SE	156	1-C	GH&H	280 S	333 E
SH-12175	B	NE	155	1-C	GH&H	627 N	41 E
SH-12183	B	NW	176	1-C	GH&H	371 N	1080 W
SH-12230	B	NW	176	1-C	GH&H	803 N	1029 W
SH-12236	C	NE	5	2-B	GH&H	772 N	133 E
SH-12391	C	SE	164	1-C	GH&H	307 S	361 E

It was noted that Justin Crownover had Well Permits MO-12094 and SH-12120 listed on the Well Permit Schedule. It was also noted that Mark Howard had Well Permits HA-12071 and HA-12163 listed on the Well Permit Schedule.

Daniel L. Krienke moved to approve Well Permits MO-12094 and SH-12120 listed on the Well Permit Schedule, noting that the Wells are properly equipped and otherwise comply with District Rules. Mark Howard seconded the motion, and it was approved by the majority vote of the Board with Justin Crownover abstaining from the vote.

Daniel L. Krienke moved to approve Well Permits HA-12071 and HA-12163 listed on the Well Permit Schedule, noting that the Wells are properly equipped and otherwise comply with District Rules.. Justin Crownover seconded the motion, and it was approved by the majority vote of the Board with Mark Howard abstaining from the vote.

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

Action Agenda 3.b. - Consider action to repeal North Plains Groundwater Conservation District Rule 3.3 Auxiliary Well.

Daniel L. Krienke moved to repeal District Rule 3.3 (Auxiliary Well). Mark Howard seconded the motion, and it was unanimously approved by the Board.

Action Agenda 3.c. - Consider action to set hearing date and time regarding BLF request for Exception under district rules for regarding Chapter 7 Groundwater Production Units ("GPU") specifically District Rule 7.5 and 7.6

The General Manager reported that

BLF Land, LLC has requested an exception to the District's Rules regarding Chapter 7, Groundwater Production Units (GPU), specifically, District Rules 7.5 and 7.6.

Mr. Walthour stated that any Applicant desiring an exception to any Rule shall file a signed and verified written application with the District at its principal office stating:

- A. The nature of the exception requested;
- B. The Rule number(s) and Paragraph(s) or sub-paragraph(s);
- C. The justification for granting the exception;
- D. Any information that the Applicant deems appropriate in support of the application; and
- E. Cash deposit of funds sufficient to pay costs to be incurred by the District in processing the exception request. Any unused funds so deposited will be refunded to the Applicant at the conclusion of the hearing.

The General Manager recommended that the Board set the BLF Land, LLC hearing date for December 13, 2022, at 9:00 a.m.

Daniel L. Krienke moved to set the Application for Exception filed by BLF Land, LLC for hearing on December 13, 2022, at 9:00 a.m., at the Water Conservation Center Barn. Mark Howard seconded the motion, and it was unanimously approved by the Board

Action Agenda 3.d. - Consider action to approve LRE Water to design and deliver a North Plains Groundwater Conservation District Interactive Groundwater Map.

The General Manager and Odell Ward reported that in June, the District posted a request for proposals (RFP) on the Texas Alliance of Groundwater Districts website to design and construct an interactive map that provided more meaningful information to the District's stakeholders and others needing information concerning the District's wells and Ogallala Aquifer. The new map will replace the current map on the District's website that was originally constructed in 2016 by District staff in-house. In addition to posting on the TAGD website, District staff reached out to firms that had experience in developing web-based map applications. The request ran until the closing date for submissions on October 1. Three firms responded to the RFP as follows:

- RESPEC
- LRE Water
- Collier Consulting

Collier Consulting showed some interest in the project but did not submit a proposal. The two proposals submitted were graded based on how well the firm discussed and approached the items listed in the RFP. District management staff evaluated the proposals submitted by the two firms. District staff believes that both RESPEC and LRE water understand and addresses the District's need for a better interactive web-based map for its stakeholders. LRE Water is more qualified for the project, having created similar interactive mapping projects for other water management Districts in the state, including Clearwater Underground Water Conservation District. Proposal submissions and grading processes were presented to the Board.

Kelly Close, PE, System Design and Development Team Lead and Jordan Furnans, PE, PG, Vice-President Texas Operations & Project Manager of LRE Water discussed the LRE Water proposal with the Board.

After grading the two RFP submissions, the General Manager recommended that the Board approve entering into a contract with LRE Water to design and deliver a North Plains Groundwater Conservation District interactive groundwater map for \$57,800 proposed project cost.

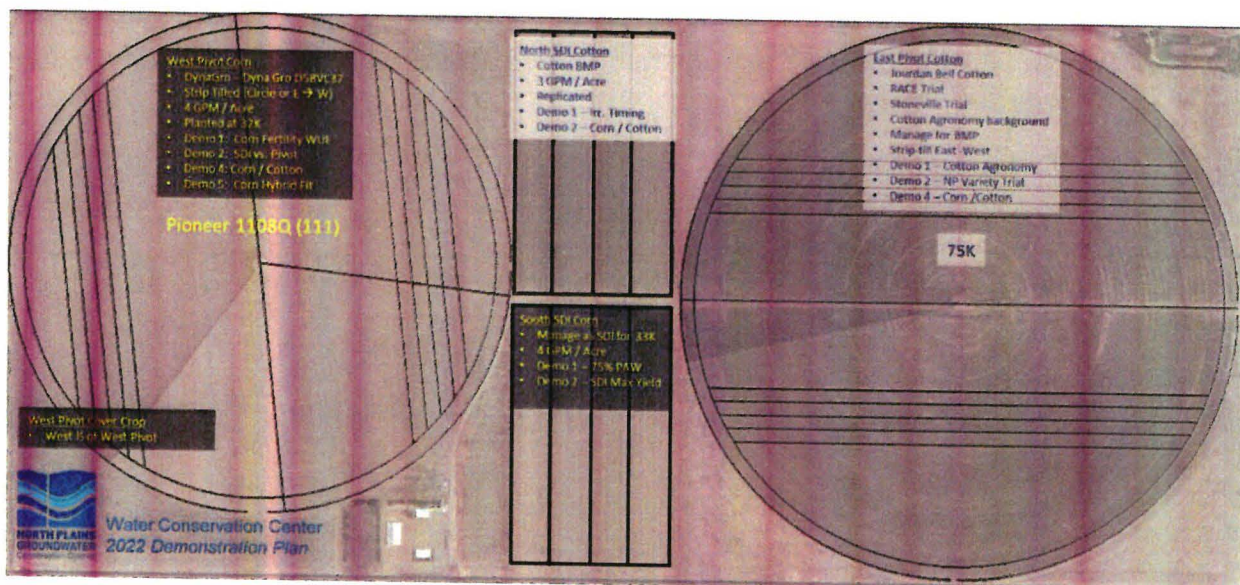
Justin Crownover moved that the Board approve entering into a contract with LRE Water to design and deliver a North Plains Groundwater Conservation District interactive groundwater map for the proposed project cost of \$57,800. Mark Howard seconded the motion, and it was unanimously approved by the Board.

Action Agenda 3.e. - Receive report and consider action as needed regarding agriculture water conservation demonstration programs and the North Plains Water Conservation Center.

Nich Kenny presented the following report to the Board:

November 3, 2022 – NPGCD Water Conservation Center
Update Nicholas Kenny, P. E.

Figure 1: 2022 WCC Field plan for Corn and Cotton Rotation



2022 Irrigation Summary

Corn	Plant Date:	19-20 May 2022
	West Pivot:	27.2 Inches (4.3-inches pre-water, 6.4.-inches after September 1)
	South SDI:	20.8 – 22.9 Inches
Cotton	Plant Date:	13-14 May 2022
	East Pivot:	14.3 Inches (3.9 Inches pre-water, 1.2-inches after September 1)
	North SDI:	8.5 to 10.2 Inches

The irrigation applied during 2022 was higher than any of the previous 4 seasons. The season was difficult in terms of sustained heat and followed two consecutive very dry winters. There are a few items that should be discussed at length with the Ag Committee to better direct the farming approach going forward, especially in light of continued drought and conservation approaches.

The first topic is that of available water related to irrigation discipline. A new well was drilled, capacity was increased, and the volume of water applied on cotton increased. The timing of this application was early in the season (for cotton) when most cotton / corn farms would not have access to this water. Also, the East Pivot was retained at 4 GPM / Acre for the season due to increased capacity. Even with the best intentions, applying 3 GPM / Acre worth of water with 4 GPM / Acre capacity is difficult to regulate. That being said, the amount of water applied to the East Pivot cotton was 14.3 acre-inches, which is the same as would be applied via 90 continuous days at 3 GPM / Acre capacity.

The second is the irrigation strategy employed at the end of the corn crop. Mid-August was very extreme weather and, despite having a full profile at the Critical Management point, the West Pivot corn was not able to keep up in August. A more thorough investigation of potential yield at the end of August could have been performed to better shape the irrigation strategy to finish the season. 6.4-inches were applied during September in the West Pivot. It is not likely that this additional water impacted yield. Water use efficiency numbers are expected to be the lowest experienced at the Center in the Corn and Cotton rotation. It is expected that climate details will reveal increased understanding of the suppressed yields and help determine risk adverse strategies that are profitable and conserve water.

Figure 2: West Pivot GroGuru chart from the 2022 season. Notice the strong pull-down during July and August. The last 3-5 irrigation events are debatable as to whether they are helpful to yield. An unseasonably warm September following a harsh August led to the unconventional irrigation termination strategy. Tracking this through the winter will help to understand if this water remains available to the subsequent cotton crop.

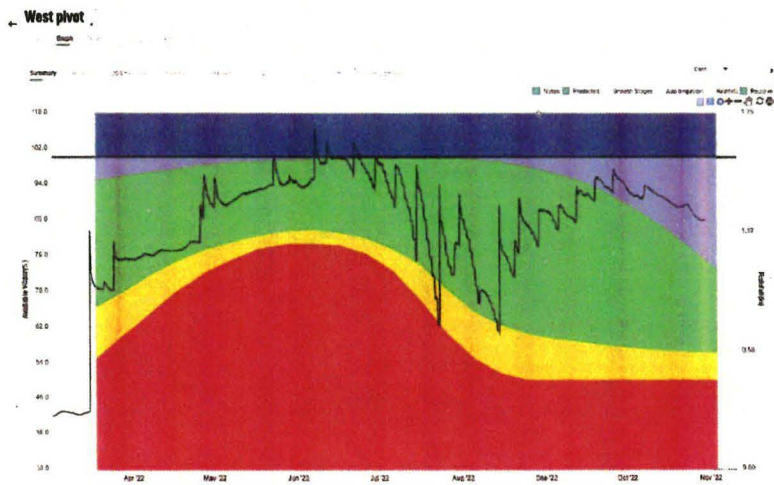


Figure 3: GroGuru South SDI summary chart from 2022. Zone 9 is the west edge and received 22.9-inches. Zone 16 is on the east edge and received 20.7-inches. The discrepancy in irrigation is related to the zone’s physical location to the drip station and a linear decline of delivered water is witnessed from west to east. The interesting note is that the South SDI FieldView map indicates a significant improvement in yield in the east blocks and the Ceres Imaging chlorophyll maps indicate healthier plants, especially late in the season

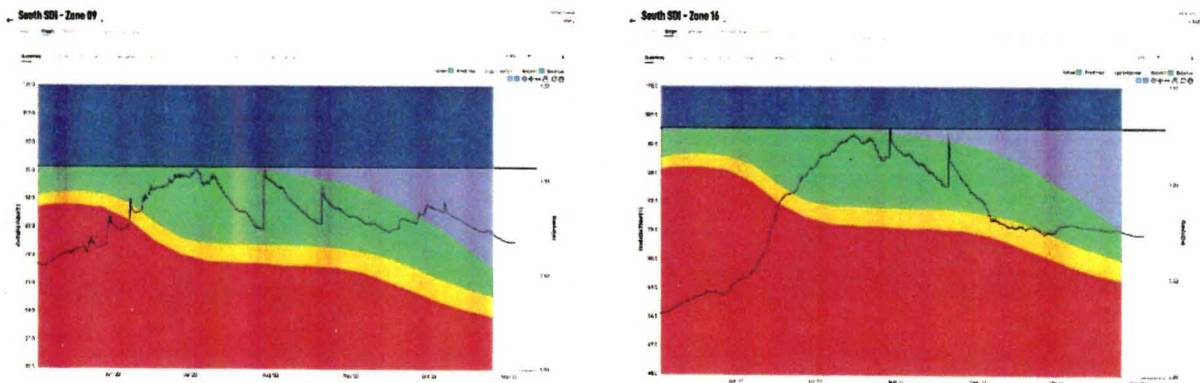


Figure 4: Ceres Imagery from August 24. This chlorophyll chart indicates plant health at a given point in time. Each field is its own section, and the coloration is relative within the field. The red edges on the east pivot cotton indicate the kochia weed finally being controlled.

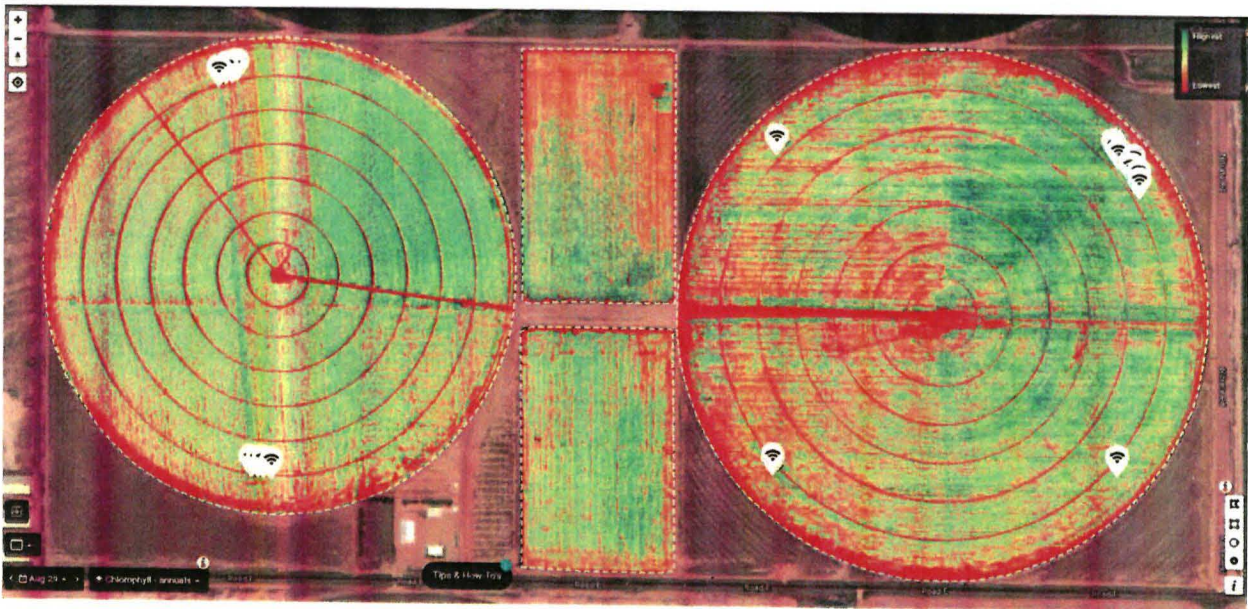


Figure 5: Ceres Imagery from September 5 indicating the water stress levels within the field. Notice the West Pivot is very cool / wet and really uniform. It is quite likely that irrigation termination could have safely occurred. If the west pivot temperature is compared to the east side of the South SDI, the visual difference obvious. These SDI Zones essentially matched the pivot yield using 7-inches less irrigation water.

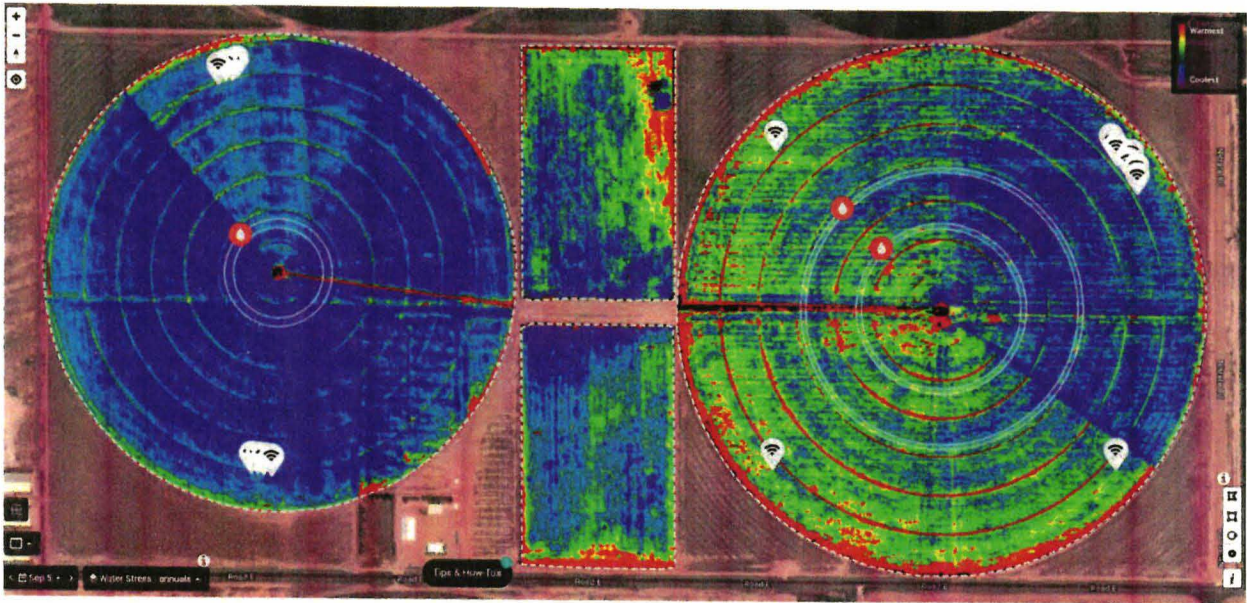
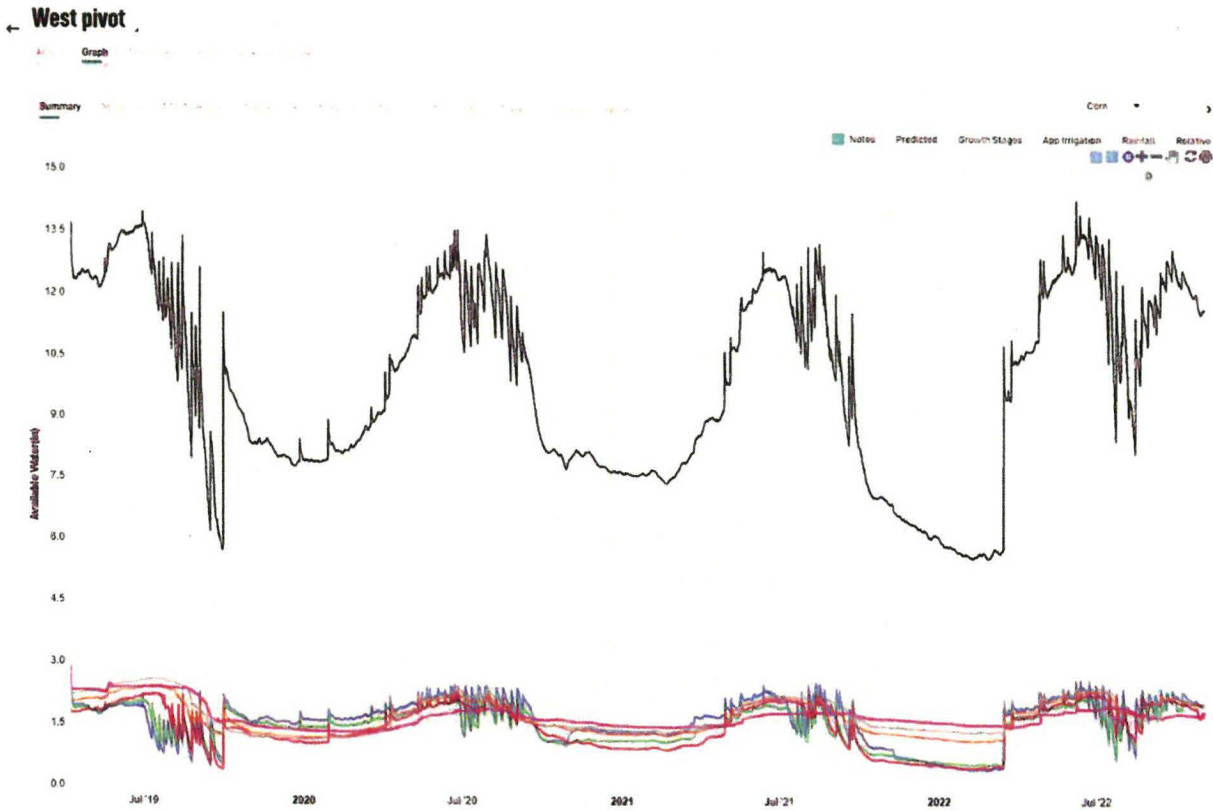


Figure 6: GroGuru moisture chart in the West Pivot. This sensor was installed in 2019 and shows continuous logging through the 2022 crop. Notice how severe the last two winters have been, especially 2021-2022 following a cotton crop. Also note the ending level in 2022 compared to all previous years.

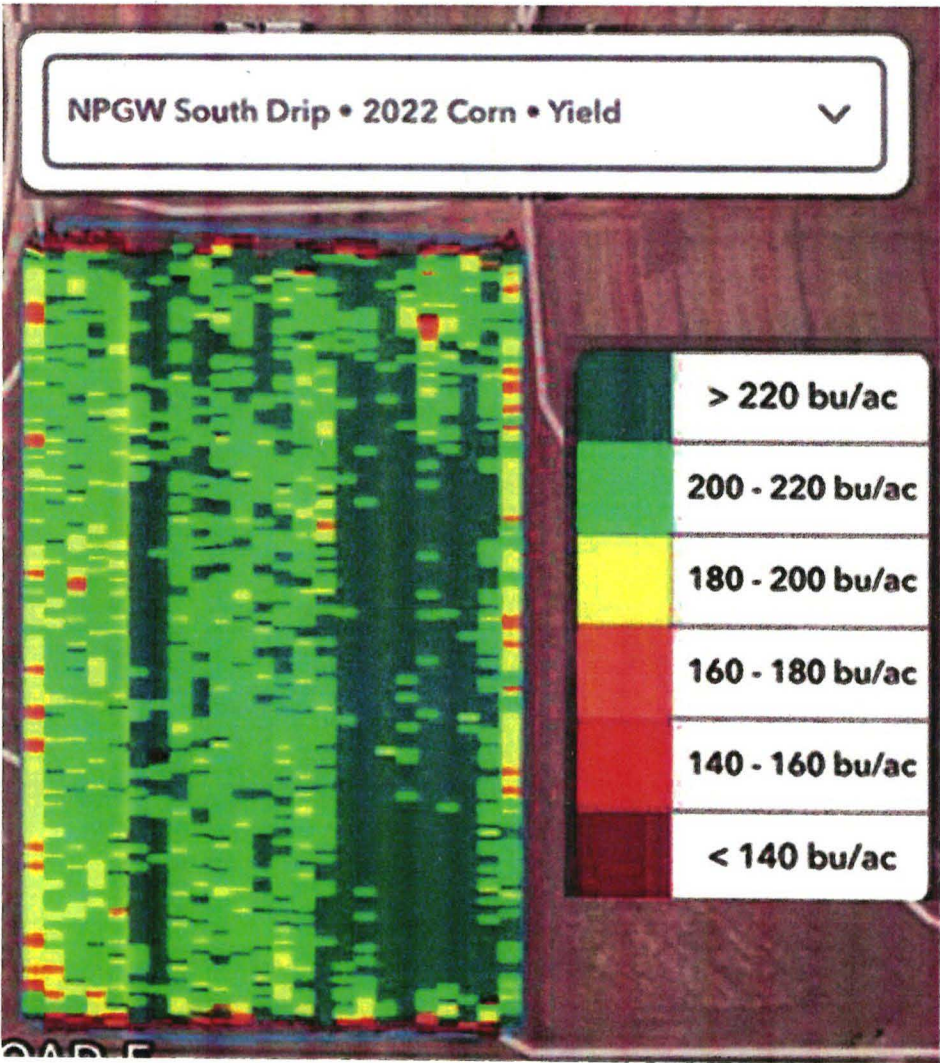


Corn Harvest

The South SDI was harvested on October 14 with a small plot on the southern border of the West Pivot to verify moisture. The remainder of the West Pivot was harvested the week of October 17. Yield distributions are being calculated at this point to separate blocks, hybrids, and cover crop details. The gross yields are as follows:
 South SDI 197.8 Bushels / Acre
 West Pivot 216 Bushels / Acre

Figure 7: South SDI Corn yield map provided by FieldView. The overall field yield is 197.8 bushels. Notice the large portion of Zones 14-16 indicate yields greater than 220 bushels / acre on the yield monitor. The note that will be evaluated is that these

blocks received 20.8-inches of water, as compared to the 22.9-inches on the west side and 27.2-inches in the west pivot.



Cotton Harvest

Cotton harvest is scheduled to begin on November 3 in the North SDI zones. The East Pivot is scheduled to begin on November 7.

Figure 8: Cotton on the North side of the East Pivot, last week of October. Dr. Bell and Dr. Bednarz are extracting field information prior to harvest. (Photo by Curtis Schwertner).



Figure 9: Cotton in North SDI (Photo by Stan Spain).



WCC East Well

The control panel on the Variable Frequency Drive on the East well malfunctioned towards the end of the irrigation season. Brandon and Clark were contacted regarding a repair. Repair parts for the panel are becoming difficult to obtain due to obsolescence. The cost to repair the Yaskawa Drive is \$4,930 with 30-week lead time. The cost to replace the Yaskawa Drive is \$16,450 with a 26-week estimated lead time.

Ag H2O was contacted regarding a replacement unit. A Danfoss Water I.Q. drive is available for immediate installation for \$15,550.

It was recommended to upgrade this VFD at this time if the East Well is to remain a vital part of the Water Conservation Center's production system. Well production was reliable at approximately 270 GPM all season.

On October 31, Curtis Schwertner noticed that the lightning arrestor at the East Well was compromised. Curtis contacted Tex-Zac electric to repair the lightning arrestor and perform an electrical check on the remaining systems. It was noticed that the submersible motor in the domestic well was going to ground. An estimate was obtained from Amarillo Water Well for a total cost of \$6,529 and the work was scheduled for November 4.

By consensus, the Board authorized the General Manager to obtain a replacement unit for the VFD on the East Well.

Field Day on September 29

A morning field day was held in the East Pivot of the Water Conservation Center on September 29. Jourdan Bell and Nich Kenny were the primary presenters, focusing primarily on the cotton efforts at the Center. Attendance volume was low, but feedback from those in attendance was excellent. The field day was recorded and posted on YouTube and linked from multiple social media platforms.

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

Master Irrigator

The application period for round two of 2021 Master Irrigator funding expired on Monday, October 17. Eight qualified applications were accepted for the remaining funds of approximately \$130,000. Verification and distribution are currently in progress for both the first and second rounds of funding for 2021. So far, only 2 applications have been received for the 2022 class.

Dates are set for the Master Irrigator Class of 2023 and most of the speakers are confirmed. Dates for 2023 are: February 15 and 22, and March 1 and 8. The program will move back to the WCC for 2023. Application are being accepted.

Action Agenda 3.f. - Receive report regarding the 87th Legislature Interim Session and the upcoming 88th Legislative Session.

The General Manager presented the following report to the Board in the Board Packet:

The first day for legislators and legislator's-elect to file bills for the 88th Legislature is November 14. The 88th Legislature convenes at noon on January 10, 2023, and will have until March 10, 2023, to file bills that may be taken up during the legislative session. The last day of the regular session (Sine die) is May 29, 2023.

Earlier this year the Speaker of the House and the Lieutenant Governor released the 87th Legislature interim charges that will be studied before the 88th Legislature meets in 2023.

The General Manager provided the following links for the Board to utilize to access Interim Charges:

Senate

<https://www.ltgov.texas.gov/wp-content/uploads/2022/04/2022-Interim-Charges.pdf>

House

https://house.texas.gov/_media/pdf/interim-charges-87th.pdf

The Speaker of the House released the interim charges that may affect groundwater management as follows:

Natural Resource Committee

Examine the State's groundwater management policy and regulatory framework. Include a review of large-scale water transfers and their impact on groundwater resources. Make appropriate recommendations for legislation or state agency action to:

- Promote the achievement of planning goals under Chapter 36, Water Code, including those involving desired future conditions;
- Provide adequate transparency to the permit application process;
- Further the State's groundwater quality protection efforts, including an assessment of risks posed to groundwater by abandoned and deteriorated water wells and orphan oil and gas wells; and
- Promote conservation and waste prevention.

Urban Affairs Committee

- Study the effects of local governance, planning, and administration on the current state of municipal water and wastewater infrastructure. Examine the measures municipally owned utilities have taken and the costs required to maintain and improve that infrastructure. Make recommendations for cost-effective solutions to ensure reliable infrastructure and uninterrupted municipal utility services, especially during a severe weather event.

Ways & Means Committee

- Study and consider methods of providing additional property tax relief, including the use of \$3 billion in available American Rescue Plan Act funds that were held for future tax relief by the 87th Legislature, and other sources of revenue. Explore options to reduce business property tax burdens and options for limiting the growth of property tax bills.

The Lt. Governor provided interim charges to Senate committees as follows:

Water, Agriculture, and Rural Affairs Committee

Groundwater Management and Protection: Evaluate the status and effectiveness of the State's groundwater management process, including data used to support regional water planning and conservation goals. Report on the effectiveness of the State's groundwater protection efforts and whether statutory changes are needed to protect groundwater quality.

Local Government Committee

Special Purpose Districts: Perform a comprehensive study on the powers and purposes of various special purpose districts and their associated legislative templates. Make recommendations to improve public transparency in operations of special purpose districts and associated legislative templates.

Taxpayer Funded Lobbying: Study how governmental entities use public funds for political

lobbying purposes. Examine what types of governmental entities use public funds for lobbying purposes and what level of transparency is available to the public. Make recommendations to protect taxpayers from paying for lobbyists who may not represent the taxpayers' interests.

Efficiency Audits: Study the concept of efficiency audits for cities, counties, and special purpose districts and under what circumstances they should be performed. Evaluate whether efficiency audits provide Texans tools to combat wasteful government spending and report whether they are needed before local government tax ratification elections.

The Senate Water Agriculture and Rural Affairs Committee and the House Natural Resources Committee received testimony regarding plugging oil and gas wells and water wells, the effects of groundwater transfers, groundwater protection, and groundwater permitting process transparency. Senator Perry has said that he will be refiling SB 152, an omnibus bill supported primarily by the Farm Bureau. During the 87th Legislature, the bill did not make it to the Governor's office because it could not get through the House.

The Texas Alliance of Groundwater Districts has adopted five white papers related to the 87th Legislative Interim priorities and related to Legislation that will likely be refilled. Those white papers were presented to the Board.

The Water Conservation Association will not vote on any legislative priorities until December.

Action Agenda 3.g. - Receive report related to the Ogallala Project.

Mr. Walthour reported that in October, he met briefly with Congressman Jackson and his staff after the Congressman's stop at the Dumas Rotary Club. The meeting was a follow-up to a visit with Congressman Jackson's staff in May regarding updating a 1982 feasibility study that could lead to bringing surface water as an alternative water supply to the High Plains. The Ogallala Project, if found to be feasible, could lead to mitigating flooding and protecting the socio-economic viability of the six-state Ogallala-High Plains region.

Mr. Walthour stated that he followed up with a letter to the Congressman and his staff thanking them for setting aside a few minutes to permit the General Manager to introduce himself to the Congressman and his chief of staff and a District director after the meeting. Mr. Walthour also reported that he continues to request the Congressman's support in requesting Congress to authorize and fund updating the 1982 study if it is found to be feasible and to support the next steps to construct the project.

The Panhandle Regional Planning Commission (PRPC) Board of Directors passed a Resolution to recognize and support the efforts of the North Plains Groundwater Conservation District to seek Federal support for the import of water resources to the High Plains Region and an update to the 1982 Six-State High Plains-Ogallala Aquifer Regional Resources Study. The PRPC is a voluntary association of local governments in the Texas Panhandle. Established in 1969, the PRPC assists local governments in planning, developing, and implementing programs designed to improve the general health, safety, and welfare of the citizens in the Texas Panhandle. Mayor Tobe Shields from the City of Spearman is the PRPC's current chairman.

Mr. Walthour reported that he will be contacting the city, county and other local governments in the Panhandle requesting their support for the project.

Additionally, Mr. Walthour stated that he is firming cooperative efforts with the other five states in the High Plains region.

Action Agenda 3.j. - North Plains Groundwater Conservation District Board Officer Election.

Mr. Walthour reported:

The Board consists of members elected and qualified in accordance with the Enabling Act of the District, Chapter 36 of the Water Code, and the Election Code. Directors are elected at a general election each even numbered year to serve four (4) year terms. The terms are staggered providing for the election of four Directors and two years later the election of three Directors.

At the regular Board Meeting after the general election, Directors are sworn to office after the Board canvasses the elections and declares Directors elected and the newly elected Directors have filed the signed "Oath of Office" with the Secretary of State office. There is no limit on the number of terms a Director may be elected or re-elected.

Officers' Duties: Every two (2) years at the Board meeting when Directors are sworn to office, the President and Vice President Officer positions of the Board will be filled by succession. The order of succession is as follows: The Secretary shall succeed to the office of Vice President; and the Vice President shall succeed to the office of President. The vacancy in the office of the Secretary shall be filled by electing a Secretary by a majority vote of the Board. If the office of President or Vice-President is vacated during a term, succession of office shall automatically occur, and the Board shall elect a new Secretary.

Duties of President

The duties of the President include:

- a. Preside over Board meetings and proceedings of the Board;
- b. Develop the Agenda for Board Meetings;
- c. Is Chairman of the Executive Committee;
- d. Appointment of members to Committees of the Board other than the Executive Committee; and
- e. Represent the District on issues affecting the District beyond the local level.

Duties of the Vice President

The duties of the Vice President include:

- a. Preside over Board Meetings in the absence of the President;
- b. To see that the duties of the President are carried out in the absence of the President;
- c. Is Chairman of the Budget and Finance Committee;
- d. Is a member of the Executive Committee; and
- e. Work with the President to prepare for the succession to the office of President.

Duties of the Secretary

The duties of the Secretary include:

- a. Assure that a true and complete record of all meetings and proceedings of the Board are recorded;
- b. Attest on behalf of the District; and
- c. Is chairman of the Property Committee; and
- d. Is a member of the Executive Committee.

Members and officers serve until their successors are elected or appointed and sworn.

The General Manager recommended the Board elect a Secretary and Vice President and the other officer position of the Board be filled by succession consistent with the District's Director Policies.

Bob B. Zimmer nominated Daniel L. Krienke to serve as Vice President and moved that further nominations for Vice President cease. Justin Crownover seconded the motion, and it was approved by a majority vote of the Board with Daniel L. Krienke abstaining from the vote.

Daniel L. Krienke nominated Bob B. Zimmer to serve as Secretary of the Board and moved that further nominations for Secretary of the Board cease. Justin Crownover seconded the motion, and it was approved by a majority vote of the Board with Bob B. Zimmer abstaining from the vote.

Mark Howard succeeded to the office of President of the Board.

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

The standing committees and committee responsibilities of the Board are as follows:

Executive Committee: The Executive Committee shall meet as often as necessary and the duties include, but are not limited to:

- A. Discuss issues relative to policies of the District and bring recommendations to the Board;
- B. Discuss issues relative to the Director and Employee Policies; and
- C. Act on behalf of the District as instructed by the Board of Directors.

Budget and Finance Committee: The Vice President is Chairman of the Budget and Finance Committee. The President may appoint the membership of the committee. The Duties include:

- A. Develop an annual budget for Board consideration;
- B. Develop recommendations to the Board regarding procurement or sale of capital purchases; and
- C. Other duties assigned to them by the President or the Board of Directors.

Property Committee: The Secretary is Chairman of the Property Committee. The President may appoint the membership of the committee. The duties include:

- A. Develop recommendations for the repair or replacement of the buildings owned by the District that would require an expenditure more than the amount authorized in the annual budget of the District.

- B. Other duties assigned to them by the President or the Board of Directors. Committees: The President may establish other committees made up of members of the Board, the District staff, and/or Persons of the public for formulation of recommendations to the Board. The President may appoint the chair and membership of any committees. Committee members serve at the sole discretion of the President. Currently, the only other board committee that has been established by the president is the Agriculture Committee. The general manager recommends the President appoint members to the standing committees, establish other committees as appropriate and assign other duties to the committees as the President considers appropriate. The President or the president's designee serves the District as representative to Groundwater Management Area 1 Joint Planning. The general manager requests the President either designate himself or another board member to serve as GMA-1 Joint Planning Representative.

Mark Howard appointed the following committees:

Budget and Finance Committee:

Daniel L. Krienke – Chairman;
Harold Grall; and,
Justin Crownover.

Property Committee:

Bob B. Zimmer, Chairman;
Gene Born; and,
Allan Frerich.

Ag Committee:

Harold Grall, Chairman
Daniel L. Krienke;
Justin Crownover; and,
Zac Yoder, if he would like to continue to serve.

GMA-1 Representative:

Bob B. Zimmer.

Regional Water Planning Representative:

Daniel L. Krienke.

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

The General Manager reported that in October, that he directed District staff to provide notice to all permitted well owners and their agents reminding them of District Rule 5.1.5. The rule requires that the metering system shall remain on the well and be in proper operating condition at all times when Groundwater is being produced. If the Metering System ceases to operate correctly and/or it becomes necessary to remove the Metering System to make repairs and the Well is in operation, the Owner, or the Owner's legal representative, shall within 30 days:

- A. Inform the District of the date the Metering System ceased to operate, the date the Metering System will be removed, and the totalizer reading of the

Meter or the calculated Groundwater usage at the time the Metering System is removed;

- B. Inform the District of the date the Metering System was replaced and the totalizer reading of the Meter at the time the Meter was replaced, if the Metering System utilizes an hour Meter, the number of hours on the Meter at the time of replacement; and
- C. Make a determination of the amount of Groundwater, which was produced during the time the Metering System was not in operation. The General Manager shall work with the Well Owner to select the determination method.

For those owners who may have not known of District Rule 5.1.5, the General Manager set December 1, 2022, as the date on which this issue must be corrected.

Action Agenda 3.j. - Closed Session.

Executive Session - Section 551.071 of the Texas Government Code.

At 11:32 a.m., Justin Crownover moved to go into Executive Session in compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, §551.071, to obtain legal advice on matters in which the duty of attorneys to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflicts with Chapter 551. Mark Howard seconded the motion, and it was unanimously approved by the Board.

Executive Session: At 11:36 a.m., the Board went into Executive Session. At 12:19 p.m., Justin Crownover moved that the Board reconvene into regular session. Mark Howard seconded the motion, and it was unanimously approved by the Board.

The Board reconvened into regular session at 12:21 p.m.

Action Agenda 3.h. - Receive Quarterly Investment Report ending September 30, 2022.

The General Manager presented the quarterly investment report to the Board for the period from July 1, 2022, through September 30, 2022. The Investment Report reflected the North Plains Groundwater Conservation District's investment transactions for all District funds subject to the District's Public Funds Investment.

The report describes in detail the District's investment position as of September 30, 2022; states the maturity date of each separately invested asset that has a maturity date; and states the compliance of the investment portfolio of the District with the investment strategy expressed in the District's investment policy; and relevant provisions of Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act").

Standard of Care

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

Preservation and safety of principal;
Liquidity; and lastly,
Yield.

In determining whether an investment officer has exercised prudence with respect to

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

Investments

The District may invest in obligations of, or guaranteed by, governmental entities as provided in Section 2256.009(a) of the Act. The District’s board has authorized Perryton National Bank (PNB) as its primary depository and First State Bank as secondary depository. The funds held in those accounts are as follows:

Bank Accounts	Account Name	Account Number	September 30, 2022	Interest Rate
Perryton National Bank	Main Account	337	\$939,030.52	0.01%
Perryton National Bank	Default Reserve	116	\$11,225.00	Non-Interest Bearing
Perryton National Bank	Interest & Sinking	256	\$100.00	Non-Interest Bearing
First State Bank	Late Filer Fees	9005805	\$2,500.00	Non-Interest Bearing

The Perryton National Bank Default Reserve Account and the Interest & Sinking Account, as well as the First State Bank Late Filer Fees Account are non-interest-bearing accounts and are not included in analyzing maturity and interest rate.

Perryton National Bank is the District’s primary financial institution that provides the District’s main operating account. The main operating account and C.D.s at Perryton National Bank exceeds the FDIC insurance coverage so the bank pledges funds that are secured by securities more than FDIC insurance for all District funds deposited with the bank. The District is currently holding 3 pledged securities with an original face value of \$3,985,000.00. The Perryton National Bank Default Reserve Account and the Interest & Sinking Account are non-interest-bearing accounts by contract used to service Texas Water Development Board Loan for Water Conservation Center agriculture equipment construction. The First State Bank Account is used by the District to secure funds of well owners that filed their production reports late. Afterward, all remaining funds are swept from the account and are deposited in the District’s operating account at Perryton National Bank. The district holds \$399.01 in petty cash at its offices.

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

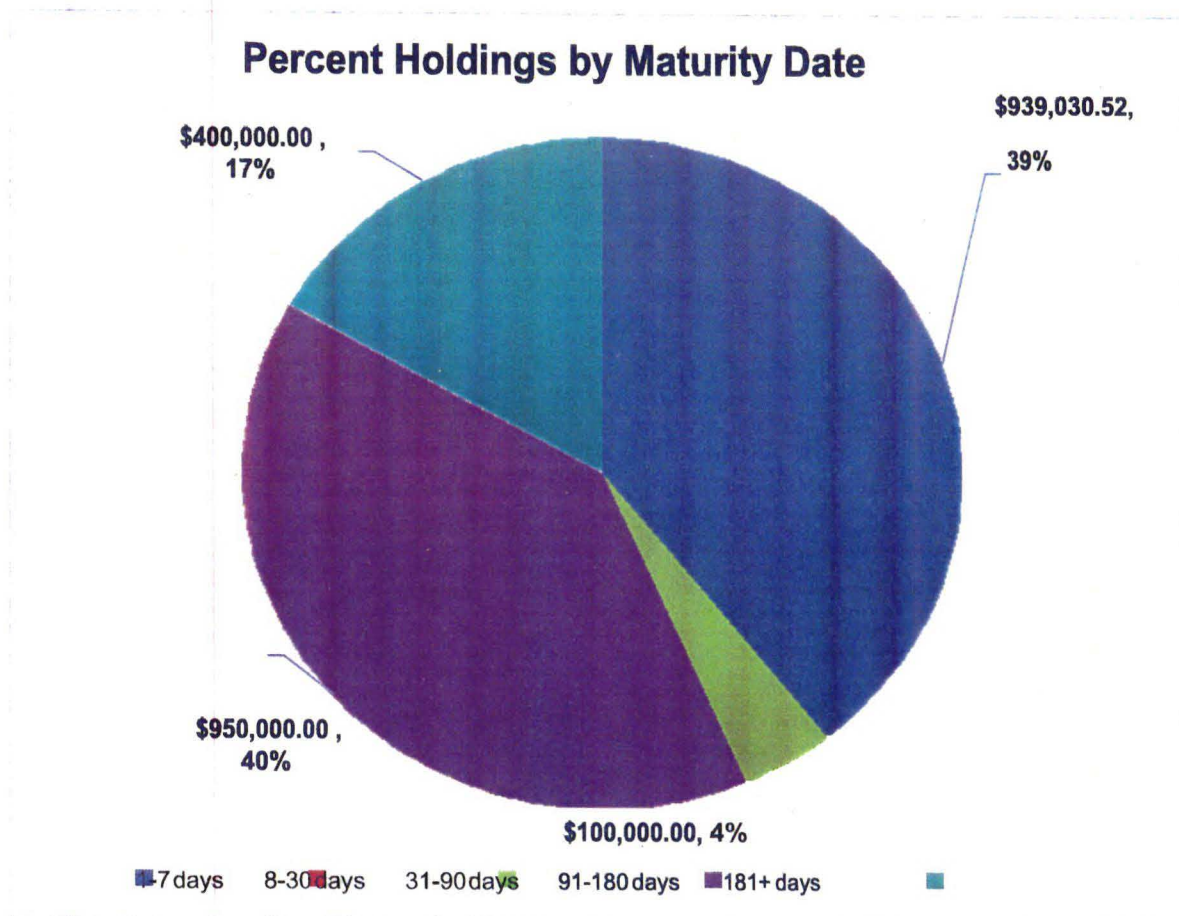
All interest from the C.D.s is paid by check to the District and deposited into the District’s Perryton National Bank main operating account. On September 30, 2022, the District has funds in its Perryton National Bank Main Account which renews daily, one CD set to mature between 31-90 days, six C.D.s set to renew between 91-180 days, and four C.D.s set to mature after 180 days. A summary of district funds by dollar amount, number of days until maturity, and weighted average maturity (WAM) is as follows:

Security Description	Investment Amount	Mat. in Days (DTM)	WAM
Perryton National Bank Main Account	\$939,030.52	1	0.39
First Bank Southwest CD 10000222	\$100,000.00	83	3.47
First National Bank CD 82938	\$100,000.00	108	4.52
First State Bank - Spearman CD 45152	\$150,000.00	115	7.22
Happy State Bank/Centennial Bank CD 11297	\$150,000.00	138	8.66

Dalhart Federal Savings & Loan CD 602-609183-3	\$150,000.00	139	8.73
Western State Bank CD 20855	\$250,000.00	141	14.75
Interstate Bank SSB CD 9361-13004190	\$150,000.00	178	11.18
First State Bank CD 21046	\$100,000.00	184	7.70
Dalhart Federal Savings & Loan CD 602-608808-8	\$100,000.00	215	9.00
Happy State Bank/Centennial Bank CD 12046	\$100,000.00	311	13.02
Perryton National Bank CD 21457	\$100,000.00	327	13.69
Total	\$2,389,030.52		102.34

The weighted average maturity (WAM) is used to illustrate the average amount of days it takes District investments to mature. The Perryton National Bank Account is the main operating account used by the District. Funds within this account are available within one day.

The following pie chart shows a snapshot of what percent of District's money is being held in longer investments versus money on hand. 39 percent of the District's investments are held in the main operating account with a less than seven-day maturity rate, whereas 40 percent of the District's investments are held in C.D.s with a maturity date between 91 and 180 days. The final two pieces of the pie are investments in one CD held for 31-90 days, and C.D.s held for more than 180 days. Currently the District has no C.D.s set to mature for 8-30 days. The highest interest rates the District receives on CD's is 1.50 percent. The pie chart representing the percent of holdings in investments based on the days to maturity is as follows:



District Yield Rates compared to U.S. Department of Treasury Par Yield Curve Rates

As of September 30, 2022 (last trading day of month), the U.S. Department of Treasury Par Yield Curve Rates for one month are 2.40 percent and the one year are 4.05 percent. This par yield curve, which relates the par yield on a security to its time to maturity, is based on the closing market bid prices on the most recently auctioned Treasury securities in the over-the-counter market. The par yields are derived from input market prices,

which are indicative quotations obtained by the Federal Reserve Bank of New York at approximately 3:30 PM each business day.

District Loan Obligations

The District has one loan agreement with the Texas Water Development Board. The original loan agreement (TWDB Account# 21743) was executed in October 2014 for \$620,000.00 to equip the North Plains Water Conservation Center. The loan is for ten years with an 0.11 percent annual fixed interest rate. Three years are remaining on the loan. The remaining loan amount as of September 30, 2022, and the remaining number of payments are as follows:

Loan	Account #	September 30, 2022	Notes
TWDB	21743	\$124,000.00	2 annual payments + 0.11% interest

The schedule of loan payments including interest is as follows:

Amount	Year
62,136	2023
62,068	2024

The General Manager stated that he believes that portfolio of the District North Plains Groundwater Conservation District follows the District’s Board-approved Public Funds Investment Policy and State law.

Action Agenda 3.n. - Consider recommendation(s) regarding matters discussed in closed session.

Daniel L. Krienke moved that the District assess a civil penalty against Jon and Sharon Engelbrecht regarding Well Number SH-12427 for violation of District Rules 5.1.5 and 5.3 in the amount of \$3,250.00 (\$50 per day from September 11, 2022, through November 15, 2022 = 65 days [\$50 x 65]); that the violations of District Rules 5.1.5 and 5.3 be cured by the Engelbrechts on or before December 20, 2022, and that the Englebrechts provide photographic evidence to the District that the violations have been cured on or before 5:00 p.m. on December 20, 2022; that if the Englebrechts fail to cure the violations and provide evidence to the District by such date and time, the District will seek enforcement of the \$3,250 civil penalty assessed against the Englebrechts by filing a lawsuit in the 69th Judicial District Court and the District shall also seek recovery of its court costs and attorney fees; and, that if the violations of District Rules 5.1.5 and 5.3 are timely cured by the Englebrechts and evidenced as provided above, the \$3,250 civil penalty will be dismissed by the District. Mark Howard seconded the motion, and it passed by the majority vote of the Board, with Gene Born not voting on the motion.

Discussion Agenda 4.b. - Committee Reports.

No Committee reports were presented to the Board.

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

The General Manager’s report was presented in the Board Packet, which included the General Manager’s activity summary, the District’s activity summary, permits issued in September and October 2022, Conservation Outreach Activities, Aquifer Science Activities, Well Inspections and Type Completed from September 1 through October 31, 2022, and percent of existing Wells visited September 1 through October 31, 2022.

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

With the exception of receiving a report from Gene Born, District Director reports were presented to the Board regarding meetings and/or seminars attended, weather conditions and economic development in each Director's precinct.

Adjournment.

There being no further business to come before the meeting, President Zimmer adjourned the meeting at 12:32 p.m.


Bob B. Zimmer, President


Mark Howard, Vice-President