

**MINUTES OF THE JULY 10, 2018
BOARD OF DIRECTORS MEETING OF
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

The Board of Directors of North Plains Groundwater Conservation District met in regular session July 10, 2018, at 9:30 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 9:30 a.m.:

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

Staff Present during part or all of the meeting:

Steve Walthour, General Manager;
Kirk Welch, Assistant General Manager – Outreach;
Kristen Blackwell, Executive Assistant;
Odell Ward, Program Coordinator – GIS/Monitor Wells;
Karen Jones, Administrative Support Specialist;
Chris Hanes, Natural Resource Specialist;
Julia Stanford, Conservation Outreach Specialist and
Dale Hallmark, Assistant General Manager – Hydrologist/Producer Services

Others present during part or all of the meeting:

F. Keith Good, Attorney;
Steve Amosson and
Leon New

President, Harold Grall, declared a quorum present and called the meeting to order at 9:35 a.m. Director, Mark Howard, gave the invocation and led the pledge.

1 – Public Comment

General Manager, Steve Walthour introduced Natural Resource Specialist Chris Hanes to the board.

2 – Consent Agenda

The Consent Agenda was discussed by the Board and consisted of: the review and approval of the Minutes of the regularly scheduled June 4, 2018 Board Meeting; the review and approval of un-audited District expenditures for May 1, 2018 through June 30, 2018, including the General Manager's expense and activity report; and the review and approval of payment to Lemon, Shearer, Phillips & Good, P.C. for professional services and out-of-pocket expenses from May 1, 2018 through June 30, 2018, in the amount of \$6,548.47.

Bob Zimmer requested action agenda 3j of the minutes be amended to reflect the \$25 per acre foot over the production limit was set previously and not at the June 4, 2018 meeting. Danny Krienke moved to approve the Consent Agenda and the minutes as amended. Mark Howard seconded the motion and it was unanimously approved by the Board.

Action Agenda 3a - Consider Resolution to Join Local Government Investment Pool Pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code.

General Manager Steve Walthour reported the District solicited proposals from TexPool, Texas Class, and First Fund.

Walthour reported that the using the fund meets Public Funds Investment Act requirement, but the Board must amend its Public Funds Investment Policy before the District can invests its funds in a local government investment pool. He stated he is working with General Counsel to amend the District's Public Funds Investment Policy and will bring this item back at a later date, after the Policy had been approved by the Board.

Action Agenda 3b - Review and Discuss General Managers Draft Proposed 2018-2019 District Budget.

The General Manager developed a preliminary budget for 2018-2019 fiscal year compared to the 2017-2018 fiscal year and requested the board committees meet before the August board meeting to work on their portions of the budget.

The Property Committee planned to meet July 17, 2018 at 3:00 pm, the Agriculture Committee planned to meet July 17, 2018 at 5:00 pm and the Finance Committee before the next scheduled Board of Directors meeting on August 8, 2018 at 9:00 am to develop a proposed budget for board consideration at its next meeting August 8, 2018 at 11:00 am.

Action Agenda 3c - Consider 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) are in compliance with the Rules of the District and the Well Permit application, the General Manager shall submit the Well Permit to the Board for final compliance approval.

The Board noted that Director, Mark Howard, had Well Permit numbers HA-9824 and HA-9825 and Harold Grall had MO-9842 on the permit schedule.

Danny Krienke moved to approve Well Permits HA-9824 and HA-9825, noting that the Wells are properly equipped and otherwise comply with District Rules. Justin Crownover seconded the motion and it passed by majority vote of the Board with Mark Howard abstaining from the vote.

Danny Krienke moved to approve Well Permit MO-9842, noting that the Well is properly equipped and otherwise comply with District Rules. Mark Howard seconded the motion and it passed by majority vote of the Board with Harold Grall abstaining from the vote.

Bob Zimmer moved to approve the remainder of the Well Permits on the Well Permit following list, noting that the Wells are properly equipped and otherwise comply with District Rules. Zac Yoder seconded the motion and it was unanimously approved by the Board.

<u>Well</u>	<u>Class</u>	<u>QTR</u>	<u>SEC</u>	<u>BLK</u>	<u>SUR</u>	<u>NS</u>	<u>EW</u>
DA-9886	C	NE/4	226	1-T	T&NO	728 N	648 E
DA-9923	C	NW/4	23	48	H&TC	417 N	436 W
DA-10183	C	NE/4	30	1	B&B	788 N	160 E
HA-9824	D	SW/4	-	-	J WOOD	245 S	28 W
HA-9825	C	NW/4	3	5	GH&H	34 N	159 W
HA-9844	C	NE/4	93	48	H&TC	441 N	450 E
HA-9922	C	NW/4	72	48	H&TC	867 N	582 W
HA-9924	B	SW/4	3	A-4	PSL	841 N	150 W
HA-10017	D	SE/4	1	-	ME Cole	210 S	844 E
HN-5107	C	NW	45	P	H&GN	868N	46W
HN-9960	C	SE/4	35	3	GH&H	378 S	491 E
LI-10082	C	NW/4	150	10	SPRR	865 N	105 W
MO-9804	C	SW/4	27	Q	H&GN	48 S	489 W
MO-9842	C	NE/4	344	44	H&TC	477 N	455 E
MO-9940	B	SE/4	232	3-T	T&NO	293 S	518 E
OC-10194	D	SE/4	49	4-T	T&NO	100 S	523 E
SH-9803	C	SE/4	27	Q	H&GN	122 S	138 E
SH-10019	B	NW/4	24	3-B	GH&H	121 N	244 W
SH-10034	C	NE/4	50	3-B	GH&H	409 N	116 E
SH-10043	D	SW/4	43	2	GH&H	545 S	605 W

Action Agenda 3d- Consider Texas Municipal League Rerate Notice for Employee Health Insurance.

General Manager, Steve Walthour informed the Board the Texas Municipal League Intergovernmental Employee Benefits Pool (TML) forwarded to the District a re-rate notice and benefit verification form for Employee Health Benefits guaranteed until October 1, 2019. A re-rate notice is used to set new rates for employee and dependent coverage for September 30, 2018 to October 1, 2019, the medical plan rates for the District will increase over the previous year's rates by 17%, and dental plan rates for the District will increase over the previous year's rates by 10%. The District Staff compared the TML benefits to four other health care insurance providers and found that even with the rate increase, the TML coverage is superior to the other health plans. Medical Plan and Dental plan rates on the notice are as follows:

Medical

	Current Rate	New Rate
Employee	571.14	668.24
Spouse	758.66	887.64
Child	385.70	451.28
Family	1091.74	1277.34

Dental

	Current Rate	New Rate
Employee	37.64	41.40
Spouse	39.62	43.58
Child	43.58	47.94
Family	77.90	85.70

Justin Crownover moved to approve the TML rerate notice for September 30, 2018 to October 1, 2018. Gene Born seconded the motion and it was unanimously approved by the Board.

Action Agenda 3e - Consider Action to Set Opt-Out Amount for Employees Who Have Access to Other Health Insurance Comparable to District's Health Insurance.

The District offers a comprehensive health benefit plan for all employees through TML Multistate IEBP. In 2011, the Board authorized a voluntary "Opt-Out" program for employees who are participating in other health benefit plans, comparable to TML Multistate IEBP's plan. The District adopted compensation to those employees as part of their salary and additional \$200/month for opting out.

Since the Board authorized the "Opt-Out" program, employee and family health care costs have increased substantially to the point the amount set by the board in 2011. Instead of authorizing a fixed amount of reimbursement for the "Opt-Out" Program, General Manager Steve Walthour requested the Board consider a percentage of the District's normal monthly health insurance costs per employee that would consider using the "Opt-Out" Program. For example, the District costs for proposed employee total insurance rate for health and dental is \$709.40 per month and the if the Board elected to pay 85 percent of the District's normal costs, then an "Opt-Out" monthly amount would be \$602.99 per month. Walthour felt the amount would be sufficient to allow an employee to seriously consider using their insurance they have access to through another program while covering the additional Social Security, Medicare, and retirement program costs to the District.

Zac Yoder moved the Board approve setting the employee reimbursement for the "Opt-Out" Program at 85 percent of the District's total monthly health insurance premium costs per employee. Gene Born seconded the motion and it was unanimously approved by the Board.

Action Agenda 3f- Receive Quarterly Investment Reports Ending December 31, 2017 and March 31, 2018.

General Manager Steve Walthour presented the District's quarterly investment reports for the period beginning October 1, 2017 through December 31, 2017 and January 1, 2018 through March 31, 2018 which reflected the District's investment transactions for all District funds subject to the District's Public Funds Investment Policy.

Action Agenda 3g - Consider Action to Approve Agreement with USGS to Water Quality Sample District Wells.

District General Manager requested the Board consider repeating the Geological Survey (USGS) District-wide survey of the groundwater quality of the Ogallala aquifer that was originally conducted in 2012. The study is scheduled on a five-year cycle to continue to build the District's base water quality dataset. USGS proposes to sample 15 wells in 2019 and 15 wells in 2020. The final report will be complete in 2021 and presented to the Board. The cost will be \$80,000 in 2019, \$80,000 in 2020 and \$37,000 in 2021.

Danny Krienke moved to instruct the General Manager to enter into a contract with the USGS to perform the proposed District water quality survey. Gene Born seconded the motion and it was unanimously approved by the Board.

Action Agenda 3h- Receive Final Report Regarding the North Plains GCD 3-4-5 Demonstration.

Leon New made a final report on the "3-4-5 Program" for 2017 and a summary report for the three-year program.

Action Agenda 3i- Receive Report Regarding the Master Irrigator Program for 2018.

Steve Amosson made a report to the Board regarding the Master Irrigator Program.

Action Agenda 3j- Consider Action to Approve Nicholas Kenny to Provide Irrigation Engineering Services as Needed for the District.

The General Manager reported to the Board that Leon New has indicated he is reducing his professional activities and is seeking an irrigation engineer that could provide services to the District on an as need basis. The General Manager recommended that the District retain Nicholas Kenny, PE to provide as needed engineering services. Mr. Kenny has a broad agricultural background highlighted by on-site crop production and agronomy; water resource, energy, and environmental design; project management, and on-farm research. Specific professional expertise includes center pivot and subsurface drip irrigation systems and irrigation strategies, comprehensive field and produce crop production systems, and on-farm energy management.

Kenny will establish and lead the procedures to accomplish designated consulting services. Project management and technical services related to equipment installation, application of irrigation conservation management technologies and practices and monitoring and recording data for each site; data analysis and review; and reporting and technology transfer.

The General Manger anticipated that Kenny will provide engineering related to water delivery systems and data tracking at the North Plains Water Conservation Center as well as consulting services related to engineering services in the District's other demonstration programs.

Mr. Kenny's consulting rate is \$75.00 per hour plus his travel expenses for his services beginning on the execution of the contract.

Justin Crownover moved the General Manager contract with Nicholas Kenny to provide irrigation engineering services for the District. Gene Born seconded the motion and it was unanimously approved by the Board.

Action Agenda 3k- Receive Report and Consider Action as Needed Regarding District Agriculture Irrigation Demonstration Conservation Programs and Other Water Conservation Education Initiatives.

No action was taken; however, District staff reported on conservation activities in the board packet. Highlighted in the activities included reporting that six Irrigation Conservation Initiative qualifiers have submitted their applications. Two have submitted invoices and we are awaiting invoices from four to begin making their reimbursements for irrigation management related equipment. The 29 qualified growers are each qualified

to apply for up to a 50-percent cost share on equipment. Eligible equipment includes, soil moisture probes, plant stress monitors, on-farm weather stations, well cut-off systems, telemetry, and pivot monitoring and control systems. Other items not on this list may be cost shared at the District's discretion while funds are available.

The program is funded by two recent grants from the TWDB, totaling \$300,000. To be eligible for funding through the ICI, producers are required to attend a District approved educational program and then report certain crop and usage information pertaining to the cost-shared equipment. Attendance at one of the District's two field days qualified producers to apply for funds. Additional opportunities to qualify for the funding may be announced in the future.

Checks Issued:

Zac Yoder, \$3,706.72 for purchase of weather stations and soil moisture probes.

The North Plains Water Conservation Center recorded an average between the multiple rain gauges of 4.08 inches over the last month. Irrigation totals since June are as follows: SDI cotton 1.5 inches, SDI corn 3.88 inches, East Pivot cotton .99 inches and West Pivot corn 3.71 inches. The well meters show 45.48 ac. ft. pumped in the last month. Cotton is squaring and has been sprayed for weeds. The dryland cotton and the irrigated corn are looking good.

Weather station demonstration partners Jeff Becker, Harold Grall, Danny Krienke, and Stan Spain attended a webinar hosted by David Sloane to learn how to access the data from their on-farm weather stations and soil probes. Basic data is available on the FieldClimate app or website, but there is more detailed irrigation information on the Metos Scheduler app or website. Full functionality of the scheduler is in the works, and Sloane will hold another training on July 10th at 2pm. A recording of the first webinar is available online.

Walthour discussed progress informing a cotton program advisory committee consisting of producers, cotton gins, academia, and Master Irrigator project advisory committee members that wish to serve to develop the District's water conservation program directed at cotton.

The district hosted members of the House Natural Resources Committee on Monday, June 4th. Four Price, DeWayne Burns, Paul Workman, Chairman Lyle Larson, and several of their staff members took a tour of the WCC and learned about district geology, agricultural conservation programs, district rules, meter program, Master Irrigator, and more.

Action Agenda 3I- Receive District Annual Report for 2017.

Assistant General Manager, Kirk Welch presented the 2017 annual report on North Plains Groundwater Conservation District's progress on each of the strategic goals included in its management plan. With the passing of Senate Bill 1 in 1997, the 75th Texas Legislature required groundwater conservation districts to design management plans to meet specific strategic goals as outlined in the legislation. Senate Bill 1 created a statewide groundwater management and planning process, while preserving local control over the process through the districts. The districts are required to examine and revise their management plan at least every five years. This report will be presented to the Board in a timely manner and then made available to the public. This report will also be used

during the upcoming legislative session to inform legislators of the District's activities and accomplishments. A copy of the most current annual report will be available for public review on the District website.

Action Agenda 3m- Consider Legal and Compliance Matters Before the District.

Walthour reported late filed 2017 Production letters and invoices were sent to eleven (11) producers for nineteen (19) late filed reports. A \$50 per day late filing fee was set up to \$500 for each report that was filed after March 1, 2018. The due date for the late filing fee is June 30, 2018 with an opportunity for reimbursement of the fee if the 2018 Production Report is filed with the District on or before January 15, 2019

As of July 2, 2018, fees have been paid by eight (8) producers for ten (10) late filed reports.

Exceeding 2017 Production Limit letters and invoice were sent to twelve (12) producers for seventeen (17) potentially overproduced GPU's (Groundwater Production Units). A \$25 per acre-foot over the production limit was set for the 1st offense and additional fees for each subsequent offense for the same GPU. The due date to pay the fees or re-establish the GPU was set for June 30, 2018.

As of July 2, 2018, sixteen (16) overproduced GPU's were resolved by re-establishing GPU's, recalculating production or paying overproduction fees. Director Zimmer inquired if the filing fee was correct. Walthour said he would check into the matter.

Discussion Agenda 4a - Director Reports.

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

Discussion Agenda 4b - Committee Reports.

None, except as stated above.

Discussion Agenda 4c - General Manager's Report.

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

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

The date and time of the next regular meeting of the Board was scheduled for August 8, 2018 at 11:00 am.

Agenda 6 - Adjournment.

There being no further business to come before the meeting, Justin Crownover moved to adjourn the meeting. Bob Zimmer seconded the motion and it was unanimously approved by the Board. President Grall adjourned the meeting at 12:41 p.m.


Harold Grall, President


Bob B. Zimmer, Secretary