

**MINUTES OF THE JULY 19, 2022  
BOARD OF DIRECTRS MEETING OF  
NORTH PLAINS GROUNDWATER DISTRICT**

The Board of Directors of North Plains Groundwater Conservation District met in regular session on July 19, 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 9:04 a.m.:**

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

**Staff present during part or all of the meeting:**

Steve Walthour, General Manager;  
Kirk Welch, Assistant General Manager;  
Kristen Blackwell, Administration Manager;  
Odell Ward, Aquifer Science Manager;  
Lou Orthman, Compliance Coordinator;  
Curtis Schwertner, Natural Resource Specialist;  
Baylee Barnes, Conservation Outreach Specialist; and,  
Krystal Donley, Administrative Assistant.

**Others present during part or all of the meeting:**

Kyle Frerich;  
Mandi Tapp, Natural Prairie - Northside  
Nich Kenny, via Zoom;  
Shelly Burnett, Court Reporter;  
F. Keith Good; and,  
Ellen Orr, Paralegal.

President Zimmer declared a quorum present and called the meeting to order at 9:04 a.m. President Zimmer gave the invocation and led the pledge.

At 9:05 a.m., President Zimmer recessed the regular Board meeting and opened the NPGCD 022-001 Show Cause Hearing regarding Kyle Frerich, d/b/a 2F Brothers.

At 9:35 a.m., President Zimmer closed the NPGCD 022-002 Show Cause Hearing of Kyle Frerich, d/b/a 2F Brothers.

President Zimmer reconvened the regular Board meeting at 9:36 a.m.

**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 Meetings

held on June 14, 2022 (b) the review and approval of un-audited District expenditures for June 1, 2022 through June 30, 2022, including the General Manager's expense and activity reports; and (c) the review and approval of payment to Lemon, Shearer, Phillips & Good, P.C. for professional services and out-of-pocket expenses incurred from June 1, 2022 through June 30, 2022 in the amount of \$7,225.77.

Harold Grall moved to approve the Consent Agenda. Justin Crownover seconded the motion, and it was unanimously approved by the Board.

***Action Agenda 3.a. - Consider action regarding formal show cause hearing NPGCD 022-001, regarding Kyle Frerich d/b/a 2F Brothers, in apparent violation of District Rule 4.7.***

***Action Agenda 3.h. - Closed Session.***

### **Executive Session - Section 551.071 of the Texas Government Code.**

At 9:38 a.m., Harold Grall 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. Justin Crownover seconded the motion, and it was approved by the majority vote of the Board, with Mark Howard abstaining from the vote.

Executive Session: At 9:42 a.m., the Board went into Executive Session. At 10:12 a.m., Harold Grall moved that the Board reconvene into regular session. Zac Yoder seconded the motion, and it was unanimously approved by the Board.

The Board reconvened into regular session at 10:17 a.m.

Daniel L. Krienke moved that the District assess a civil penalty against Kyle Frerich, d/b/a 2F Brothers, in the amount of \$6,500.00, for violation of District Rule 4.7 from October 22, 2021 to March 1, 2022 (130 days x \$50.00 per day), that the District provide Kyle Frerich with a steel plate (on July 19, 2022) to cap the output port (by welding or attaching the steel plate with screws to the output port) of Well No. DA-1302 before August 18, 2022, to provide photographic evidence of the attachment of the steel plate on the output port of the well by August 18, 2022; and to authorize the District's General Manager and General Counsel to offer a Settlement Agreement to Kyle Frerich, d/b/a 2F Brothers, with the same terms as those previously set by the District. Harold Grall seconded the motion, and it was unanimously approved by the Board.

***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) are in compliance with the Rules of the District, and the Well Permit application, the General Manager shall submit the Well Permit to the Board for final compliance approval.

The General Manager reported that the District staff had processed 30 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 216 non-exempt Well Permits had been issued by the District since January 1, 2022; that 63 Exempt Wells had been Registered since January 1, 2022; and that 90 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-11410	B	NW/4	5	1	CSS	65 N	126 W
DA-11413	B	NE/4	2	1	CSS	836 N	109 E
DA-11792	B	NE/4	58	5	CSS	147 N	215 E
DA-11793	B	NE	58	5	CSS	560 N	402 E
DA-11794	B	SE	45	4	CSS	391 S	733 E
DA-11853	B	SE	40	7	CSS	563 S	279 E
DA-11854	B	SE	40	7	CSS	109 S	115 E
DA-11992	C	NW	52	5	CSS	253 N	894 W
HA-11764	D	NE/4	65	48	H&TC	3 N	25 E
HA-11834	B	NE	51	48	H&TC	439 N	449 E
HA-11835	B	NE	130	44	H&TC	117 N	214 E
HA-11840	C	NE	25	14	CSS	512 N	43 E
HA-11843	C	SE	100	48	H&TC	38 S	159 E
HA-11869	C	NW	18	5	CSS	60 N	520 W
HA-11881	C	SW/4	46	11	CSS	1086 S	127 W
HA-11884	C	SE	59	13	CSS	104 S	318 E
HA-11886	C	SW/4	ME Cole	NONE	NONE	281 S	876 W
HA-11887	C	NW	ME Cole	NONE	NONE	687 N	109 W
HA-11915	C	SW	26	11	CSS	284 S	15 W
HA-11941	B	NW/4	62	21	CSS	138 N	423 W
HA-11983	C	SW	24	5	GH&H	459 S	565 W
MO-11985	B	NW	109	3-T	T&NO	376 N	157 W
MO-11986	B	NE	109	3-T	T&NO	699 N	465 E
MO-11987	B	SE	109	3-T	T&NO	825 S	459 E
MO-11988	B	NE	109	3-T	T&NO	796 N	705 E
SH-11848	C	NE	437	1-T	T&NO	38 S	814 E
SH-11965	C	SW	42	2	GH&H	27 S	175 W
SH-11974	C	NW/4	129	1-C	GH&H	105 N	732 W
SH-11979	D	NE/4	32	2-B	GH&H	109 N	528 E
SH-11980	D	NW/4	32	2-B	GH&H	145 N	687 W

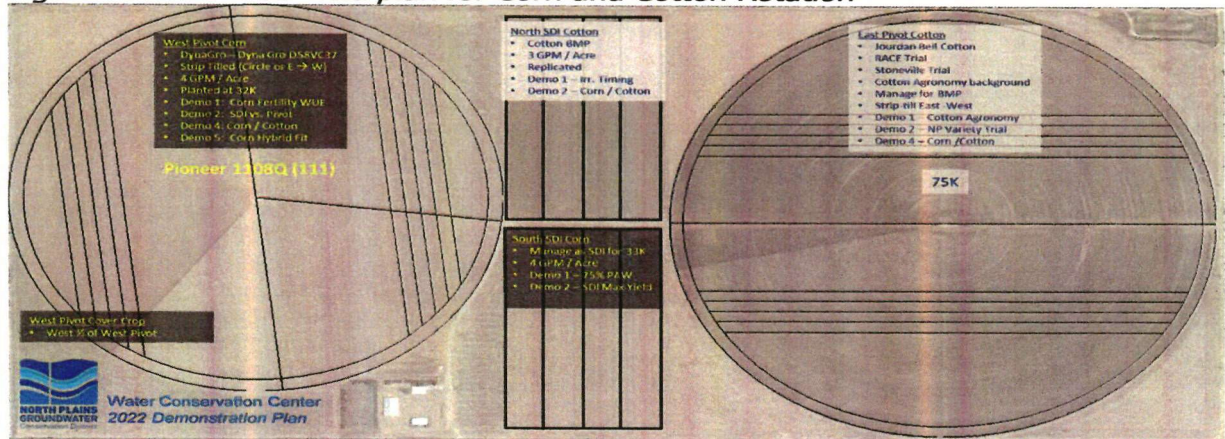
Daniel L. Krienke moved that the Board approve all the Well permits on the Well permit schedule, noting that the Wells are properly equipped and otherwise comply with District Rules. Harold Grall seconded the motion, and it was unanimously approved by the Board.

**Action Agenda 3.c. - 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:

12 July 2022 – NPGCD Water Conservation Center Update  
Nicholas Kenny, P. E.

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



**Irrigation through 11 July 2021 (including herbicide and pre-water)**

**Corn** Plant Date: 12-20 May 2022  
West Pivot: 10.9 Inches (4.3 Inches pre-water)  
South SDI: 8.4 to 9.8 Inches

**Cotton Plant** Date: 13-14 May 2022  
East Pivot: 9.55 Inches (3.9 Inches pre-water)  
North SDI: 6.0 to 7.7 Inches

- In-season rainfall 4.75 inches
- Soil profile Full as of 11 July, at Critical Management point.

*Figure 2: Cotton on the North side of the East Pivot. These are Jourdan Bell's RACE plots and Stoneville plots. The decision was made to locate the more intense demonstration projects under the pivot to improve germination.*





Figure 3: East Pivot GroGuru chart. This is the 4<sup>th</sup> season the GroGuru probes have been in place, continuously logging the corn and cotton rotation. The East Pivot is in Cotton in 2022. Notice how similar the chart looks to the 2020 early season progression. Also note the topsoil moisture depletion from the 2021 corn and absence of off-season precipitation in 2020 and 2021.

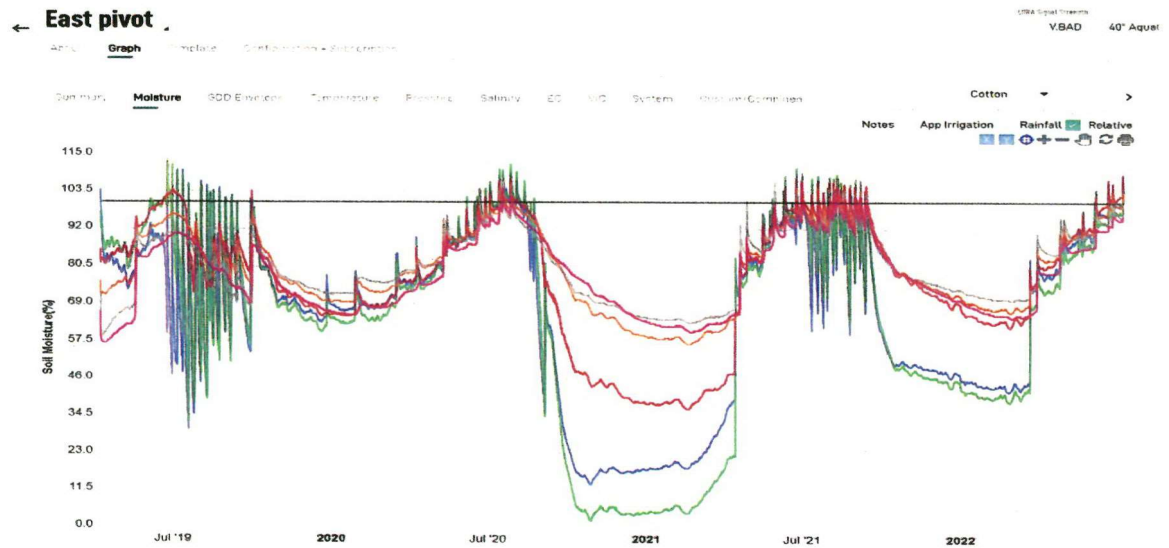


Figure 4: East Pivot cotton planting map. Cotton efforts were concentrated under the pivot to improve germination and continuity with the highest number of acres in the District.

### East Sprinkler

Start Spain | NPGW

Cotton - Planted 5/13/22 - 5/14/22

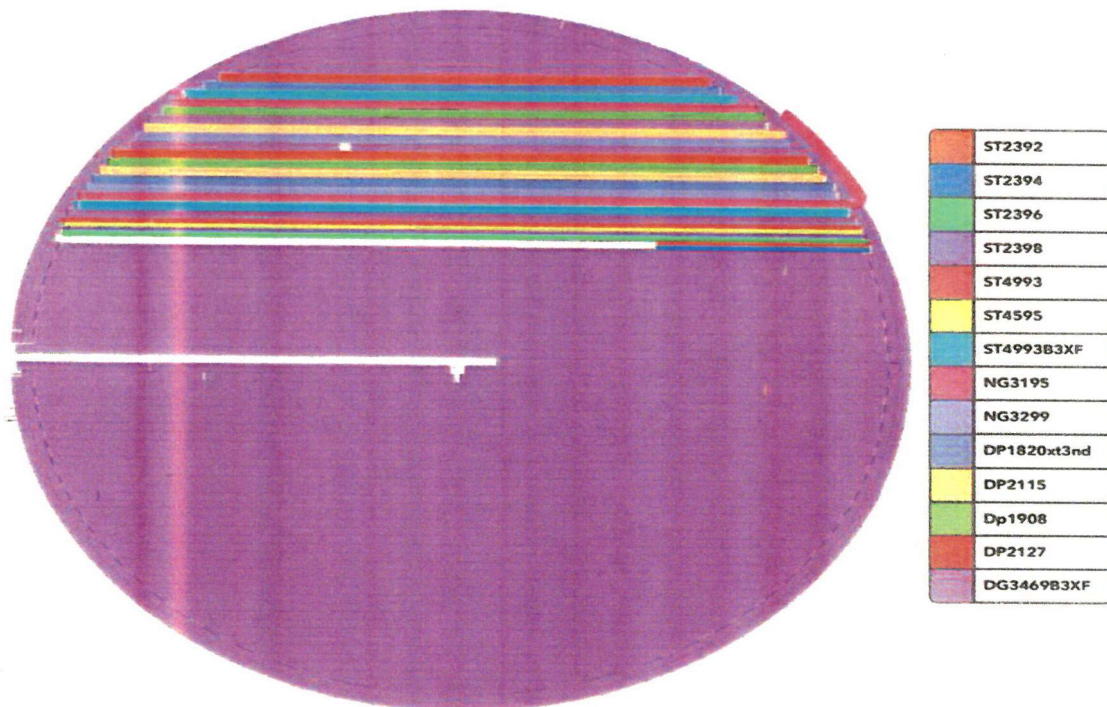


Figure 5: South SDI Corn on 11 July. Notice the uniformity and coloration. Crop stage is between V10 and V12, not showing signs of tassel formation.



Figure 6: GroGuru moisture chart in West Pivot Corn. Profile was filled on approximately 15 June. Critical Management Point began on approximately 25 June. This is much earlier than typical.

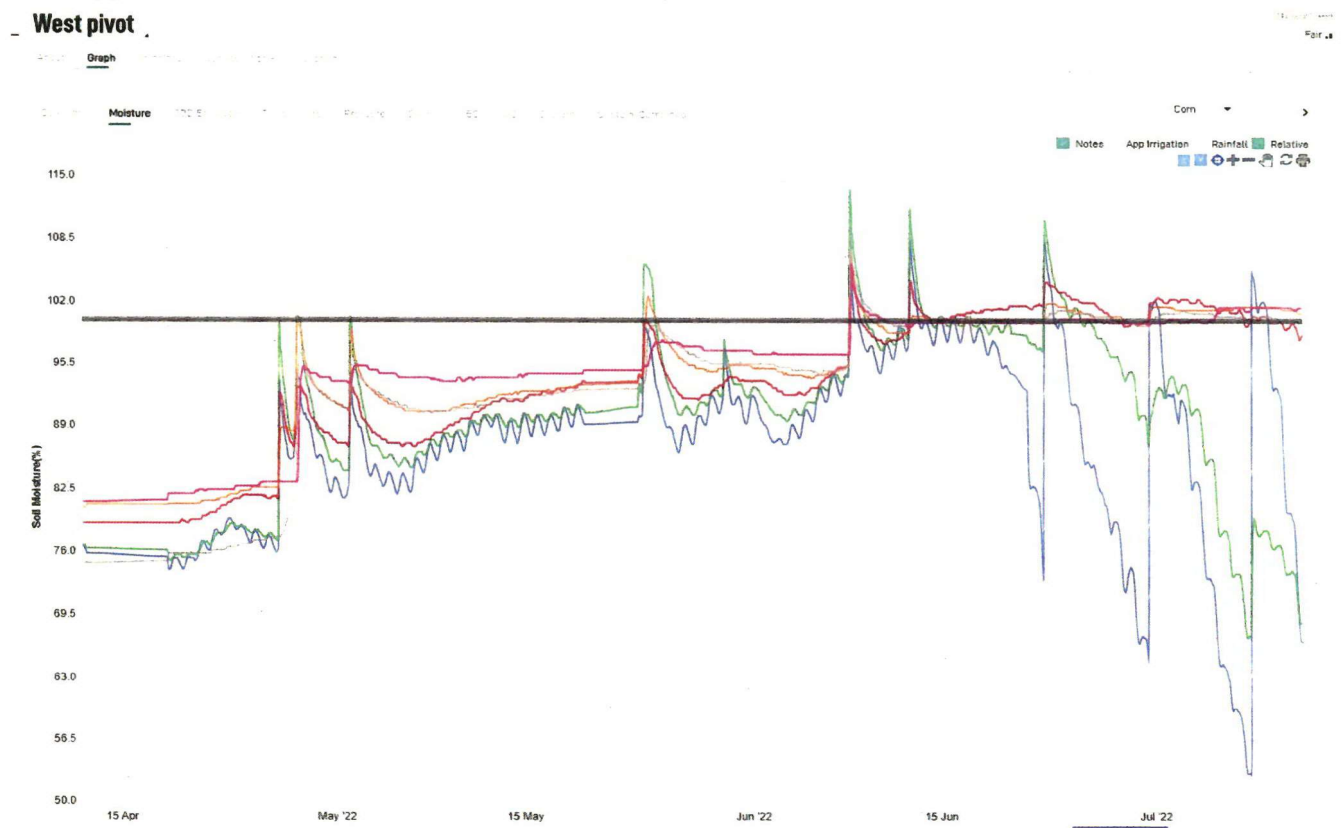
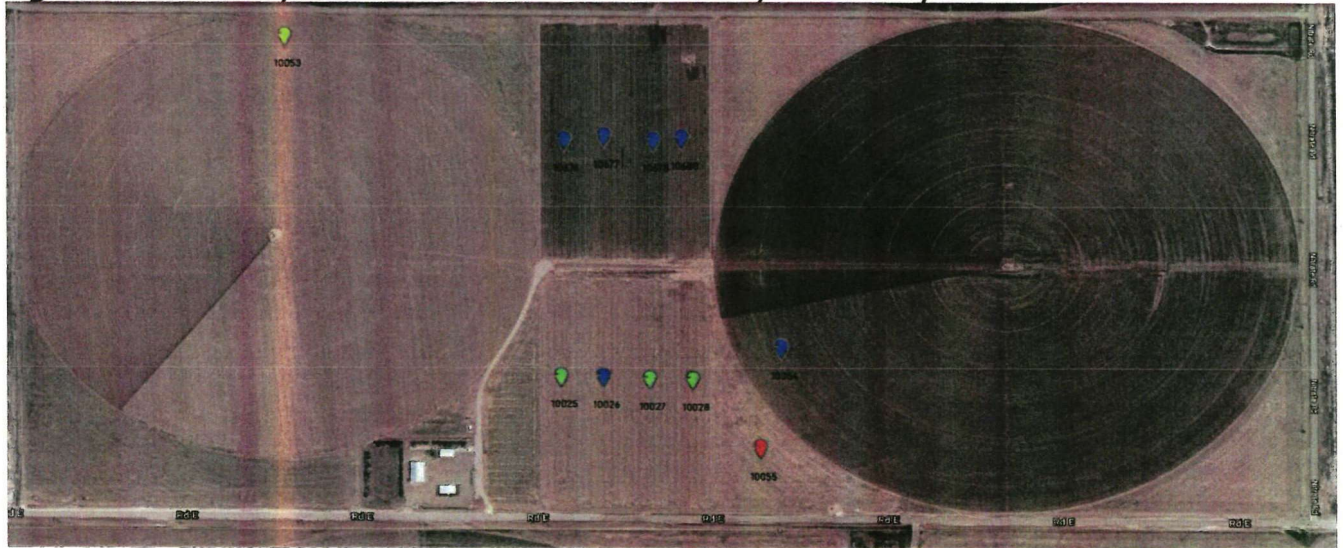




Figure 7: AquaSpy probe locations at WCC. 18 Seasonal probes are installed in 2022.



Figure 8: GroGuru probe locations at WCC. 11 Total permanent probes are installed.



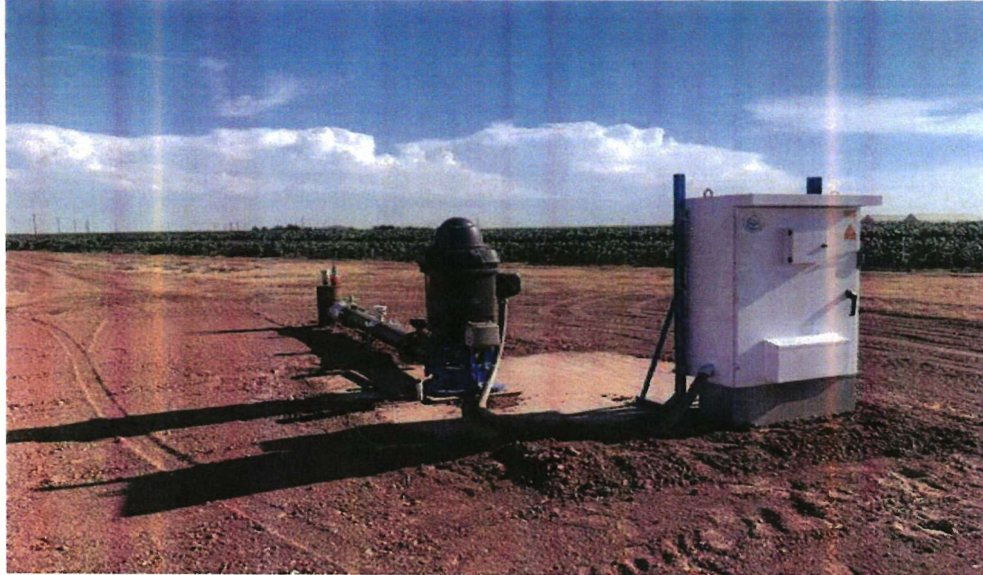
### **WCC North Well**

The North Well is currently in operation at the Water Conservation Center. The last two portions of the project were heavily delayed by making the decision to allow Rita Blanca electricity to be delivered to Dee Vaughan. At the time of this report, both electrical services (WCC North Well and Dee Vaughan's well) are operating reliably on Rita Blanca grid power.

Rita Blanca powerlines were installed in late April. The electrical service and pipeline tie-in was completed by AgH2O and Top of Texas, respectively, on 15 June. Early water production is concerning as the well is producing 320 GPM at 21PSI while operating at 60HZ. The expected capacity was 400 GPM based on pump testing. A thorough evaluation of the pumping conditions is being performed during the week of 11 July to identify the discrepancy between the pumping test well performance and the current production.



*Figure 9: North Well site, looking from North to South. Stan's sweet corn is in the background.*



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

***Master Irrigator***

The Ag Committee met on June 23 to discuss remaining Master Irrigator funding. Approximately \$130,000 in TWDB cost-share funding is available for the MI Class of 2021 after current requests are reimbursed. According to the original grant request and the TWDB-approved amendment, the funds in this grant may be used for Master Irrigator cost-share but may also be used for other eligible conservation projects within the District. The ag committee is further investigating options to utilize the funding to deploy more conservation practices within the District and may have a recommendation to the full Board.

***Cotton and Conservation Program***

The C&C is moving forward in its third year, producing educational videos documenting the cotton production process in the District. Dr. Jourdan Bell and other Texas A&M AgriLife agents provide timely content covering multiple cotton fields across the District. NPGCD provides video production and distribution services. The videos are available on the District website as well as the North Plains Groundwater Conservation District YouTube channel.

***Action Agenda 3.d. - Consider General Manager's recommendation regarding proposing the District's budget for 2022-2023.***

Steve Walthour presented the following report to the Board:

As a taxing entity, the District must propose a budget to determine its fiscal needs before setting a tax rate. The General Manager had analyzed the District's fund balance reserves and developed a preliminary 2022-2023 budget for the purposes of developing and estimating a tax rate and providing a starting point for the Board to finally adopt a budget.

The District began 2021-2022 budget year with \$2,648,748.96 total fund balances. As of June 30, 2022, the District's cash and certificates of deposit are \$2,957,446.98. By the end of this fiscal year (EOY) the General Manager estimated that the funds will be reduced by \$482,946.48 leaving \$2,474,500.50 in reserves to start the 2022-2023 budget year. If



the District elects to keep the same tax income for 2022-2023 as the previous year, and adopts the income and expense budget shown below, the District will further decrease its general fund reserves by \$293,256.00 to \$2,181,244.50. Normally, the District does not spend all the expense budget. The District's preliminary income and expense budget for 2022-2023 is as follows:

Income Description	Current 2021-2022 Budget	Estimate 2021-2022 EOY	2022-2023 Income Budget	Explanation
Taxes	2,159,217.05	2,128,638.86	2,159,220.00	
Penalties and Interest	15,600.00	18,255.52	15,600.00	
Delinquent Taxes	14,800.00	6,498.06	14,800.00	
North Plains Water CC	42,000.00	42,000.00	42,000.00	Field Lease
Refunds	5,000.00	1,900.23	3,000.00	
Sale of Assets	5,000.00	2,588.00	3,000.00	Primarily equipment
Fees for District Services	160,000.00	222,005.70	200,000.00	Primarily Permitting
Other Income	16,000.00	126,544.10	50,000.00	Compliance and mis income
Grants	400,000.00	157,493.63	500,000.00	TWDB ICI, MI, Meter Grants
Investment Income	9,000.00	8,258.48	8,000.00	Estimated based on current rate
Dallam Co. PGMA fees	70,000.00	84,000.00	70,000.00	Based on 2021-2022
Export Fees	50,000.00	56,628.88	56,000.00	City of Borger (Variable)
<b>Total Income</b>	<b>2,946,617.05</b>	<b>2,854,811.46</b>	<b>3,121,620.00</b>	

Expense Description	Current 2021-2022 Budget	Estimate 2021-2022 EOY	2022-2023 Expense Budget	Explanation
Director's Expense	50,000.00	36,150.78	45,000.00	District related expenses, mileage, meals, meetings, training
Personnel	1,297,000.00	1,281,260.40	1,318,800.00	Employee salaries and benefits
Administrative	160,000.00	150,326.30	150,000.00	
Contracted Services	130,700.00	101,886.50	101,940.00	CAD, Region A, and GMA-1 Costs
Professional Fees	220,000.00	214,475.21	225,000.00	Ogallala Project, Legislative, Legal
Tech., Comm., & Utilities	305,000.00	325,879.73	255,000.00	
Vehicle; Bldg; Field; Supplies	127,000.00	123,210.95	127,000.00	Vehicle, Building Maint. Repair, fuel
Capital Outlay	450,000.00	407,607.64	90,000.00	Equipment replacement
Aquifer Science	78,000.00	71,994.62	80,000.00	Includes Hydrologist Contract, observation well maintenance and supplies
Conservation Outreach	460,000.00	275,526.32	645,000.00	Radio, Meter program, ICI/MI program, etc. Partially funded TWDB Meter & MI Grants
Conservation Demo Project	305,000.00	238,117.12	305,000.00	Irrigation Demonstrations - MI moved to Cons. Outreach
North Plains WCC	10,000.00	7,597.74	10,000.00	Small equipment and repair
Transfer Out	62,205.00	62,205.00	62,136.00	WWC Irrigation Equipment - Principle \$62,000 and Interest \$136.00
<b>Total Expenses</b>	<b>3,654,905.00</b>	<b>3,296,238.31</b>	<b>3,414,876.00</b>	
<b>Total Net Income/Expenses</b>	<b>-708,287.95</b>	<b>-441,426.85</b>	<b>-293,256.00</b>	

The total funding sources for this draft proposed 2022-2023 budget are as follows:

2022-2023 Funding Sources	Amount	Total Percent Funds
Grants and Outside Assistance	500,000.00	14.6%
Taxes - PGMA Fees - Export Fees	2,315,620.00	67.8%
Other regulatory, Export, WCC & investment Income	306,000.00	9.0%
<b>Subtotal</b>	<b>\$3,121,620.00</b>	<b>91.4%</b>



<b>Funds from Reserves</b>	<b>Amount</b>	<b>Total Percent</b>
District Reserves (Additional)	293,256.00	8.6%
Net Income, Reserves & Expenses	3,414,876.00	100.0%
<b>2022-2023 Fiscal Year End District Reserves</b>	<b>\$2,181,244.50</b>	

Mr. Walthour reported that the Finance Committee and the Agriculture Committee have not met regarding this recommended budget. The Board may either wait for input from those committees and propose a budget in August that will need to be adopted in September, or the Board may propose the budget and elect to amend the proposed budget or adopt the proposed budget in August.

The General Manager recommended that the Board propose an expense budget as follows:

<b>Budget Item</b>	<b>Amount</b>
Director's Expense	45,000.00
Personnel	1,318,800.00
Administrative	150,000.00
Contracted Services	101,940.00
Professional Fees	225,000.00
Tech., Comm., & Utilities	255,000.00
Vehicle; Bldg; Field; Supplies	127,000.00
Capital Outlay	90,000.00
Aquifer Science	80,000.00
Conservation Outreach	645,000.00
Conservation Demo Project	305,000.00
North Plains WCC	10,000.00
Transfer Out	62,136.00
<b>Total Expenses</b>	<b>3,414,876.00</b>

Daniel L. Krienke moved that the Board propose the budget as presented for 2022-2023, and amend the budget in August, if necessary, based on the Agriculture and Finance Committees' additional input. Justin Crownover seconded the motion, and it was unanimously approved by the Board.

***Action Agenda 3.h. - Receive report regarding monitor well construction in Dallam County.***

Odell Ward presented the following report to the Board:

In June, Eric Emerine from Enviro-Ag Engineering approached the District requesting any available Dockum Aquifer water quality and depth to water data. The engineer stated that Hilmar Cheese (HCC) wanted to explore the water quality and quantity of the Dockum Aquifer, anticipating increasing future water needs at its facility in Dalhart. Hilmar's intent is to drill and isolate a well in the Dockum Formation, take samples for water quality and then plug the well. The project construction cost is estimated at \$100,000.

After a review of the District's available datasets, the General Manager and the Aquifer Science Manager believe that the well would provide valuable data for HCC regarding water usability. In addition, the District believes that keeping the well open would provide valuable ongoing data. Therefore, the District staff proposed to share in the cost of construction and equipping a Dockum monitor well with HCC. HCC will construct and complete the well within the Dockum Formation in the proposal. HCC will conduct the initial water quality sampling of the Dockum formation near their Dalhart cheese facility. Upon testing completion, HCC will allow the District to access the well for data collection, testing, and telemetry monitoring. The District will cost



share the construction of the well at 1/3 (not to exceed \$35,000) of the total construction cost. The District will install telemetry monitoring equipment and share all data with HCC. The data collected will also be available to the public through the District's website and interactive map.

The monitoring well will be added to the annual water level program. Additionally, the well will be pump tested for water quality bi-annually as part of the monitor well and water quality programs. In consideration, HCC agreed to allow the District access to the well for ten years for data collection.

***Action Agenda 3.f. - Consider splitting costs for employee spouse, children, and family health insurance benefits.***

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

***Action Agenda 3.h. - Closed Session.***

#### **Executive Session - Section 551.071 of the Texas Government Code.**

At 11:15 a.m., Harold Grall 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. Justin Crownover seconded the motion, and it was unanimously approved by the Board.

Executive Session: At 11:23 a.m., the Board went into Executive Session. At 12:22 p.m., Harold Grall moved that the Board reconvene into regular session. Justin Crownover seconded the motion, and it was approved by the majority vote of the Board, with Mark Howard abstaining from the vote.

The Board reconvened into regular session at 12:23 p.m.

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

By consensus, the Board set its next regular Board meeting on August 17, 2022, at 9:00 a.m.

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

No General Manager's report was presented to the Board at the meeting.

***Discussion Agenda 4.b. - Committee Reports.***

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

**Agenda 6. - Adjournment.**

There being no further business to come before the meeting, Harold Grall moved to adjourn the meeting. Justin Crownover seconded the motion, and it was unanimously approved by the Board. President Zimmer adjourned the meeting at 12:28 p.m.

  
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Bob B. Zimmer, President

  
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Zac Yoder, Secretary