

**MINUTES OF THE JUNE 14, 2022
BOARD OF DIRECTORS MEETING OF
NORTH PLAINS GROUNDWATER DISTRICT**

The Board of Directors of North Plains Groundwater Conservation District met in regular session on June 14, 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 9:03 a.m.:

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

Staff present during part or all of the meeting:

Steve Walthour, General Manager;
Kirk Welch, Assistant General Manager;
Kristen Blackwell, Administration Manager;
Odell Ward, Field Operations Manager;
Dusty Holt, Permitting Specialist/Finance Assistant;
Paige Glazner, Conservation Outreach Assistant;
Baylee Barnes, Conservation Outreach Specialist; and,
Krystal Donley, Administrative Assistant.

Others present during part or all of the meeting:

Todd Williams;
Paula Williams;
Jason Wilhelm;
Janice Hoelting, CSR, Panhandle Court Reporting;
F. Keith Good; and,
Ellen Orr, Paralegal.

President Zimmer declared a quorum present and called the meeting to order at 9:03 a.m. F. Keith Good gave the invocation and President Zimmer led the pledge.

At 9:05 a.m., President Zimmer recessed the regular Board meeting and opened the NPGCD 022-002 Show Cause Hearing of Jason Wilhelm.

At 9:08 a.m., President Zimmer recessed NPGCD 022-002 Show Cause Hearing regarding Jason Wilhelm because President Zimmer received a message that Jason Wilhelm was enroute to the hearing.

President Zimmer reconvened the regular Board meeting at 9:08 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 ratification of the Minutes of the regularly scheduled Board of Directors Meeting held on January 11, 2022 and the review and approval of the Minutes of the regularly scheduled Board of Directors Meeting held on April 12, 2022; (b) the review and approval of un-audited District expenditures for January 1, 2022 through February 28, 2022 and April 1, 2022, through May 31, 2022, including the General Manager's expense and activity reports; (c) the review and approval of payments to Lemon, Shearer, Phillips & Good, P.C. for professional services and out-of-pocket expenses incurred from January 1, 2022 through February 28, 2022 in the amount of \$7,719.76 and from April 1, 2022, through May 31, 2022, in the amount of \$10,591.73; (d) the review and approval of the Moore County Tax Collection Contract for 2022-2023; the review and approval of the Texas Health Benefits Pool renewal notice for employee health insurance, including EyeMed option F; and the review and adoption of an order under Section 31.05 of the Texas Property Tax Code allowing discounts from the Lipscomb County 2022 ad valorem tax if paid before January 2023.

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

Action Agenda 3.b. - Consider resolution regarding optional personal property taxation in 2022 for the North Plains Groundwater Conservation District to property owners in Dallam, Sherman, Hansford, Ochiltree, Lipscomb, Hartley, Moore and Hutchinson Counties, Texas.

The General Manager stated that annually, the North Plains Groundwater Conservation District determines whether it will tax optional personal property including:

- Personal Boats;
- Personal Vehicles;
- Airplanes;
- Motor homes; and
- Trailers.

If an entity decides to tax any of the above listed property, the entity must tax all the above. Historically, the Board has chosen not to tax the optional personal property.

The General Manager recommended that the Board ratify adopting the resolution not to collect the above mentioned optional personal property taxes for 2022 in Dallam, Sherman, Hansford, Ochiltree, Lipscomb, Hartley, Moore and Hutchinson Counties, Texas.

The resolution previously adopted by the Board was presented to the Board.

Justin Crownover moved that the Board ratify the adoption of the resolution presented at the meeting for the District to forgo collecting optional ad valorem personal property taxes for 2022 in Dallam, Sherman, Hansford, Ochiltree, Lipscomb, Hartley, Moore and Hutchinson Counties, Texas. Mark Howard seconded the motion, and it was unanimously approved by the Board.

Action Agenda 3.c. - Consider Homestead Exemptions for 2022.

The General Manager reported that due to an administrative error that occurred, the approval of the Homestead Exemptions for 2022, needed to be ratified by the Board.

The following information was provided to the Board in the Board packet.

Historically, the District had adopted the following exemptions. The General Manager recommended that the Board ratify the adoption of the following ad valorem tax exemptions for the District for calendar year 2022:

- The greater of 10 % of the taxable value or \$10,000 for a Homestead;
- \$100,000 – for persons over 65;
- \$100,000 - Disability SS; and,
- The maximum percentage for Disabled Veterans.

Mark Howard moved that the Board ratify adopting the following ad valorem tax exemptions for the District for calendar year 2022:

- The greater of 10 % of the taxable value or \$10,000 for a Homestead;
- \$100,000 – for persons over 65;
- \$100,000 - Disability SS; and,
- The maximum percentage for Disabled Veterans.

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

President Zimmer recessed the regular Board meeting at 9:14 a.m. and reopened the Jason Wilhelm Show Cause Hearing NPGCD 022-022.

President Zimmer closed the Wilhelm Show Cause Hearing NPGCD 022-002 at 10:13 a.m.

President Zimmer reconvened the regular Board meeting at 10:14 a.m.

Action Agenda 3.p. - Executive Session - Section 551.071 of the Texas Government Code.

At 10:14 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. Gene Born seconded the motion, and it was unanimously approved by the Board.

Executive Session: At 10:16 a.m., the Board went into Executive Session. At 10:33 a.m., Harold Grall moved that the Board reconvene into regular session. Justin Crownover seconded the motion, and it was unanimously approved by Board.

The Board reconvened into regular session at 10:45 a.m.

Action Agenda 3.a. - Consider action regarding formal show cause hearing NPGCD 022-002, regarding Jason Wilhelm, in apparent violation of District Rules 1.5, 2.1, and 2.7.

Daniel L. Krienke moved that the District assess a civil penalty against Jason Wilhelm in the amount of \$10,000, for drilling two Test Holes without a permit and for violations of District Rules 1.5, 2.1 and 2.7, and to authorize the District's General Manager and General Counsel to offer a Settlement Agreement to Jason Wilhelm, 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.d. - Consider final compliance approval of water well permits as active and complete wells.

The General Manager reported that due to an administrative error that occurred, the

approval of 30 Well Permits from the March 8, 2022, Board Meeting, needed to be ratified by the Board.

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 189 non-exempt Well Permits had been issued by the District since January 1, 2022; that 46 Exempt Wells had been Registered since January 1, 2022; and that 60 non-exempt Well Permits had been approved by the Board since January 1, 2022.

The following permits, listed in the table below, to be ratified by the Board, represent completed wells that have been inspected and which 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	N S	E W
DA-11790	D	NE/4	45	2	B&B	216 N	28 E
DA-11832	C	SW	355	1-T	T&NO	103 S	128 W
DA-11855	C	SE/4	19	5	CSS	880 S	538 E
DA-11876	B	SW	45	4	CSS	838 S	783 W
HA-11728	C	SE	4	1	SA&MG	348 S	787 E
HA-11745	C	NW	32	11	CSS	739 N	28 W
HA-11746	C	NW	32	11	CSS	130 N	816 W
HA-11749	C	SW	33	11	CSS	868 S	309 W
HA-11810	B	SW	61	48	H&TC	568 S	419 W
HA-11819	C	SE	131	48	H&TC	277 S	891 E
HA-11833	C	NE	1	5	GH&H	461 N	458 E
HA-11859	C	SW	127	48	H&TC	401 S	417 W
HA-11872	D	SE/4	F Jordan			1755 S	594 E
HA-11889	C	NE	165	44	H&TC	106 N	111 E
HA-11895	C	NW/4	46	48	H&TC	304 N	867 W
HA-11899	C	NW/4	6	11	CSS	16 N	718 W
HA-11900	C	NW/4	6	11	CSS	18 N	300 W
HA-11901	C	NE/4	6	11	CSS	12 N	641 E
HA-11913	C	SE/4	131	48	H&TC	462 S	448 E
HA-11993	C	NW	Oran V	NONE	NONE	440 N	353 W
HA-12010	C	NW	2	12	CSS	330 N	288 W
HA-12153	C	NE	424	44	H&TC	119 N	400 E
HN-11706	D	SE/4	2	1	W&NW	28 S	530 E
MO-11836	B	SW	163	44	H&TC	104 S	255 W
MO-12302	C	SW	276	44	H&TC	104 S	869 W
OC-12301	C	NE	25	4	GH&H	203 N	101 E
SH-11845	B	NE	131	1-C	GH&H	105 N	696 E
SH-11846	B	NE	131	1-C	GH&H	105 N	106 E
SH-11847	B	SE	131	1-C	GH&H	757 S	742 E
SH-11977	C	NE	61	3-T	T&NO	610 N	355 E

Daniel L. Krienke moved that the Board ratify the approval of Well Permit No. HA-11833 on the Well permit schedule, noting that the Well is properly equipped and otherwise complies 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.

Harold Grall moved that the Board ratify the approval of all 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.e. - Receive Investment Reports for the periods ending December 31, 2021, and March 31, 2022.

The General Manager reported that due to an administrative error that occurred, the approval of the investment report for the period of October 1 through December 31, 2021, needed to be ratified by the Board.

The General Manager presented copies of investment reports for the periods ending December 31, 2021, and March 31, 2022, to the Board.

Mr. Walthour stated that these investment reports reflect the North Plains Groundwater Conservation District's investment transactions for all District funds subject to the District's Public Funds Investment Policy.

The reports describe in detail the District's investment position as of the last day of the reporting periods; 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.

The General Manager requested that the Board ratify the acceptance of the District's investment report for the periods ending December 31, 2021, and that the Board accept the District's investment report for March 31, 2022.

The General Manager believed the portfolio of the North Plains Groundwater Conservation District followed the District's Board-approved Public Funds Investment Policy and state law and requested that the Board accept this report.

Mark Howard moved that the Board ratify the acceptance of the District Investment Report for the period ending December 31, 2021. Harold Grall seconded the motion, and it was approved by the unanimous vote of the Board.

Mark Howard moved that the Board accept the District's Investment Report for the period ending March 31, 2022. Harold Grall seconded the motion, and it was approved by the unanimous vote of the Board.

Action Agenda 3.f. - Consider General Manager's proposal related to hydrogeologic services.

The General Manager reported that due to an administrative error that occurred, the General Manager's proposal from the March 8, 2022, Board Meeting related to hydrogeologic services for the District needs to be ratified by the Board.

The following information was presented to the Board in the Board packet:

Dale Hallmark had notified the General Manager that he anticipated retiring in March or later of this year. Mr. Hallmark has been the District's hydrologist since 1996 and has provided extraordinary value to the District during his employment. Mr. Hallmark completed the requirements and was certified as a licensed professional geoscientist in accordance with the Texas Geoscience Practice Act in 2010.

Mr. Hallmark has offered a proposal to continue to provide project services on a contractual basis related to the following:

- Water Level or Depth to Water Hydrographs, Trend Analysis, and State Report;
- Annual Hydrology Report;
- Well Depletion Assignments, IRS Hydrographs;
- IRS Property Assignments and Owner Letters; and
- IRS County Guidelines Description.

Included in Mr. Hallmark's proposal is an hourly rate for additional projects, consulting, or training. Mr. Hallmark's proposed scope of work was presented to the Board. The District has employed a staff geoscientist since at least the 1970s. Mr. Hallmark's 26 years of experience with the District and knowledge is not easily replaced. The District, well owners, and other stakeholders rely on Mr. Hallmark's technical expertise. Currently, the District employs two candidates that with training, can perform the functions of the District's geoscientist in the future. Mr. Hallmark's proposal allows the District to access what its future needs will be, while providing reporting and oversight of key District programs. Mr. Hallmark's proposal was presented to the Board.

The General Manager recommended that the Board authorize the District to enter a contract with Dale Hallmark to provide the services in his proposal and cover any administrative costs related to the contract.

Justin Crownover moved that the Board ratify the authorization of the District to enter a contract with Dale Hallmark to provide the services in his proposal and cover any administrative or regulatory costs related to the contract. Mark Howard seconded the motion, and it was unanimously approved by the Board.

Action Agenda 3.g. - Consider Annual Groundwater Production Reporting for 2021, and its relationship to Desired Future Conditions.

The General Manager presented the following report to the Board:

Municipal, Industrial, and Agriculture water user groups reported 1,698,000 acre-feet groundwater production in the North Plains Groundwater Conservation District in 2021. Production by County in acre-feet is as follows:

County	2021
Dallam	339,500
Hartley	408,500
Moore	195,300
Sherman	326,300
Hansford	194,800
Hutchinson	79,100
Lipscomb	55,300
Ochiltree	99,200
GMA-West	1,269,600
GMA-East	428,400
Total	1,698,000

District groundwater production exceeded the 5-year historical production average by approximately 102,860 acre-feet. 2021 production was 8,900 acre-feet lower than 2020 production. The table below represents annual groundwater production in acre-feet from 2017 to 2021 collectively from all aquifers in the District.

County	2017	2018	2019	2020	2021	Average
Dallam	312,300	349,900	303,200	342,700	339,500	329,520
Hartley	376,000	422,600	349,200	402,200	408,500	391,700
Moore	173,100	200,600	157,700	199,400	195,300	185,220
Sherman	265,100	312,000	255,400	328,400	326,300	297,440
Hansford	146,700	190,800	162,300	195,100	194,800	177,940
Hutchinson	63,600	75,500	68,400	79,400	79,100	73,200
Lipscomb	44,200	44,200	43,400	54,500	55,300	48,320
Ochiltree	77,300	95,500	81,800	105,200	99,200	91,800
GMA-West	1,126,500	1,285,100	1,065,500	1,272,700	1,269,600	1,203,880
GMA-East	331,800	406,000	355,900	434,200	428,400	391,260
Total	1,458,300	1,691,100	1,421,400	1,706,900	1,698,000	1,595,140

The District annually reviews groundwater production from the previous year and determines if there are conditions that may trigger District Rule 8.4 and District Rule 8.5 evaluation to reduce Allowable Annual Production. The determination in part is based on the Modeled Available Groundwater (MAG) measured in acre-feet to achieve the desired

future conditions (DFCs) in the District. Texas Water Development Board GR16-029 MAG Report provides the model data for the assessment. The table below is a compilation of MAG for Dockum aquifer, Ogallala aquifer and Rita Blanca aquifer DFCs.

		Modeled Available Groundwater (Acre-Feet)					
County	Aquifer	2020	2030	2040	2050	2060	2062
Dallam	Ogallala/Rita Blanca	387,471	287,205	225,573	166,890	112,864	103,258
Hansford	Ogallala	275,016	272,656	271,226	270,281	269,589	269,479
Hartley	Ogallala	397,585	271,523	212,321	154,433	100,407	90,842
Hutchinson	Ogallala	62,803	64,522	65,652	66,075	66,027	65,956
Lipscomb	Ogallala	266,809	266,710	266,640	266,591	266,559	266,557
Moore	Ogallala	214,853	172,621	139,322	105,016	73,384	67,650
Ochiltree	Ogallala	243,778	243,932	244,002	244,051	244,082	244,085
Sherman	Ogallala	398,056	348,895	281,690	212,744	148,552	136,776
Total	Ogallala	2,246,371	1,928,064	1,706,426	1,486,081	1,281,464	1,244,603

Dallam	Dockum	14,192	14,188	14,186	14,184	14,184	14,184
Moore	Dockum	4,801	4,532	4,493	4,417	4,289	4,261
Hartley	Dockum	11,602	10,766	10,524	10,560	10,815	10,895
Sherman	Dockum	127	127	127	127	95	93
Total	Dockum	30,722	29,613	29,330	29,288	29,383	29,433

East Zone MAG	848,406	847,820	847,520	846,998	846,257	846,077
West Zone MAG	1,428,687	1,109,857	888,236	668,371	464,590	427,959
Total District MAG	2,277,093	1,957,677	1,735,756	1,515,369	1,310,847	1,274,036

Groundwater production within the District for 2021 is below the 2020 MAG. Hutchinson County exceeds the 2020 MAG; however, the total groundwater production in the East and West Groundwater Management Zones are below the District's target 2020 MAG and 2030 MAG. The table shows the 2020 MAG compared to 2021 Production in acre-feet by county and by management zone.

2021 Annual Production does not exceed the 2020 MAG. Therefore, there are no conditions that trigger District Rule 8.4 and District Rule 8.5 evaluation to reduce Allowable Annual Reduction.

The table below compares 2021 annual production to the District 2020 MAG.

County	2020 MAG	2021 Production	2021 Percent Difference between MAG and Production	Average Production 2017-2021	Average Percent Difference between MAG and Production 2017-2021
Dallam	401,663	339,500	-15.5%	329,520	-18.0%
Hartley	409,187	408,500	-0.2%	391,700	-4.3%
Moore	219,654	195,300	-11.1%	185,220	-15.7%
Sherman	398,183	326,300	-18.1%	297,440	-25.3%
Hansford	275,016	194,800	-29.2%	177,940	-35.3%
Hutchinson	62,803	79,100	25.9%	73,200	16.6%
Lipscomb	266,809	55,300	-79.3%	48,320	-81.9%
Ochiltree	243,778	99,200	-59.3%	91,800	-62.3%
GMA-West	1,428,687	1,269,600	-11.1%	1,203,880	-15.7%
GMA-East	848,406	428,400	-49.5%	391,260	-53.9%
Total	2,277,093	1,698,000	-25.4%	1,595,140	-29.9%

Mark Howard moved that the Board accept that the District's 2021 Annual Production does not exceed the 2020 MAG and that there are no conditions that trigger District Rule 8.4 and District Rule 8.5 to reduce Allowable Annual Production. Harold Grall seconded the motion, and it was unanimously approved by the Board.

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

The General Manager stated that due to an administrative error that occurred at the March 8, 2022, Board meeting, the Board needed to ratify a motion it made related to agriculture water conservation demonstration programs and the North Plains Water Conservation Center.

Mr. Walthour presented the following information to the Board regarding the same:

Cotton Agronomy Effort for 2022

A meeting was held between Nich Kenny and Dr. Craig Bednarz on 14 Feb in Amarillo to formalize work to be accomplished at WCC regarding Cotton Agronomy. The backgrounding for cotton production at WCC is now well established. Multiple years have demonstrated that cotton is a viable crop in the Texas North Plains, especially in a rotation with corn. Despite multiple setbacks in certain seasons, a crop failure has not been experienced. Yields and economics have demonstrated that cotton should be considered as a crop for promotion across the District from a water responsibility standpoint.

The results from the WCC have been an excellent background, proof-of-concept effort that should now be elevated to an additional investigation to identify more advanced cotton agronomy details. The goal is to maximize cotton production within the District and create a thorough outline to support stakeholders raising cotton. The implications of this effort are that additional, well categorized information, will support regional water plans, overall water conservation, create increased profitability for stakeholders, mitigate risks, provide details for insurance claims, and outline North Plains cotton production in a fashion that has not previously been obtainable. The basics of the study are as follows:

1. Install a variety trial in a pivot and/or drip block to look at a range of genetics, different brands, seasons, etc.
2. 12 varieties; long, short, and ideal, from different companies. Stan and NPK to determine varieties.
3. Limited hand harvest within the larger plots for inspection.
4. Mid-May plant date because a uniform stand is VERY important. Consideration is being given for thinning.
5. 4-row strips are acceptable.
6. Plant the dry-land corners in east pivot for a reference.
7. Measure residual nitrogen and monitor nitrogen through the season.

The Campbell Scientific weather stations will be vital and Dr. Bednarz is confident that he can extract the data from these sensors as he has previously logged onto them (Dr. Bednarz to visit WCC in March to confirm this.). The weather parameters to be documented and logged are:

1. Temperatures: Used primarily to determine and relate HAUP, GDDs, peak temperatures, etc.;
2. Solar Radiation: Match and Model crop stages, etc.;
3. Rainfall data; and
4. ETo and ETc: Create accurate cotton water use models for on-farm and regional water management.

Items of primary focus include:

5. Preferential / localized heat units for the less temperate region of the Texas North Plains (the current GDD 60 model is created in humid states and has been adapted to the Texas South Plains. It is known that this

model does not well categorize North Plains cotton.)

6. Develop a matrix for cotton re-plant conditions. This is immediately applicable to producers and very valuable for insurance claims. The water component of this point is that irrigating a failed or claimed crop is wasted water. A sooner declaration of a failed crop will allow for mitigated pumping and better economics.
7. Determine a validated last boll-set date to better understand cotton irrigation termination and conditions that contribute to the decisions regarding late-season irrigation.

The basis of the agreement with Dr. Bednarz is that West Texas A&M will cover his project expenses at the WCC. The District's portion is to allow Dr. Bednarz access to the ongoing cotton projects, as a cooperator, to extract the detailed data within the scope of ongoing demonstration efforts. Dr. Bednarz is not requesting funds and does not expect to in future iterations.

Daniel L. Krienke moved that the Board ratify authorizing Nick Kenny to move forward with Dr. Craig Bednartz on the Cotton Agronomy Program and bring a proposal to the Board. Harold Grall seconded the motion, and it was unanimously approved by the Board.

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

WCC New Well Progress

A contract has been signed by both Dee Vaughn, landowner to the north of the WCC, and the District, to share in the cost of the electrical delivery lines. This agreement should save the District approximately \$20,000. The electrical delivery lines have been installed by Rita Blanca.

Ag H2O has installed the VFD control panel and is prepared to install the electrical disconnect and feeder lines. Final connections to the well are expected to be made this month.

Master Irrigator

Currently, 2021 Master Irrigator graduates have requested \$39,710.55. The deadline for funding 2021 Master Irrigator projects was May 1. These requests, combined with previous funds distributed from this grant, total approximately \$70,000, leaving approximately \$130,000 available from the grant. The District may propose to the TWDB that these funds be made available for any NPGCD program. Alternatively, the funds could be offered only to Master Irrigator graduates from 2021, or all years. Currently, the TWDB grant does require a 50-percent cost share.

Harold Grall moved to refer this item to the Ag Committee for consideration at its meeting on June 23, 2022. Daniel L. Krienke seconded the motion, and it was unanimously approved by the Board.

Cotton and Conservation Program

Jourdan Bell submitted a proposal to continue the Cotton and Conservation video series at a cost of \$8000 to cover the time of the agents and the agronomists that provide the content for the series.

The District has incurred additional expenses for equipment necessary to collect data, but the bulk of those funds were spent in 2019, when the program was initiated. Annual data subscriptions amount to less than \$10,000, bringing the total to less than

\$20,000 for the program. This program is a direct result of the Cotton Program Advisory Committee feedback on the need for practical information for growers on how to grow cotton in the Panhandle.

Harold Grall moved that the Board approve the continuation of the Cotton and Conservation Video education series with the budget of \$8000 for the contributors and associated data and equipment costs. Mark Howard seconded the motion, and it was unanimously approved by the Board.

Action Agenda 3.i. - Consider General Manager's request to amend the District's 2021 – 2022 Budget.

The General Manager stated that increased staff training and travel costs, as well as vehicle and fuel repair costs require budget amendments to Administrative and Vehicle, Building, and Field Supplies. The General Manager requested that the Board amend the 2021 - 2022 Budget as follows:

Budget Item description	Current Budget Amount	Increase or (Decrease)	Proposed Budget Amount	Explanation
Administrative	135,000.00	\$25,000.00	160,000.00	Additional staff training for new employees and managers. and additional administrative costs related to insurance
Vehicle; Bldg.; Field Supplies	107,000.00	\$20,000.00	\$127,000.00	Increased fuel and repair costs
Contracted Services	140,700.00	(-10,000.00)	130,700.00	Decreased because contractor services related to Intergovernmental planning is less than originally expected
Conservation Outreach	\$495,000.00	(-35,000.00)	\$460,000.00	Decreased Water Wise, which is part of the Water Conservation Program, but was not implemented this year in the elementary schools.
Total overall 2021-2022 budget change		0		No change in overall budget

The above proposed budget amendments reflect no change in the District's overall budget.

Harold Grall moved that the Board amend the 2021-2022 budget as follows:

- Increase Administrative budget from \$135,000.00 to \$160,000.00,
- Increase Vehicle; Bldg.; Field Supplies from \$107,000.00 to \$127,000.00
- Decrease Contracted Services from \$140,700.00 to \$130,700.00. and
- Decrease Conservation Outreach budget from \$495,000.00 to \$460,000.00.

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

Action Agenda 3.j. - Discuss development and schedule committee meetings regarding the 2022-2023 District Budget.

The General Manager stated that it was the time of year to begin discussing the development of the 2022-2023 budget and set committee meetings to prepare committee recommendations before the July Board meeting. Since the District receives preliminary appraisals from eight different county appraisal districts, the General Manager assumed

that the preliminary appraisals are computed eight different ways. For example, some CADs reduce their preliminary appraisals by 10% to 12%, while other CADs do not. The appraisal process has not been completed in any county and therefore, the final values will be different. The preliminary values for 2022 are as follows:

	PRELIMINARY VALUES	CERTIFIED VALUES	PRELIMINARY VALUES
County	2021	2021	2022
Dallam	976,570,496	1,001,942,460	1,101,163,356
Hansford	540,508,221	588,523,042	354,981,661
Hartley	726,851,228	817,562,920	673,709,263
Hutchison	94,055,170	117,409,080	108,916,380
Lipscomb	388,885,859	399,135,058	446,618,814
Moore	1,827,225,381	2,077,715,250	2,290,730,256
Ochiltree	994,886,752	1,103,298,312	1,220,954,321
Sherman	496,606,444	517,779,060	578,011,653
TOTAL	6,045,589,551	6,623,365,182	6,775,085,704

The General Manager will schedule times for committees to meet to develop a budget

District staff will be developing a draft proposed budget for Fiscal Year 2022-2023 with input from the Board's committees. The General Manager proposed to provide the preliminary budget in July.

Action Agenda 3.k. - Receive report regarding District Elections.

The General Manager and the District's General Counsel, F. Keith Good, presented the following report to the Board:

On November 8, 2022, the District's Board of Directors Precinct 1 – Dallam County; Precinct 2 – Hartley County; Precinct 3 – Sherman County and Precinct 4 – Moore County are scheduled for election. The election calendar is as follows:

Tuesday, November 8, 2022 - Uniform Election Date

Deadline to post candidate requirements	Monday, November 8, 2021
Deadline to Post Notice of Candidate Filing Deadline (Local Political Subdivisions Only)	Thursday, June 23, 2022 for local political subdivisions that have a first day to file for their candidates ¹
First day to apply for a ballot by mail using Application for a Ballot by Mail (ABBM) or Federal PostCard Application (FPCA).	Saturday, January 1, 2022* <i>*First day to file does not move because of New Year's Day holiday. An "Annual ABBM" or FPCA for a January or February 2022 election may be filed earlier, but not earlier than the 60th day before the date of the January or February election.</i>
First Day to File for a Place on the General Election Ballot (Local Political Subdivisions Only)	Saturday, July 23, 2022
First Day to File a Declaration of Write-in Candidacy (General Election for State and County Officers)	Saturday, July 23, 2022
Last Day to Order General Election or Special Election on a Measure	Monday, August 22, 2022

Last Day to File for a Place on the General Election Ballot (Local Political Subdivisions Only)	Monday, August 22, 2022, at 5:00 p.m.
Last Day to File a Declaration of Write-in Candidacy (General Election for State and County Officers)	Monday, August 22, 2022
Last Day to File a Declaration of Write-in Candidacy (Local Political Subdivisions Only)	Friday, August 26, 2022
Last Day to Register to Vote	Tuesday, October 11, 2022* *First business day after Columbus Day
First Day of Early Voting by Personal Appearance	Monday, October 24, 2022
Last Day to Apply for Ballot by Mail (Received, not Postmarked)	Friday, October 28, 2022
Last Day of Early Voting by Personal Appearance	Friday, November 4, 2022
Last day to Receive Ballot by Mail	Tuesday, November 8, 2022 (Election Day) at 7:00 p.m. if carrier envelope is not postmarked, OR Wednesday, November 9, 2022 (next business day after Election Day) at 5:00 p.m. if carrier envelope is postmarked by 7:00 p.m. at the location of the election on Election Day (unless overseas or military voter deadlines apply) ⁴

The District will post the Notice of Candidate Filing Deadline by June 23, 2022, and the General Manager will report to the Board regarding the progress of the elections. District staff is contacting the county election officials to see if the District can contract with them to hold the elections if two or more candidates file for a position in any particular precinct. If only one candidate files for a position, the Board has canceled the election in the past. The General Manager anticipated that the Board would order the election at its August Meeting.

Action Agenda 3.I. - Receive report regarding Region A Water Planning Area.

Steve Walthour reported that on May 18, 2022, the representatives from Region A and Region O Water Planning Groups met in Amarillo to review draft non-municipal projections and supporting data for the current round of State Regional Water Planning. The meeting primarily reviewed draft livestock water demands provided by the TWDB and discussed current and projected livestock inventories by county and region. In addition to regional water planning group members, livestock industry water user group representatives were available to provide valuable insight relating to livestock water consumption, wastewater reuse, and future facility and capacity development. Ben Weinheimer, who participates both in Region A as its chairman and Region O, organized and led meeting discussion. Dr. Steve Amosson and Dr. Justin Benavidez. presented the TWDB Ag Demands Timeline, livestock water demands analysis, draft 2026 livestock water demands TWDB methodology, and TWDB proposed water use projections. Attendees at the meeting reviewed a comparison between 2026 TWDB projections and 2021 regional water plans. Dr. Benavidez is an Assistant Professor and Extension Economist in Amarillo who covers issues relating to agriculture economics in the Texas High Plains. Danny Krienke, GMA-1 Representative and the General Manager participated in the meeting. The Region A has scheduled a full meeting for June 28th at the Panhandle

Regional Planning Commission. Mr. Krienke and Mr. Walthour requested that the Agricultural Committee meet before the full Region A meeting to go over the draft proposal. The committee meeting has been tentatively set for June 23 at 4:00 pm in the District's offices.

A copy of the presentation that included the draft livestock numbers was presented to the Board.

During the meeting, Mr. Walthour learned that PRPC Executive Director, Kyle Ingham's last day at the PRPC, was May 31st. Mr. Ingham worked with the 2011 and 2016 Groundwater Management Area Joint Planning Committee before he was promoted into his most recent position. He is going to private industry.

Daniel L. Krienke stated that it was reported that dairy cattle could double in the top 16 Panhandle Counties in the next ten (10) years.

Action Agenda 3.m. - Receive report and consider action regarding Ogallala Project to Mitigate Flooding and Protect the Six-State Ogallala-High Plains Regional Socio-Economic Viability.

General Manager, Steve Walthour, stated that in May, he met with Megan Porter in Representative Ronny Jackson's office, Preston Howey in Representative August Pfluger's office, Laura Atcheson in Senator Cornyn's office, and James Schindler in Senator Cruz's office to ask for support to update the feasibility study for the Ogallala Project. Mr. Walthour was not able to meet with Representative Jodey Arrington's staff because of scheduling conflicts.

In June, the General Manager provided a presentation regarding the Ogallala Project to Mitigate Flooding and Protect the Six-State Ogallala-High Plains Regional Socio-Economic Viability.

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

The General Manager presented the following report to the Board:

Exceeding Annual Groundwater Withdrawal Limits

There were Twenty-nine (29) Groundwater Production Units (GPUs) that potentially exceeded 2021 Annual Allowable Production and Conservation Reserve if available. The staff sent compliance notices to each alleged violator on May 19, 2022, with a due date to pay fees and install water well flow meters no later than June 30, 2022.

Chapter 6 (Allowable Annual Production and Reporting) requires that the owner of a GPU must file an Annual Production Report, on a form authorized by the District, reporting the Production on each GPU. A GPU only becomes effective when a certified copy of the form is filed in the District offices. The report shall provide the total Production in acre-feet for each individual GPU and shall be for a period beginning on January 1 and ending on December 31 of the calendar year. The General Manager's interpretation of the rules is that a new GPU can be created for any reason during the calendar year for which the Production is reported. A new GPU created after January 1st of the year will apply to the year it was perfected. It cannot apply to the previous production year because it had not yet been perfected in that year.

In 2021, there were 22 different owners on 29 GPUs out of 2927 GPUs that potentially exceeded their total authorized production limit, production limit and conservation reserve (if they had one). Three (3) owners/agents represented ten (10) of the 29 GPU's.

Preliminarily, the 29 GPUs exceeded authorized groundwater withdrawals by 10,694.62 acre-feet. Well owners can contest the Exceeding the Allowable Production limit estimated by the staff.

Reschedule Show Cause Hearing

Kyle Frerich, d/b/a 2F Brothers, to appear before the Board for violation of District Rule 4.7. This hearing was postponed from this month for good cause.

Water Well Pump Installer Operating in the District Without a License

Mitch Malkuch, Allens Inc., 323 NE 6th Street, Guymon, OK 73942, a Water well pump installer operating in North Plains Groundwater Conservation District, Texas without a Texas Department of Licensing and Regulation License. District Rule 4.4 directs that, except for a person who installs or repairs water well pumps and equipment on his own property, or on property that he has leased or rented for his own use, no person shall drill, complete, or equip a well without having a current Texas Water Well Driller's license, or Texas Pump Installer's license. All persons installing or repairing water wells and water well equipment within the District must comply with the rules and regulations of the District, state or federal agencies or political subdivisions having jurisdiction. Allens was reported and observed allegedly pulling a water well pump for the City of Gruver.

Failure to install flow meter or select an authorized metering method.

Adam Skalsky, P.O. Box 62, Hartley, Texas 79044 has GPU-3205 consisting of five (5) wells in Section(s) 9 & 18, Block 3, B&B Survey, Hartley County, Texas which are required to report production every year using a flow meter installed at the well(s) and/or an Alternate Metering System. For multiple years the owner is in violation of District Rule 4.6 and 5.1.5.

- 4.6 **Maintaining Equipment:** Owners are required to maintain Meters, Metering Systems and equipment, Alternative Metering Systems and equipment, check valves and all District required equipment in accurate and good working order at all times Groundwater is being produced.

5.1. Water Well Flow Meters or Alternative Measuring Method Required:

5. 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.

Action Agenda 3.p. - Closed Session.

Executive Session - Section 551.071 of the Texas Government Code.

At 11:39 a.m., Mark Howard 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. Harold Grall seconded the motion, and it was unanimously approved by the Board.

Executive Session: At 11:39 a.m., the Board went into Executive Session. At 12:13 p.m., Harold Grall moved that the Board reconvene into regular session. Justin Crownover seconded the motion, and it was unanimously approved by the Board.

The Board reconvened into regular session at 12:13 p.m.

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

Harold Grall moved that the District assess a \$500.00 civil penalty against Mitch Malkuch, Allens Inc., 323 NE 6th Street, Guymon, Oklahoma 73942, for operating a water well installation/repair business inside of the boundaries of the North Plains Groundwater Conservation District without a Texas Department of Licensing and Regulation License, and for the District to file a complaint with the Texas Department of Licensing and Regulation regarding the same. Mark Howard seconded the motion, and the motion was approved by the majority vote of the Board, with Justin Crownover being absent from the room.

Gene Born moved that the District issue a Show Cause Order to Adam Skalsky, P.O. Box 62, Hartley, Texas 79044 for failure to report production every year using a flow meter installed at the well(s) and/or an Alternate Metering System at 9:00 a.m. on July 19, 2022. Daniel L. Krienke seconded the motion, and the motion was approved by the majority vote of the Board, with Justin Crownover being absent from the room.

By consensus, the Board continued the Kyle Frerich, d/b/a 2F Brothers Show Cause Hearing until 9:00 a.m. on July 19, 2022.

Action Agenda 3.o. - Receive report regarding the 88th Texas Legislative Session.

The General Manager stated that 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. Interim Charges may be accessed at the following links:

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 Lieutenant 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.

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.

Steve Walthour stated that his report was in the Board Packet presented to the Board, including, the General Manager's activity summary, the District's activity summary, permits issued in April and May 2022, general Well inspections, predrill inspections in May and June 2022, and upcoming meetings and conferences.

Discussion Agenda 4.b. - Committee Reports.

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

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 July 19, 2022, at 9:00 a.m.

Agenda 6. - Adjournment.

There being no further business to come before the meeting, Justin Crownover moved to adjourn the meeting. Harold Grall seconded the motion, and it was unanimously approved by the Board. President Zimmer adjourned the meeting at 12:32 p.m.


Bob B. Zimmer, President


Zac Yoder, Secretary