

**MINUTES OF THE MARCH 8, 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 March 8, 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;
Daniel L. Krienke, Director;
Gene Born, Director;
Harold Grall, Director, and,
Justin Crownover, Director.

Zac Yoder, Secretary, appeared via teleconference and participated in the meeting, but did not vote on any matter.

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;
Curtis Schwertner, Natural Resource Specialist;
Dusty Holt, Permitting Specialist/Finance Assistant; and,
Krystal Donley, Administrative Assistant.

Others present during part or all of the meeting:

Nich Kenny;
Mandi Tapp, National Prairie;
Clayton Born;
F. Keith Good; and,
Ellen Orr, Paralegal.

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

1. - Public Comment

No Public Comment was made to the Board.

2. - Consent Agenda

The Consent Agenda was discussed by the Board and consisted of: (a) the review and approval of the Minutes of the regularly scheduled Board of Directors Meeting held on January 11, 2022; (b) the review and approval of un-audited District expenditures for January 1, 2022 through February 28, 2022, including the General Manager's expense and activity report; 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 January 1, 2022 through February 28, 2022, in the amount of \$7,719.76.

Harold Grall moved to approve the Consent Agenda. Gene Born seconded the motion, and it was approved by the majority vote of the Board, with Zac Yoder abstaining from the vote.

Action Agenda 3.a. - 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 of the above. Historically, the Board has chosen not to tax the optional personal property.

The General Manager recommended that the board adopt 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 proposed resolution was presented to the Board.

Gene Born moved that the Board adopt 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 approved by the majority vote of the Board, with Zac Yoder abstaining from the vote.

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

Steve Walthour reported to the Board that historically, the District had adopted the following exemptions. The General Manager recommended that the Board adopt 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 adopt 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.

Harold Grall seconded the motion, and it was approved by the majority vote of the Board, with Zac Yoder abstaining from the vote.

Action Agenda 3.c. - Consider final compliance approval of water well permits as active and complete wells.

The General Manager reported that District Rule 2.13 provides, after the site inspection is complete, and it is determined that the Well (and all Wells within the Groundwater Production Unit) is/are in compliance with the Rules of the District, and the Well Permit application, the General Manager shall submit the Well Permit to the Board for final compliance approval.

It was noted that 497 non-exempt Well Permits had been issued by the District since January 1, 2021; that 170 Exempt Wells had been Registered since January 1, 2021; and that 288 non-exempt Well Permits had been approved by the Board since January 1, 2021.

The General Manager reported that the District's 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.

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 to approve Well Permit No. HA-11833 on the Well permit schedule, noting that the Well is properly equipped and otherwise complies with District Rules. Harold Grall seconded the motion, and it was approved by the majority vote of the Board, with Mark Howard and Zac Yoder abstaining from the vote.

Harold Grall 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 approved by the majority vote of the Board, with Zac Yoder abstaining from the vote.

Action Agenda 3.d. - 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:

25 Feb 2021 – NPGCD Water Conservation Center Update
Nicholas Kenny, P. E.

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:

1. 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.)
2. 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.
3. 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.

WCC New Well Progress

Progress on the new WCC well is limited to work on connecting the electrical delivery lines. An alignment has been agreed to and Rita Blanca has marked the overhead pole locations during a 17 Feb site visit. The original overhead alignment was installed in early December, including transformers. The revised alignment will connect to the powerlines north of the SDI filter station, travel east across the grass section, and turn north again to deliver power to the well and onto Dee Vaughan's well.

The remaining effort is as follows:

1. Rita Blanca will issue a contract (expected 1 March) to District and Dee Vaughan.
2. District and Dee will approve the contract and negotiate final payment details. Rita Blanca has allowed for the negotiation of cost share to be accomplished prior to payment so that District and Vaughan can individually make payments to reach final contract amount.

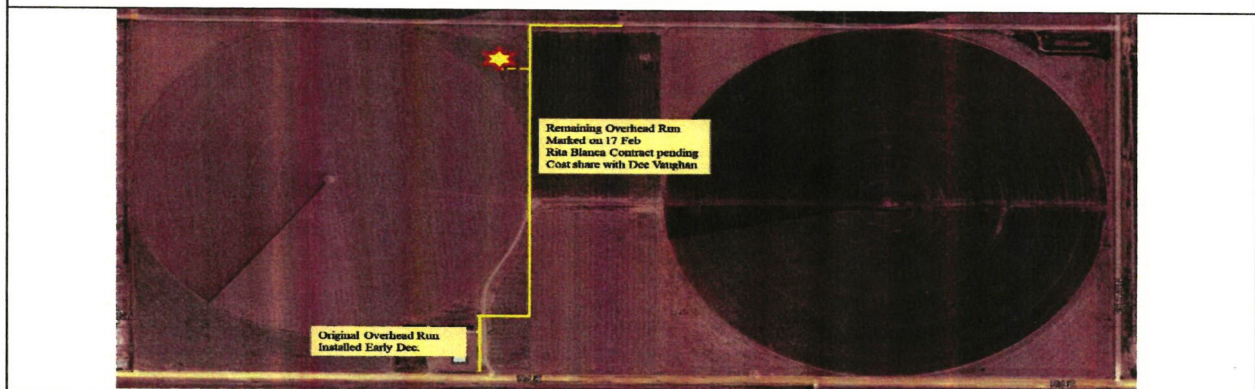
3. Once payment has been made, Rita Blanca will issue a work order to install the remaining hardware.
4. The transformers previously installed north of the SDI filters will be relocated to the Districts leg of the line near the new well. The District previously paid \$21,000 to Rita Blanca. The majority of this expense is tied to the transformers and will not be required again. The relocation fee has not been provided.

Ag H2O has installed the VFD control panel and is prepared to install the electrical disconnect and feeder lines. The water line and pipeline tie-ins will occur immediately following the completion of the overhead construction.

It is expected that power lines will be installed by 1 April at the soonest. Final completion of the project is expected to occur during May. Scheduling for pipeline tie-in will be the most difficult challenge since we will need to allow for final pole locations to be established.

One or more power poles on the west side of the south SDI blocks "may" intersect with the existing SDI pipeline. We will know at time of power pole augering. Jerry Funck has been contacted and Curtis has referenced pipeline alignments, but the pipeline location is not exactly known.

Figure 1: Rita Blanca Electric Cooperative has marked the overhead electrical alignment through the farm. Overhead powerlines and transformers were previously set in early Dec., to the north of the SDI filter station. Rita Blanca technicians visited the WCC on 17 Feb to agree to the alignment and mark the site, connecting the existing power lines to the well and onto Dee Vaughan's potential well site. Rita Blanca is expected to submit a contract on approximately 1 March to proceed forward.



Daniel L. Krienke moved that Nick Kenny move forward with Dr. Craig Bednartz on the Cotton Agronomy Program and bring a proposal to the Board. Justin Crownover seconded the motion, and it was approved by the majority vote of the Board, with Zac Yoder abstaining from the vote.

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

Master Irrigator

17 people have signed-up for the 2022 Master Irrigator Class in Spearman. The District will continue to accept applications and payments up until the day before the first session if we do not have a full class. All arrangements have been made and final logistics are

coming together for another excellent program. The Program will be held at the O'Loughlin Center in Spearman and dates and topics are as follows: March 23 - Agronomics, March 30 - Irrigation Scheduling, April 6 - Irrigation Systems, April 13 - Systems and Special Topics. TWDB Director Kathleen Jackson will deliver the graduation address on April 13.

Action Agenda 3.e. - Receive report regarding 2021 Annual Production Reporting.

Kristen Blackwell presented the following report:

The 2021 Annual Production Reports were due in the office or post marked by March 1, 2022. As of March 2, 2022, approximately 2,824 reports were received of the 2,955 reports sent out. Administration staff will continue to receive, process and double check the remaining 131 reports outstanding. Aquifer Science staff are checking meters to clarify any readings provided by Well owners that seem inconsistent. This year, the District has used social media and direct contact through texting to remind Well owners to file their reports by the end of business on March 1, 2022.

Mrs. Blackwell also stated that several properties had sold during calendar year 2021 without the seller or the new owner notifying the District about the sale or transfer of groundwater rights.

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

The General Manager stated that on February 15th, Region A Water Planning Group Executive Committee met to consider and nominate two vacant planning member positions. The committee has nominated Britney Britten to fill a Water District seat vacated by C.E. Williams and has nominated Dr. Gary W. Marek to fill an Environmental Seat vacated by Dr. Nolan Clark. These nominations will be presented to the of regional water planning group at their next meeting.

The committee considered the composition of the Agriculture Sub Committee. The executive committee appointed Steve Walthour to chair the subcommittee. Upon Mr. Walthour's recommendation, the Executive Committee has opened the subcommittee to any planning group member who wishes to participate. The committee reviewed and is recommending bylaw changes for the water planning group as follows:

- Regular meetings, called meetings and public hearing/meetings that will incorporate needed changes comply with the minimum requirements of 31 Texas Administrative Code 357, Texas Government Code Chapter 551, and any exceptions, executive orders or other waivers that may be issued by the Governor or the TWDB Executive Director;
- The regional water plan and the Initially Prepared Plan (IPP) shall be made available as determined in 31 TAC 357.21;
- Amended the reference to the Texas Natural Resources Conservation Commission (TNRCC) to the Texas Commission on Environmental Quality; and
- Amended the term limits for GMA#1 and GMA#6 representatives to remove limits since the seats are selected by the GMA Joint Planning Committees.

The committee recommended Ben Weinheimer (Chairman) to represent the regional water planning group to the Interregional Coordination Council. Mr. Walthour filled this

position last planning cycle and recommended that the Chairman represent Region A for the current planning cycle. Mr. Walthour proposed Janet Guthrie from Hemphill County Underground Water Conservation District to act as alternate. The committee will recommend these members to fill the positions.

The committee preliminarily reviewed drafted water demand projections for 2026 Regional Water Plans for livestock, manufacturing, and steam-electric power. All regional projection deadline to request changes are by July and August 2023.

The committee reviewed local water funds and are recommending no changes to the formula which is based on submitted certified values. Under the formula, North Plains GCD is scheduled to pay \$6,994 for this year's regional water planning. High Plains UWCD and Panhandle GCD are scheduled to pay \$9,582 and \$13,271, respectively. The Region A Planning Group next meeting is scheduled for April 7 in Amarillo.

Action Agenda 3.g. - Receive Investment Report for October 1, through December 31, 2021.

This quarterly investment report for the period from October 1, 2021, through December 31, 2021, reflects the North Plains Groundwater Conservation District investment transactions for all District funds subject to the District's Public Funds Investment Policy.

The report describes in detail the District's investment position as of December 31, 2021; 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 the 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 a secondary depository. The funds held in those accounts are as follows:

Bank Accounts	Account Name	Account Number	31-Dec-21	Interest Rate
Perryton National Bank	Main Account	337	\$ 1,058,059.39	0.01 Percent
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	\$ 2900.00	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 CDs 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 \$3,909,116.58. 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 \$353.31 in petty cash at its offices.

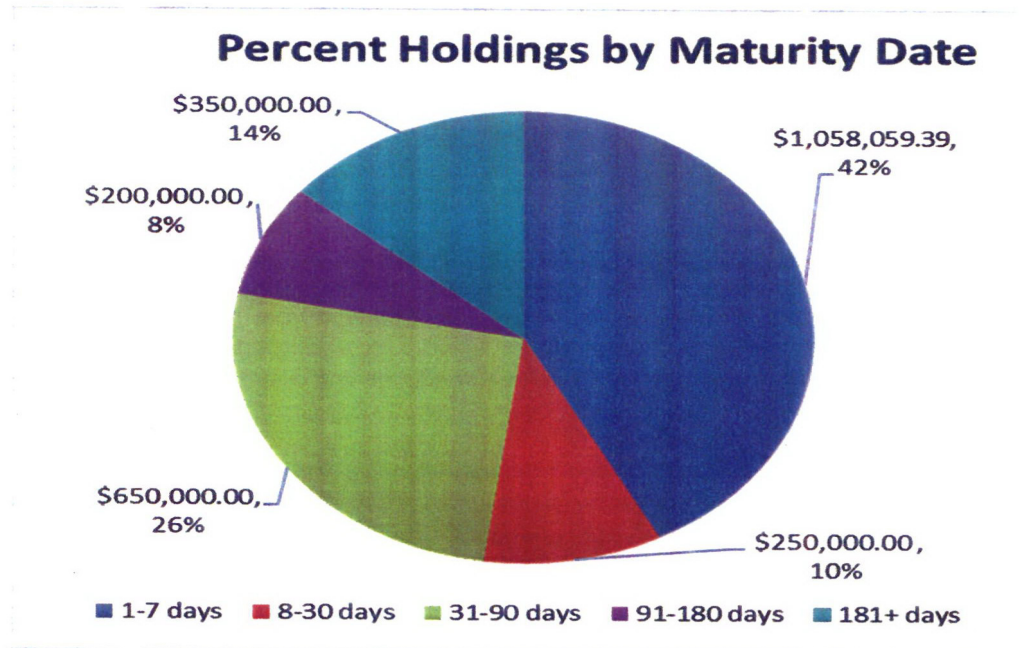
The District's Board has approved a list of depositories for the District to purchase certificate of deposits (CDs). The District primarily secures its funds in CDs issued by a state or national bank domiciled in Texas, a savings and loan association domiciled in Texas that is guaranteed or insured by 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 CDs is paid by check to the District and deposited into the District's Perryton National Bank main operating account. On December 31, 2021, the District had funds in its Perryton National Bank Main Account which renews daily, two CDs set to mature in 8-30 days, four CDs set to mature between 31-90 days, two CDs set to renew within between 91-180 days, and three CDs 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	Mat. in Days	WAM
Perryton National Bank Main Account	\$1,058,059.39	1	0.42
First Bank Southwest CD 10000222	\$100,000.00	86	3.43
First State Bank - Spearman CD 45152	\$150,000.00	23	1.38
Dalhart Federal Savings & Loan CD 602- 609183-3	\$150,000.00	47	2.81
Happy State Bank CD 11297	\$150,000.00	46	2.75
Western State Bank CD 20855	\$250,000.00	49	4.88
First State Bank CD 21046	\$100,000.00	93	3.71
Dalhart Federal Savings & Loan CD 602- 608808-8	\$100,000.00	123	4.90
Happy State Bank CD 12046	\$100,000.00	219	8.73
Perryton National Bank CD 21457	\$100,000.00	235	9.37
First National Bank CD 82875	\$100,000.00	16	0.64
Interstate Bank SSB CD 9361-13004190	\$150,000.00	451	26.97
Total	\$2,508,059.39		70.00

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. Forty two percent of the District's investments are held in the main operating account, whereas 14 percent of the District's investments are held in CDs with a maturity date of over 180 days. The final three pieces of the pie are investments that are held for a period of 8-30 days, 31-90 days, and 91-180 days. The highest interest rates the District receives on CD's is 0.70 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 US Department of Treasury Yield Curve Rates

As of December 31, 2021 (last trading day of month), the US Department of Treasury Yield Curve Rates for one month is 0.06 percent and the one year is 0.39 percent. Treasury Yield Curve Rates are commonly referred to as "Constant Maturity Treasury" rates, or CMTs. Yields are interpolated by the Treasury from the daily yield curve. This curve, which relates the yield on a security to its time to maturity is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of indicative, bid-side market quotations (not actual transactions) obtained by the Federal Reserve Bank of New York at or near 3:30 PM each trading 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 December 31, 2021, and the remaining number of payments are as follows:

Loan	Account #	December 31, 2021	Notes
TWDB	21743	\$186,000.00	3 annual payments + 0.11% interest

The schedule of loan payments including interest is as follows:

Amount	Year
62,205	2022
62,136	2023
62,068	2024

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.

Daniel L. Krienke moved that the Board accept the District Investment Report for the period ending December 31, 2021. Gene Born seconded the motion, and it was approved by the majority vote of the Board, with Zac Yoder abstaining from the vote.

Action Agenda 3.h. - Receive report regarding Board and staff cybersecurity training requirement.

The General Manager reported HB 3834 requires local government employees and elected officials to complete a certified cybersecurity awareness training course annually. The District is contracting with "KnowBe4" that will provide online training to address HB 2834. KnowBe4 is recommended by our cybersecurity insurance vendor through the Texas Water Conservation Association Risk Management Fund. The District cooperatively participates in the TWCARMF for all the District's vehicle, facility, and liability insurance needs.

The training should take no more than an hour. Because the board does not use the District's web domain (northplainsgcd.org), staff will set up an email address for the Board members to use to take the training.

Action Agenda 3.i. - Receive report regarding Board and staff cybersecurity training requirement.

General Manager, Steve Walthour presented the New Management Plan Annual Progress Report, dated February 28, 2022, to the Board for its review. Mr. Walthour reported that as a result of the LEAN operational efficiency process, it was determined to divide the traditional annual report into two separate documents. The original intent of the annual report was to act as a tool to demonstrate what the District is doing to accomplish the goals included in the management plan. After going through the LEAN analysis process, it made sense to produce a technical document that addresses the management plan directly and produce another piece that is more focused on marketing and telling the District's story to the public and other audiences who would not be interested in all the technical information included in the management plan. The Management Plan Progress Report will be produced and presented to the board annually, while the marketing piece will be published on a different schedule maybe once every two years, depending on the current need.

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

The General Manager reported that 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 into a contract with Dale Hallmark to provide the services in his proposal and cover any administrative costs related to the contract.

Harold Grall moved that the Board authorize the District to enter into a contract with Dale Hallmark to provide the services in his proposal and cover any administrative or regulatory costs related to the contract. Daniel L. Krienke seconded the motion, and it was approved by the majority vote of the Board, with Justin Crownover being absent from the room during the vote and Zac Yoder abstaining from the vote.

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

The General Manager reported that District compliance matters were dropping off. There was no District compliance or contested matters that needed Board attention.

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

None.

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 April 12, 2022, at 9:00 a.m.

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

Steve Walthour presented a report to the Board, which included the General Manager's activity summary, the District's activity summary, permits issued, general Well inspections, capped Wells, predrill inspections and post-drill well inspections as of January/February 2022, and upcoming meetings and conferences.

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.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, Justin Crownover moved to adjourn the meeting. Mark Howard seconded the motion, and it was approved by the majority vote of the Board, with Zac Yoder abstaining from the vote. President Zimmer adjourned the meeting at 10:41 a.m.



Bob B. Zimmer, President



Zac Yoder, Secretary