

**MINUTES OF THE NOVEMBER 13, 2018
BOARD OF DIRECTORS MEETING OF
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

The Board of Directors of North Plains Groundwater Conservation District met in regular session November 13, 2018, 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 9:56 a.m.:

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

Staff Present during part or all of the meeting:

Steve Walthour, General Manager;
Kirk Welch, Assistant General Manager – Outreach;
Kristen Blackwell, Executive Assistant; and
Curtis Schwertner, Natural Resource Specialist.

Others present during part or all of the meeting:

F. Keith Good, Attorney; and,
Ellen Orr, Paralegal.

President, Harold Grall, declared a quorum present and called the meeting to order at 9:56 a.m. Director, Mark Howard, gave the invocation and President Grall 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: the review and approval of the Minutes of the regularly scheduled October 9, 2018 Board of Directors Meeting; the review and approval of un-audited District expenditures for October 1, 2018 through October 31, 2018, including the General Manager's expense and activity report; and the review and approval of payment to Lemon, Shearer, Phillips & Good, P.C. for professional services and out-of-pocket expenses from October 1, 2018 through October 31, 2018, in the amount of \$6,404.54.

Daniel L. Krienke moved that the Board approve the Consent Agenda. Justin Crownover seconded the motion and it was unanimously approved by the Board.

Action Agenda 3e - Receive report regarding the District's agriculture conservation programs.

Kirk Welch, Assistant General Manager – Outreach, presented the following report to the Board regarding the District's agriculture conservation programs:

Master Irrigator Program

2019 Session Dates:

Session 1: Agronomics March 20, 2019

Session 2: Irrigation Scheduling March 27, 2019

Session 3: Systems April 3, 2019

Session 4: Systems & Special Topics April 10, 2019

Important Dates for 2019 Master Irrigator Timeline:

- November 12 – Save the Date postcard mailed out
- November 26 – Brochure mailed out
- November 27-29 - Amarillo Farm & Ranch Show – Applications open, promote Master Irrigator
- March 8 – Application period closes, or upon reaching 25 in-District applicants

2019 Speakers:

District staff have booked most of the speakers for the upcoming Master Irrigator Program. The speakers are:

- Dr. Stephen H. Amosson, Regents Professor and Extension Service Economist-Management, Texas A&M AgriLife;
- Dr. Jourdan Bell, Assistant Professor and Agronomist, Texas A&M AgriLife Extension Service;
- Mike Caldwell, Natural Resources Manager, USDA-NRCS;
- Jeff Childs, Sales Engineer, Yaskawa America Inc.;
- Karlyle Haaland, CEO, PivoTrac Monitoring, LLC;
- Farris Hightower, Regional Sales Manager, Lindsay Corporation;
- Pat Scarth, AquaPlanner;
- Eric Burton, Better Harvest;
- John Gibson, Precision Ag Specialist, Crop Quest;
- Leon New, Agricultural Engineer;
- David Reinart, Co-Owner, Better Harvest, Inc.;
- Keith Sides, State Irrigation Engineer, USDA-NRCS;
- Dr. David Sloane, Agronomist;
- Fred Vocasek, Senior Laboratory Agronomist, Servi-Tech; and,
- Steve Walthour, General Manager, North Plains Groundwater Conservation District.

Master Irrigator Project Advisory Committee:

Danny Krienke, North Plains Groundwater Conservation District; Leon New, Irrigation Engineer; Steve Amosson, Texas A&M AgriLife; Charles Hillyer, Texas A&M AgriLife; Scott Strawn, Texas A&M AgriLife; Shawn Carter, Crop Production Services; Cameron Turner, Texas Water Development Board; Keith Sides, USDA-NRCS; David Reinart, Better Harvest; Stan Spain, Spain Farms; and, Bryce Howard, Farmer.

2019 Season Cover Crop Demonstration

In addition to the new cotton production education program to be presented in cooperation with Texas A&M AgriLife Extension (AgriLife), the District has reached an agreement with AgriLife to conduct a multi-year cover crop demonstration at the North Plains Water Conservation Center. The demonstration will include production-size plots with three cover regimes including no cover, wheat cover, and a multi-species cover mix, replicated three times under the same irrigation plan. The demonstration will be overseen by Jourdan Bell, PhD. The demonstration is also a graduate project for West Texas A&M University graduate student, Preston Sirmon.

2018 Season Demonstrations

In July, The District contracted with Nicholas Kenny, P.E. (Kenny) to provide agricultural engineering services. Kenny is a former irrigation engineer for Texas A&M AgriLife Extension in Amarillo and currently operates his own consulting firm in Mesa, Arizona.

Kenny is scheduled to visit NPGCD on November 16, 2018. Kenny will meet with the Agriculture Committee and other area growers to discuss current and future demonstrations. Kenny will also gather information for the upcoming winter meeting where he will present results from 2018. Kenny will present data comparing the water usage of the cotton and corn fields at the WCC, as well as the ongoing comparison demonstration between SDI and LEPA in corn. He may also present any information available in the first year of Harold Grall's no-till/strip-till demonstration and the first year of the District's deployment of on-farm weather stations.

WCC

The SDI corn has been harvested. Stan Spain reported the South SDI Corn Field. D58 VC37 planted on 5/8/18, Zones 9-12 (West Half) 32,000 population, 242.72 bu.ac. Zones 13-16 (East Half) 40,000 population, 259.68 bu.ac. The dryland cotton planted in the 4 corners of the East Pivot, and the NW Corner of the West Pivot, have also been harvested. According to Spain the yield was approximately 350 pounds per acre.

The new 12' x 3' pan sign has been installed at the entrance to the WCC. Landscapers will begin work in the next few weeks landscaping the area around the sign, according to the designs created by the landscape architect. The irrigation, ground and rock work are planned for the fall/early winter timeframe, but planting will be scheduled in the spring.

Multi-State Master Irrigator

Activity focused on a multi-state Master Irrigator program is proceeding. Surveys of participants from the September meeting in Dumas have been received and tabulated. That information will be used to guide the process going forward. The idea is in various stages of progress in each of the participating States. The initial plan is for each State to begin presenting the idea to key people, such as NRCS leaders, legislative ag committee staffs, etc.

Action Agenda 3b - Consider General Manager's request to amend the District's 2018-2019 budget.

The General Manager stated that each year, the Board prepares and adopts a budget for the following year. Since the District borrowed funds from the Texas Water Development Board to purchase capital items for the Water Conservation Center, the General Manager budgeted \$62,409 for principal and interest under the District's Water Conservation Center budget item in the District's general budget. The District's auditor recommended that the District create a budget item identified as "Transferred Out" which the District will utilize to account for \$62,409 payment rather than accounting for the payment as an expense item in the North Plains WCC Budget.

The General Manager requested that the Board amend the 2018-2019 budget as follows:

Budget Item	Current Budget Amount	Increase or (Decrease)	Proposed Budget Amount	Explanation
North Plains WCC	\$77,477.00	\$(62,409.00)	\$15,068.00	Decreased to address Auditor's recommendation.
Transfer Out	\$0.00	\$62,409.00	\$62,409.00	New Budget Item to address Auditor's recommendation
Total Budget	\$77,477.00	\$ 0.00	\$77,477.00	No change to the District's overall budget.

Daniel L. Krienke moved that the Board amend the 2018-2019 District to reflect no change in the overall budget as follows:

- Create budget item "Transfer Out";
- Decrease North Plains WCC budget from \$77,477.00 to \$15,068.00; and
- Increase "Transfer Out" budget from \$0 to \$62,409.00.

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

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

The General Manager reported that Kristen Blackwell and Shari Stanford presently process District Water Well Permits.

Further, the General Manager stated 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 12 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.

WELL	CLASS	SEC	BLK	SUR	NS	EW
DA-9492	C	43	6	CSS	498 N	428 W
DA-10093	C	3954	1-T	T&NO	177 S	862 E
DA-10457	C	28	2	B&B	344 S	788 W
HA-9454	B	131	44	H&TC	769 S	852 W
HA-10050	D	118	4	CSS	173 S	106 E
HA-10432	C	61	21	CSS	119 N	104 E
LI-7444	A	1027	43	H&TC	485 N	84 E
MO-9878	B	277	44	H&TC	25 N	412 E
MO-10418	C	389	44	H&TC	737 S	688 W
OC-10124	C	4	13	T&NO	37 N	838 E
SH-10222	A	160	1-T	T&NO	571 N	876 W
SH-10284	A	160	1-T	T&NO	716 N	805 E

Zac Yoder moved to approve all of the 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 3d - Consider approval of Sherman County 2018 tax rolls.

The General Manager reported to the Board that the Sherman County Appraisal District had requested that the North Plain Groundwater Conservation District Board of Directors approve the 2018 tax rolls for Sherman County, Texas. The Tax rolls were presented to the Board. The District's General Counsel reported to the Board that the Appraisal District was relying on Section 26.09 for this request. General Counsel requested that the Board table this item until the next meeting of the Board to permit him time to research and obtain additional information regarding this matter.

Gene Born moved that the Board table Action Agenda Item 3d until the next regular meeting of the Board. Daniel L. Krienke seconded the motion and it was unanimously approved by the Board.

Action Agenda 3f - Receive report regarding Groundwater Management Area 1 Joint Planning.

The General Manager presented the following report to the Board:

On October 23, 2018, the Groundwater Management Area 1 Joint Planning Committee met and considered adoption of Desired Future Conditions. The Committee voted to extend Jim Haley's presidency through 2019; to elect Bob Zimmer as Vice President; and to elect Danny Hardcastle of Panhandle Groundwater Conservation District as Secretary. Daniel L. Krienke was retained by the committee as GMA-1 Representative to the Panhandle Regional Planning Committee.

The Joint Planning Committee authorized the Panhandle Regional Planning Commission (PRPC) to initiate requests for proposals to retain a Groundwater Availability Modeler. The committee directed the PRPC to request qualification to assist in preparing the explanatory report.

Each of the district representatives in the GMA provided an update of the respective district's management plan and rules since the last joint planning meeting. Significant reports included North Plains GCD's Management Plan, High Plains Underground Water Conservation District review of its spacing rules based on the new horizontal drilling in their district, Panhandle GCD review and proposal of new rules, and Hemphill UWCD use of water level measurements in tracking DFCs.

The Joint Planning Committee sent a letter opposing abolishment of the Texas Board of Professional Geoscientists. During the last joint planning cycle, the Joint Planning Committee relied, in part, on Mr. Walthour's professional registration as a Geoscientist to lead the preparation of the Explanatory Report regarding Desired Future Conditions. The managers prepared the letter for the GMA-1 President's signature.

The General Manager had no recommendation regarding any action that needed to be taken by the Board at the meeting regarding this matter.

Action Agenda 3h - Receive report regarding 2018 Annual Production Reporting.

The General Manager reported to the Board that District staff is updating Groundwater Production Units in the database to send out 2018 Annual Production Reports (about 2,900 total). Conservation reserve numbers are being re-formulated and evaluated before reports are sent out. Earlier last month, the District mass e-mailed producers to respond to the District's e-mail if the producer wanted to receive the producer's Annual Production

Report by e-mail. The mailout/e-mail of Production Reports is currently scheduled for the week of November 26, 2018, with all reports to go out by November 30, 2018. The 2018 Production Reports will be due no later than Friday, March 1, 2019. A bar code system is in place to track all received reports.

Action Agenda 3i - Receive report regarding 2018 Annual Production Reporting.

General Counsel reported to the Board that the Todd Tamplin compliance matter had been resolved. Mr. Walthour also reported to the Board that he was addressing a minor compliance matter.

At 10:43 a.m. Bob B. Zimmer arrived to participate in the meeting.

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

The General Manager reported to the Board that elections for Directors in Precinct 1- Dallam County, Precinct 2 – Hartley County Precinct 3- Sherman County, and Precinct 4- Moore County were cancelled because the incumbent directors for those precincts did not receive a challenge to the office. A state-wide general election was held on November 6, 2018, which would have been the District's election date for the above-mentioned precincts. There is no limit on the number of terms a director may be elected or re-elected.

Kristen Blackwell administered the Statement of Officers to all incumbent Directors and the administered the Oath of Office to the Directors for Precincts 1 – Dallam County, 2 – Hartley County, 3 – Sherman County, and 4 – Moore County.

Action Agenda 3k - Election of Officers of the Board.

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

According to the North Plains Groundwater Conservation District Policy, at the regular November Board Meeting, (if there is no November meeting, at its next regular meeting) Directors are sworn to office after the Board canvasses the elections and declares Directors elected and after the newly elected Directors have filed the signed "Oath of Office" with the Secretary of State office. There is no limit on the number of terms a Director may be elected or re-elected.

Mr. Walthour also reviewed the Board succession policy and the duties of Officers of the Board and stated:

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

Duties of President:

The duties of the President include:

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

Duties of the Vice President:

The duties of the Vice President include:

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

Duties of the Secretary:

The duties of the Secretary include:

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

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

The General Manager recommended that the Board elect a Secretary and the other officer positions of the Board be filled by succession consistent with Director Policies.

Justin Crownover nominated Mark Howard for the office of Secretary. Mark Howard nominated Zac Yoder for the office of Secretary. No further nominations were received. Gene Born moved to appoint Mark Howard as Board Secretary. Harold Grall seconded the motion and it was approved by the majority vote of the Board with Mark Howard abstaining from the vote.

The meeting was then turned over to President, Daniel L. Krienke, as the presiding officer of the Board.

Action Agenda 3I - Election of Board Committees.

The General Manager stated that the standing committees of the Board are as follows:

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

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

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

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

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

- A. Developing recommendations for the repair or replacement of the building owned by the District that would require an expenditure of more than the amount authorized in the annual budget of the District; and
- B. Other duties assigned to them by the President or the Board of Directors.

Ag Committee: The president may appoint the membership of the committee. The duties include:

- A. Performing duties assigned to them by the President, or the Board of Directors.

Committees: The President may establish other committees made up of members of the Board, the District staff, and/or Persons of the public for formulation of recommendations to the Board. The President may appoint the chair and membership of any committees. Committee members serve at the sole discretion of the President.

President Krienke appointed the following Board Committees:

Budget and Finance Committee

Bob B. Zimmer, Chairman
Harold Grall; and
Mark Howard.

Property Committee

Mark Howard, Chairman
Justin Crownover; and
Gene Born.

Ag Committee

Zac Yoder, Chairman
Daniel L. Krienke; and
Harold Grall.

Action Agenda 3m - Moore County Tax Assessor-Collector Refund Applications.

The General Manager stated that on Friday November 9, 2018, Moore County Tax Assessor-Collector, Nikki McDonald, sent a request for the Board to approve refund applications in the amount of \$681.60 to J-W Power regarding a heavy equipment-compressor lawsuit. The applications were presented to the Board for review.

Harold Grall moved that the Board approve signing the refund applications and repaying J-W Power \$681.60. Zac Yoder seconded the motion and it was unanimously approved by the Board.

Executive Session - Section 551.071 of the Texas Government Code.

At 11:00 a.m., Gene Born 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 from its attorney. Harold Grall seconded the motion and it was unanimously approved by the Board.

Executive Session: At 11:01 a.m., the Board went into Executive Session. At 11:30 a.m., Justin Crownover and General Manager, Steve Walthour, departed the Executive Session. At 12:13 p.m., Bob B. Zimmer moved that the Board reconvene into regular session. Zac Yoder seconded the motion and it was unanimously approved by the Board members present in the Executive Session.

The Board recessed at 12:13 p.m. and reconvened into regular session at 12:19 p.m. with the General Manager and Director Justin Crownover present.

Action Agenda 3a - Consider action regarding Show Cause Hearing held on October 9, 2018.

The General Manager stated that on October 9, 2018, the Board tabled this item for further consideration for legal counsel to develop a proposed order for the Board to consider. General Counsel presented the Board with a copy of the transcript from the October 9, 2018 Show Cause Hearing.

The General Manager requested that the Board consider the enforcement issue regarding Need It More, LP, a Texas Limited Partnership, General Partner is JC Farmland, LLC, a Texas Limited Liability Company (Violator) whose name was corrected in the Show Cause Hearing to properly reflect Lone Star Family Farms, a Texas General Partnership, as the violator, who is the Tenant of DUKE FARM, LLC, Owner of Section 151, Block 10, SPRR Survey, Lipscomb County, Texas, for Violation of District Rule 9 – Waste of Groundwater. Specifically, alleged violations of District Rules are as follows:

District Rule 9.1. Waste of Groundwater Prohibited: A Person shall not cause waste of Groundwater.

District Rule 9.2. Conditions Constituting Groundwater Waste: Groundwater shall not be produced or used within the District in such a manner or under such conditions as to constitute waste. Among other definitions "Waste" means any one or more of the following:

6. Groundwater pumped for irrigation that escapes as irrigation tailwater onto land other than that of the Owner of the Well unless permission has been granted by the occupant of the land receiving the discharge; or

Texas Water Code, 36.001(8)(F) defines "Waste" as groundwater pumped for irrigation that escapes as irrigation tailwater onto land other than that of the owner of the well unless permission has been granted by the occupant of the land receiving the discharge.

Keith Good, General Counsel for the District presented the following Board Order for consideration:

**BEFORE THE NORTH PLAINS GROUNDWATER
CONSERVATION DISTRICT**

**IN THE MATTER OF
LONE STAR FAMILY FARMS**

VIOLATION OF RULE 9

§
§
§
§

**NPGCD BOARD ORDER NO.
018-002**

On November 13, 2018, at its regularly scheduled meeting, the North Plains Groundwater District (District) Board of Directors (Board) considered the violation of District Rule 9 by Lone Star Family Farms, a Texas General Partnership (Lone Star). The Board heard the testimony, reviewed the transcript of the hearing, the evidence presented and the relevant District Rules, and found as follows:

FINDINGS

District Rule 9.1., Waste of Groundwater Prohibited, precludes any Person from Wasting Groundwater.

District Rule 9.2.6, Conditions Constituting Groundwater Waste provides in pertinent part: [Groundwater shall not be produced or used within the District in such a manner or under such conditions as to constitute waste. "Waste" means any one or more of the following: 6. Groundwater pumped for irrigation that escapes as irrigation tailwater onto land other than that of the Owner of the Well unless permission has been granted by the occupant of the land receiving the discharge].

Lone Star is a Tenant of Duke Farm, LLC. Lone Star is producing Groundwater from the Southwest pivot in GPU No. 7032 located in Section One Hundred Fifty-one (151), Block Ten (10), SPRR Survey, Lipscomb County, Texas ("the Property").

On August 9, 2018, District staff observed and reported to Lone Star that Groundwater being produced from the Property was escaping the Property as irrigation tailwater and was entering onto adjacent real property West of the Property, specifically Section One Hundred Fifty (150), Block Ten (10), SPRR Survey, Lipscomb County, Texas ("Section 150") which is owned by FirstBank Southwest, Trustee of the Harry Teare Trust.

On August 31, 2018, District staff again observed and reported to Lone Star that Groundwater being produced from the Property was escaping the Property as irrigation tailwater and was entering onto Section 150.

On September 5, 2018, District staff observed that there was an indication of run-off from the Property, but the area had accumulated a substantial amount of rainfall, and the pivot on the Property was not running.

On September 6, 2018, a complaint was received by the District from Craig Custer, who is the Tenant on Section 150, that Groundwater being produced from the Property was escaping the Property as irrigation tailwater and was entering onto Section 150.

On or about September 6, 2018, Lone Star was notified by the District that the Waste violation must be cured by September 11, 2018.

Lone Star has failed to prevent Groundwater being produced from the Property from escaping the Property as irrigation tailwater and entering onto Section 150, in accordance with District Rules.

The District has no record of Lone Star having permission from the Owner/Tenant of Section 150 to discharge Groundwater from the Property onto Section 150.

Pursuant to Texas Water Code, Section 36.102, the District may assess a civil penalty against the Violator for failure to comply with the District's Rules. Further, under District Rule 12.1.2, the District may enforce its Rules by injunction, mandatory injunction, and reduction of the Violator's Allowable Annual Production, or assess a civil penalty. The violation of District Rule 9. may be enforced by the District by assessing a Class 1 civil penalty against the Violator. A Class 1 civil penalty shall not be less than \$50, nor more than \$10,000 per violation, and each day of a continuing violation shall be deemed a separate violation.

CEASE AND DESIST ORDER

IT IS THEREFORE ORDERED that Lone Star, its agents, employees and/or other representatives, shall immediately cease and desist from committing Waste by permitting Groundwater being produced from the Property to escape the Property as irrigation tailwater and enter onto Section 150.

IT IS FURTHER ORDERED that this Order is effective immediately and shall continue in force and effect until further order of the Board of the District. This Order is binding on Lone Star its agents, employees and/or other representatives.

IT IS FURTHER ORDERED that Lone Star pay costs to the District in the amount of One Thousand Three Hundred Forty-three and 80/100ths Dollars (\$1,343.80) on or before thirty (30) days after the effective date of this Cease and Desist Order.

IN THE EVENT THIS ORDER IS VIOLATED THE DISTRICT MAY IMPOSE A CIVIL PENALTY OF NOT LESS THAN \$50, NOR MORE THAN \$10,000 PER VIOLATION, AND EACH DAY OF A CONTINUING VIOLATION SHALL BE DEEMED A SEPARATE VIOLATION.

Harold Grall moved that the Board adopt proposed Board Order No. 018-002 presented by the District's general counsel regarding the violation of District Rules by Lone Star Family Farms, a Texas General Partnership. Zac Yoder seconded the motion and it was approved by the majority vote of the Board with Justin Crownover abstaining.

Discussion Agenda 4a - Director Reports.

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

Discussion Agenda 4c - General Manager's Report.

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

Discussion Agenda 4b - Committee Reports.

None.

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

By consensus, the Board set the next regular Board Meeting at 9:00 a.m. on January 15, 2019.

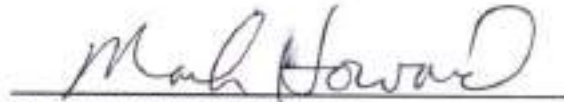
Bob B. Zimmer departed the meeting at 1:00 p.m.

Agenda 6 - Adjournment.

There being no further business to come before the meeting, Harold Grall moved to adjourn the meeting. Zac Yoder seconded the motion and it was unanimously approved by the remaining Board members. President Krienke adjourned the meeting at 1:04 p.m.



Daniel L. Krienke, President



Mark Howard, Secretary