

**MINUTES OF THE AUGUST 31, 2016
BOARD OF DIRECTORS MEETING OF
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

The Board of Directors of North Plains Groundwater Conservation District met in regular session August 31, 2016, at 6:00 p.m. in the Richard S. Bowers Learning Center of the North Plains Water Conservation Center, 6045 County Road E., Etter, Texas. The following persons were present:

Members Present at 6:02 p.m.:

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

Staff Present during part or all of the meeting:

Steve Walthour, General Manager;
Kirk Welch, Assistant General Manager/Outreach;
Kristen Lane, Executive Assistant; and
Laura West, Production Monitoring Coordinator.

Others present during part or all of the meeting:

F. Keith Good, Attorney.

President Zimmer declared a quorum present and called the meeting to order at 6:02 p.m. Gene Born gave the invocation and President Zimmer led the pledge.

1 – Public Comment

No public comments were received.

Action Agenda 2c - Consider action to certify unopposed candidates in Precincts 6 (Ochiltree) and 7 (Lipscomb), cancel Director's Election in Precincts 6 (Ochiltree) and 7 (Lipscomb County) and issue Notice of Election in Precinct 5 (Hansford and Hutchison).

The Secretary of the Board reported to the Board that Daniel L. Krienke, Director of Precinct 6, and Gene Born, Director of Precinct 7, were unopposed candidates for the election scheduled to be held on November 8, 2016.

Harold Grall moved to certify that Daniel L. Krienke, Director of Precinct 6, and Gene Born, Director of Precinct 7, were unopposed candidates for the election scheduled to be held on November 8, 2016. Gene Born seconded the motion and it was unanimously approved by the Board.

Zac Yoder moved to cancel the election scheduled to be held in Precincts 6 and 7 on Tuesday November 8, 2016, in accordance with Section 2.053(a) of the Texas Election Code, and to post a copy of the Order of Cancellation at each polling place that would have been used in the election. Harold Grall seconded the motion and it was unanimously approved by the Board.

Gene Born moved to issue Notice of Election for Precinct 5 in Hutchinson and Hansford Counties, Texas as follows:

NOTICE OF GENERAL ELECTION
(AVISO DE ELECCIÓN GENERAL)

To the Registered Voters of Hansford County, Texas:

(A los Votantes Empadronados del Condado Hansford, Texas:)

Notice is hereby given that the polling places listed below will be open from 7:00 a.m. to 7:00 p.m. on Tuesday, November 8, 2016, for voting in a general election to elect a Board of Director of the North Plains Groundwater Conservation District for Precinct Five (5).

(Se notifica por medio de la presente que las ubicaciones de votación que aparecen abajo estarán abiertas de 7:00 a.m. hasta las 7:00 p.m. el Martes, 8 de Noviembre del 2016, para la votación en la elección para elegir un director del Distrito de Preservación de Agua Subterránea de las Llanuras del Norte para el Recinto Cinco [5]).

On Election Day, voters must vote in their precinct where registered to vote.

(El día de Elección, los votantes deben votar en su precinto donde estan para votar.)

Location of Election Day Polling Places and Precinct Numbers

(Ubicación de centros de votación del día de las elecciones y los números de precinto)

Hansford County Annex – Precinct 1
211 Main
(South door on Davis Street)
Spearman, Texas 79081
(Recinto 1 - Por la puerta del Sur que esta
Por la calle Davis)

Renner Ranch - Precinct 2
Cristo-Redentor Catholic Church
202 Highway 15
Gruver, Texas 79040
(Recinto 2)

Cristo-Redentor Catholic Church – Precinct 3
202 Highway 15
Gruver, Texas 79040
(Recinto 3)

First Christian Church – Precinct 4 (Recinto 4)
202 Highway 15
Gruver, Texas 79040

O'Loughlin Center – Precinct 5
502 South Brandt
Spearman, Texas 79081
(Recinto 5)

Spearman High School – Precinct 6
403 11th
Spearman, Texas 79081
(Recinto 6)

Oslo Lutheran Church – Precinct 7
8605 County Road F
Oslo, Texas 79040
(Recinto 7)

Pringle/Morse Community Building – Precinct 9
301 Main
Morse, Texas 79062
(Recinto 9)

For early voting, a voter may vote at any of the locations listed below:

(Para Votación Adelantada, los votantes podran votar en cualquiera de las ubicaciones nombradas abajo.)

Location for Early Voting Polling Places

(Ubicación de las casillas electorales de votación adelantada)

Days and Hours of Operation

Hansford County Courthouse

15 Northwest Court
Spearman, Texas 79081

8:00 a.m. – 5:00 p.m. Monday through Friday
beginning on Monday, October 24, 2016 and
ending on Friday, November 4, 2016

(8:00 a.m. – 5:00 p.m. De Lunes a Viernes,
comenzará el Lunes, 24 de Octubre del 2016 y
terminara el Viernes 4 de Noviembre del 2016)

5:00 p.m. – 8:00 p.m. on Thursday, October 27,
2016

(5:00 p.m. – 8:00 p.m. el Jueves, 27 de Octubre
del 2016)

5:00 p.m. – 8:00 p.m. on Thursday, November 3,
2016

(5:00 p.m. – 8:00 p.m. el Jueves, el 3 de
Noviembre del 2016)

Gruver City Hall
201 East Broadway
Gruver, Texas 79040

8:00 a.m. – 12:00 Noon 1:00 p.m. – 5:00 p.m.
Monday through Friday, beginning on Monday,
October 24, 2016 and ending on Friday, November
4, 2016
*(8:00 a.m. – 12:00 p.m. y 1:00 p.m. – 5:00 p.m.
De Lunes a Viernes, comenzará el Lunes, 24 de
Octubre del 2016 y terminara el Viernes 4 de
Noviembre del 2016)*

Applications for ballot by mail shall be mailed to:
(Las solicitudes para la boleta de votación adelantada por correo deberán enviarse a:)

Hansford County Clerk
15 Northwest Court
Spearman, Texas 79081.

Applications for ballot by mail must be received no later than the close of business on Friday, October 28, 2016.
(Las solicitudes para la boleta de votación adelantada por correo deberán recibirse para el fin de las horas de oficina el Viernes, 28 de de Octubre del 2016.)

Issued this the 31st day of August, 2016.
(Emitida este 31 de Agosto del 2016.)

NOTICE OF GENERAL ELECTION
(AVISO DE ELECCIÓN GENERAL)

To the Registered Voters of Hutchinson County, Texas:
(A los Votantes Empadronados del Condado Hutchinson, Texas:)

Notice is hereby given that the polling places listed below will be open from 7:00 a.m. to 7:00 p.m. on Tuesday, November 8, 2016, for voting in a general election to elect a Board of Director of the North Plains Groundwater Conservation District for Precinct Five (5).
(Se notifica por medio de la presente que las ubicaciones de votación que aparecen abajo estarán abiertas de 7:00 a.m. hasta las 7:00 p.m. el Martes, 8 de Noviembre del 2016, para la votación en la elección para elegir un director del Distrito de Preservación de Agua Subterránea de las Llanuras del Norte para el Recinto Cinco [5]).

On Election Day, voters must vote in their precinct where registered to vote.
(El día de Elección, los votantes deben votar en su precinct donde estan para votar.)

Location of Election Day Polling Places and Precinct Numbers
(Ubicación de centros de votación del día de las elecciones y los números de precincto)

WTHS Commons – Precinct 31 600 Stewart Avenue Stinnett, Texas 79083 <i>(Recinto 31)</i>	Holt Community Building – Precinct 41 11911 County Road 22 Spearman, Texas 79081 <i>(Recinto 41)</i>
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For early voting, a voter may vote at any of the locations listed below:
Para Votación Adelantada, los votantes podran votar en cualquiera de las ubicaciones nombradas abajo.)

Location for Early Voting Polling Places (Ubicación de las casillas electorales de votación adelantada)	Days and Hours of Operation (Días y Horas Hábiles)
Hutchinson County Courthouse 500 Main Street Stinnett, Texas 79083	8:00 a.m. – 6:00 p.m. Monday through Thursday beginning on Monday, October 24, 2016 and ending on Thursday, November 3, 2016 (8:00 a.m. – 6:00 p.m. De Lunes a Jueves, comenzará el Lunes, 24 de Octubre del 2016 y terminara el Jueves, 3 de Noviembre del 2016)

Applications for ballot by mail shall be mailed to:
(Las solicitudes para la boleta de votación adelantada por correo deberán enviarse a:)

Pauletta Rhoades, Finance and Administration Coordinator
 North Plains Groundwater Conservation District
 P.O. Box 795
 Dumas, Texas 79029-0795.

Applications for ballot by mail must be received no later than the close of business on Friday, October 28, 2016.

(Las solicitudes para la boleta de votación adelantada por correo deberán recibirse para el fin de las horas de oficina el Viernes, 28 de de Octubre del 2016.)

Issued this the 31st day of August, 2016.
(Emitida este 31 de Agosto de del 2016.)

Harold Grall seconded the motion and it was unanimously approved by the Board.

Action Agenda 2a - Consider action to adopt a 2016-2017 budget.

In July, the Board proposed an expense budget for 2016-2017 fiscal year as follows:

Budget Item	Amount
Director's Expense	70,000.00
Personnel	1,200,788.42
Administrative	119,500.00
Contracted Services	89,172.65
Professional Fees	217,500.00
Tech., Communication & Utilities	123,000.00
Vehicle; Bldg.; Field; Supplies	85,000.00
Capital Outlay	120,000.00
Aquifer Science	55,000.00
Conservation Outreach	430,000.00
Conservation Demo Project	245,000.00
Water Conservation Center	104,614.00
Elections	25,000.00
Total	2,859,575.07

The General Manager's estimated end-of year (EOY) income for FY 2015-2016 compared to proposed income for FY 2015-2016 is as follows:

Description	2015-2016 EOY	Draft 2016-2017 Budget Effective Rate	Draft 2016-2017 Budget Current Tax Rate
Taxes	2,155,399.62	2,155,399.62	1,726,024.99
Penalties and Interest	15,725.24	12,265.69	8,475.46
Delinquent Taxes	22,058.54	17,205.66	12,841.13
North Plains Water Conservation Center	100,000.00	50,000.00	50,000.00
Refunds	3,180.86	2,500.00	2,500.00
Fees for District Services	102,000.00	110,000.00	110,000.00
Other Income	45,654.35	60,000.00	60,000.00
TWDB Grant 3-4-5 and dashboard	65,058.19	75,000.00	75,000.00
TWDB Grant Meters	162,576.05	300,000.00	300,000.00
Investment Income	8,500.49	8,500.49	8,500.49
Donations	1,500.00	0.00	0.00
Dallam County Untaxed Area	60,000.00	60,000.00	60,000.00
Total Anticipated Income	2,741,653.34	2,850,871.46	2,413,342.07

The draft proposed expense budget for FY 2016-2017 compared to the FY 2015-2016 is as follows:

Anticipated Expenses	2015-2016 Budget	2015-2016 EOY	Draft 2016-2017 Budget	Explanation
Director's Expense	95,000.00	62,131.15	70,000.00	Director's expenses based on fewer meetings
Personnel	1,254,000.01	1,239,561.20	1,200,788.42	Reduction of one staff member
Administrative	122,000.00	114,403.88	119,500.00	Reduced based on projected EOY Expenses
Contracted Services	81,000.00	73,993.14	89,172.65	Reduced based on projected EOY Expenses
Professional Fees	227,500.00	203,703.71	217,500.00	Based on EOY and upcoming legislative session
Tech., Communication & Utilities	100,000.00	126,619.19	123,000.00	Increased based on projected EOY Expenses
Vehicle; Bldg; Field; Supplies	100,000.00	86,334.04	85,000.00	Reduced based on projected EOY Expenses
Capital Outlay	50,000.00	38,023.54	120,000.00	Funding for property improvements

Aquifer Science	200,000.00	176,130.82	55,000.00	Decrease to reflect concentration on telemetry
Conservation Outreach	540,000.00	378,837.66	430,000.00	Reduced based on projected EOY Expenses
Conservation Demo Project & Master Irrigator	175,000.00	157,445.28	245,000.00	Increased based on Master Irrigator Program, and Dashboard
Water Conservation Center	202,174.00	206,437.80	104,614.00	Equipment installation completed.
Elections	0.00	0.00	25,000.00	Expenses related to elections
Total Anticipated Expenses	3,146,674.0	2,863,621.40	2,859,575.07	

A worksheet showing income and expenses for 2015-2016 compared to 2016-2017 was presented to the Board. The General Manager recommended that the Board adopt a budget for the 2016-2017 fiscal year as follows:

Budget Item	Amount
Director's Expense	70,000.00
Personnel	1,200,788.42
Administrative	119,500.00
Contracted Services	89,172.65
Professional Fees	217,500.00
Tech., Communication & Utilities	123,000.00
Vehicle; Bldg.; Field; Supplies	85,000.00
Capital Outlay	120,000.00
Aquifer Science	55,000.00
Conservation Outreach	430,000.00
Conservation Demo Project	245,000.00
Water Conservation Center	104,614.00
Elections	25,000.00
Total	2,859,575.07

The General Manager reported that the District will have additional income of approximately \$45,000 from USDA NRCS which was not reflected in the draft budget. The General Manager also reported that Production Fees will be on the Board's September Agenda, but that \$60,000 in Production Fee income had been used in the 2016-2017 draft budget.

With the \$45,000 additional income from USDA NRCS; and if the District adopts the effective tax rate, the projected income for the District for 2016-2017 is \$2,895,871.46. As stated above, the projected expenses for 2016-2017 are \$2,859,575.07. This results in a projected positive budget for the District of \$36,296.39.

Danny Krienke moved to adopt the total expense budget of \$2,859,575.07 and the total income budget of \$2,895,871.46 as the District's 2016-2017 Budget. Gene Born seconded the motion and it passed by the majority vote of the Board with Zac Yoder opposing the motion.

Action Agenda 3b - Consider action to adopt the proposed 2016 tax rate based on the 2016 effective tax.

The General Manager stated that on August 5, 2016, the Board proposed a tax rate that is equivalent to this year's effective tax rate of 0.034146/\$100 of property value. On August 7, 2016, *Amarillo Globe News* published 2016 Property Tax Rates for North Plains Groundwater Conservation District and District staff published the tax notice on the District's website on August 4, 2016.

The District is funded through ad valorem taxes, fees and grants. Ad valorem taxes are based on certified property values in the District. From year-to-year, the certified taxable property values may increase or decrease within each county. The table below shows the certified values by county for the last four years.

County	Certified Values			
	2013	2014	2015	2016
Dallam	705,324,465	736,674,045	803,102,856	855,169,183

Hansford	598,011,802	629,065,320	657,620,582	553,499,799
Hartley	594,833,715	588,456,108	609,979,400	608,135,033
Hutchison	233,750,810	206,343,400	186,668,380	122,260,040
Lipscomb	1,217,513,558	1,219,888,949	910,776,732	561,618,515
Moore	2,288,939,037	2,245,567,863	2,149,580,872	1,892,867,476
Ochiltree	1,730,153,898	1,976,158,575	2,159,858,960	1,427,073,011
Sherman	625,571,890	665,431,950	626,051,650	514,259,730

Funds generated are calculated by multiplying the total taxable value of properties within the District and the tax rate set by the District. It presents information about three tax rates. Last year's tax rate is the actual rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate is the rate which would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures. In each case, these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

2016 Property Tax Rates for North Plains Groundwater Conservation District

This notice concerns 2016 property tax rates for North Plains Groundwater Conservation District. It presents information about three tax rates. Last year's tax rate is the actual rate the taxing unit used to determine property taxes last year. This year's *effective* tax rate would impose the same total taxes as last year if you compare properties taxed in both years. This year's *rollback* tax rate is the highest tax rate the taxing unit can set before taxpayers can start tax rollback procedures. In each case these rates are found by dividing the total amount of taxes by the tax base (the total value of taxable property) with adjustments as required by state law. The rates are given per \$100 of property value.

Last year's tax rate:

	General Fund
Last year's operating taxes	\$0
Last year's total taxes	\$ 2,204,991
Last year's tax base	\$8,218,684,012
Last year's total tax rate	0.026829/\$100

This year's effective tax rate:

Last year's adjusted taxes	
(after subtracting taxes on lost property)	\$ 2,205,786
÷ This year's adjusted tax base	
(after subtracting value of new property)	\$6,459,779,747
= This year's effective tax rate	0.034146/\$100
(Maximum rate unless unit publishes notices and holds hearings.)	

This year's rollback tax rate:

Last year's adjusted operating taxes	
(after subtracting taxes on lost property and adjusting for any transferred function, tax increment financing, state criminal justice health care expenditures)	\$ 2,205,786
÷ This year's adjusted tax base	\$6,459,779,747
= This year's effective operating rate	0.034146/\$100
x 1.08 = This year's maximum operating rate	0.036877/\$100
= This year's total rollback rate	0.036877/\$100

Statement of Increase/Decrease

If North Plains Groundwater Conservation District adopts a 2016 tax rate equal to the effective tax rate of 0.034146 per \$100 of value, taxes would increase compared to 2015 taxes by \$17,156.

Schedule A - Unencumbered Fund Balances

The following estimated balances will be left in the unit's property tax accounts at the end of the fiscal year. These balances are not encumbered by a corresponding debt obligation.

Type of Property Tax Fund	Balance
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This notice contains a summary of actual effective and rollback rates' calculations. You can inspect a copy of the full calculations at 603 E 1st Street, Dumas TX 79029.

Name of person preparing this notice: Steven D. Walthour, P.G.

Title: General Manager

Date prepared: August 3, 2016

Gene Born moved to adopt the effective tax rate for 2016 of 0.036877 per \$100 of valuation as the District's ad valorem tax rate. Danny Krienke seconded the motion. A Board discussion ensued regarding adopting the effective tax rate versus a lower rate. Zac Yoder stated that he is interested in decreasing the tax rate below the effective tax rate based upon his discussions with fellow farmers in Dallam County. The Board discussed the implications of adopting a tax rate below the effective tax rate and the variable effect of changes in property evaluations. President Zimmer then called for a roll-call vote:

Danny Krienke – Yes
Mark Howard – Yes
Justin Crownover – Yes
Harold Grall – Yes
Bob Zimmer – No
Gene Born – Yes
Zac Yoder – No

The motion passed by the majority vote of the Board.

Action Agenda 2d - Consider legal and compliance matters before the District.

The General Manager reported that the District will hold a Show Cause hearing at its September 13, 2016 Board meeting regarding Rule violations by Robert Spielman.

Discussion Agenda 3c - 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 3a - District 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 3b - Committee Reports.


None.

Discussion Agenda 4 - Discuss Items for Future Board Meeting Agendas and Set Next Meeting Date and Time.

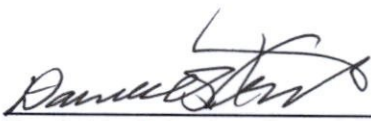
Mr. Walthour reminded the Board that the regular meeting for September will be held on September 13, 2016, at 9:00 a.m.

Discussion Agenda 5 - Adjournment.

There being no further business to come before the meeting, President Zimmer declared the meeting adjourned at 7:43 p.m.



Bob B. Zimmer, President



Daniel L. Krienke, Secretary