

**MINUTES OF THE AUGUST 5, 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 5, 2016, at 9:00 a.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 9:14 a.m.:

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

Staff Present during part or all of the meeting:

Steve Walthour, General Manager;
Kirk Welch, Assistant General Manager/Outreach; and
Alyssa Holguin, Conservation Outreach Assistant.

Others present during part or all of the meeting:

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

President Zimmer declared a quorum present and called the meeting to order at 9:14 a.m. President Zimmer gave the invocation and Gene Born led the pledge.

1 – Public Comment

No public comments were received.

2 – Consent Agenda

The Consent Agenda was discussed by the Board and consisted of: the review and approval of the Minutes of the regular July 19, 2016 Board Meeting; the review and approval of the Minutes of the July 18, 2016 Finance and Budget Committee Meeting; the review and approval of the Minutes of the July 13, 2016 Property Committee Meeting; the review and approval of the Minutes of the July 13, 2016 Agriculture Committee Meeting; and the review and approval of un-audited District expenditures for July 1, 2016 through July 31, 2016, including the General Manager's expense and activity report. Zac Yoder moved to remove the Minutes of the July 13, 2016 Property Committee Meeting from the Consent Agenda. Danny Krienke seconded the motion and it was unanimously approved by the Board.

Gene Born moved to approve the remaining items on the Consent Agenda. Zac Yoder seconded the motion and it was unanimously approved by the Board.

Zac Yoder stated that the July 13, 2016 Property Committee Minutes needed to be corrected to reflect that Daniel L. Krienke was the Chairman; that Zac Yoder was a member of the Property Committee, who was present at the July 13, 2016 Property Committee Meeting; and that Harold Grall was present at the Property Committee Meeting but that he is not a member of the Committee. Gene Born moved to approve

the July 13, 2016 Property Committee Meeting Minutes as corrected. Zac Yoder seconded the motion and it was unanimously approved by the Board.

Action Agenda 3a - Review last year's tax rate, the 2016 effective tax rate and the 2016 rollback rate and consider action to propose a new tax rate.

The General Manager reported that District staff is preparing to notify the *Amarillo Globe News* to publish 2016 Property Tax Rates for North Plains Groundwater Conservation District and District staff will publish notice on the District's website. The notice starts the process for setting a tax rate for the District. District staff presented a copy of the notice to the Board.

The General Manager stated that 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:

Last year's operating taxes
Last year's total taxes
Last year's tax base
Last year's total tax rate

General Fund

\$0
\$ 2,204,991
\$8,218,684,012
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
NPGCD Funds Held Account	\$500,000

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

The General Manager reported that: after reviewing the budget, the Board may vote to propose a tax rate up to the effective rate, or increase above the effective rate. If the Board votes to increase above the effective rate, the Board must schedule two (2) public hearings. The second hearing must not be held earlier than the third day after the date of the first hearing. After the dates for the two (2) hearings have been set, the District will publish a first quarter page ad "Notice of Public Hearing on Tax Increase" in a newspaper of general circulation within the District. After holding the two (2) public hearings, the District must follow a strict timetable. The meeting to vote on the tax rate must take place no less than three (3) days, and no more than fourteen (14) days, after the second public hearing. The District must post an Open Meetings Notice with the Secretary of State and the County Tax Assessor Offices within the District at least 72 hours prior to adopting the tax rate.

For the past three tax years, the board has elected to establish the effective rate as the tax rate.

The General Manager stated that he had developed a budget based upon the District essentially not receiving any additional income through ad valorem taxes. As a result, the General Manager stated that he conservatively estimated tax income for 2015-2016. In FY 2015-2016, the General Manager estimated that tax income would be \$2,008,869.37. The effective tax rate in 2015 was based on total taxable value at the time of the certification, minus the taxable value for new improvements after January 1, 2014, and generated \$2,068,278. In addition to the adjusted operating taxes, the

District should also take into consideration that it will collect taxes on any new taxable improvements since January 1, 2015. In 2014, tax income from new improvement values was an estimated \$86,516. The adjusted operating expenses, plus the taxes from new improvements provides a tax income estimate of \$2,154,794 for 2015-2016, which is much closer to what the District has collected.

Using the above-described method, the effective tax rate for 2016 will generate \$2,205,786, plus an estimated \$17,156 in taxes on new taxable improvements.

The General Manager stated that in drafting the proposed budget for 2016-2017, he has reviewed the District's finances and attempted to bring the budget back in line with its income while not adversely affecting the District's conservation programs. If the Board adopts the effective tax rate, then the District's proposed budget adds an estimated \$27,618 to the District's reserves.

Harold Grall moved to propose the effective tax rate of 0.034146 per \$100 of valuation as the 2016 ad valorem tax rate for the District. Danny Krienke 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 order director elections in Precinct 5- Hansford and Hutchison Counties, Precinct 6 – Ochiltree County and Precinct 7 – Lipscomb County.

Danny Krienke moved that the Board Order the Directors' Election to be held November 8, 2016 in the following Director Precincts: Precinct 5- Hansford and Hutchinson Counties, Precinct 6- Ochiltree County, and Precinct 7- Lipscomb County; appoint Pauletta Rhoades, as the early voting clerk for ballots by mail for Hutchison County, Texas, and Patsy Long, as the alternate early voting clerk for ballots by mail for Hutchinson County, Texas; and instruct the General Manager to prepare the Order of Election, Notice of Election, and post and/or publish notices, news releases, obtain all the necessary supplies, and secure the judges and polling places. Harold Grall seconded the motion and it was unanimously approved by the Board.

Action Agenda 3c - Consider legal and compliance matters before the District.

There is one (1) late filed 2015 Production Report that has not been resolved as of July 12, 2016. Initial late fee letters were sent out by District staff on April 20, 2016, with a due date of June 14, 2016. Late filing reminder letters were sent out by District staff on June 2, 2016. Producers were contacted by the General Manager on July 11, 2016 and informed of requirements which must be satisfied.

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

By consensus, the Board set its next regular Board meeting on August 31, 2016, at 6:00 p.m.

Discussion Agenda 4a - Director Reports.

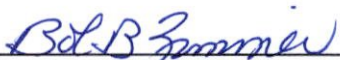
District Directors reported to the Board regarding meetings and/or seminars attended, weather conditions and economic development in each Director's precinct.

Discussion Agenda 4b - Committee Reports.

None.

Discussion Agenda 6 - Adjournment.

There being no further business to come before the meeting, President Zimmer declared the meeting adjourned at 9:59 a.m.



Bob B. Zimmer, President



Daniel L. Krienke, Secretary