

**MINUTES OF THE JUNE 10, 2014  
BOARD OF DIRECTORS MEETING OF  
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

The Board of Directors of North Plains Groundwater Conservation District met in regular session June 10, 2014, at 9:00 a.m. in the Conference Room of the Hampton Inn, 2010 South Dumas Avenue, Dumas, Texas 79029. The following persons were present:

**Members Present:**

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

**Staff Present during part or all of the meeting:**

Steve Walthour, General Manager;  
Dale Hallmark, Assistant General Manager and Hydrologist;  
Kirk Welch, Assistant General Manager/Outreach  
Kristen Lane, Executive Assistant;  
Casey Tice, Compliance Coordinator;  
Laura West, Production Monitoring Coordinator;  
Odell Ward, GIS and Natural Resource Tech Lead;  
Paul Sigle, Agricultural Engineer;  
Vanessa Ladesma, Summer Intern;  
David Wolf, Summer Intern; and  
Carrie Bryant, 200-12 Conservation Coordinator.

**Others present during part or all of the meeting:**

Sabrina Leven;  
Ashley Handy;  
Scott Clawson;  
C. C. Sysmobath;  
Dee Vaughn;  
Len Sheets;  
Sheldon Snyder;  
Dillon Pool;  
Emmett Autrey;  
F. Keith Good, Attorney;  
Haley Rader, Attorney; and,  
Ellen Orr, Paralegal.

President Zimmer declared a quorum present and called the meeting to order at 9:11 a.m.

Director Zachary Yoder gave the invocation and President Zimmer led the pledge.

President Zimmer asked if there were persons present who desired to make public comment. No public comment was made.

The General Manager introduced Vanessa Ledesma, David Wolf and Carrie Bryant, who are new employees of the District.



Gene Born moved to approve items 2a through 2c of the Consent Agenda consisting of the review and approval of the Minutes of the regular Board of Directors Meeting of May 21, 2014; the review and approval of District expenditures for May 1, 2014 through May 31, 2014, including the General Manager's Expense and Activity Report; and the approval of payment of professional services and out-of-pocket expenses to Lemon, Shearer, Phillips & Good, P.C. in the amount of \$9,667.35 for May 1, 2014, through May 31, 2014. Harold Grall seconded the motion and it was passed unanimously by the Board.

Farris Hightower of Lindsay Corporation and Aaron Floyd of Floyd Irrigation; Joe O'Bryant of Reinke and Chuck Harbour of Texas Electric Stratford; Lynn Sheets of T-L Irrigation Company; and Murry Johnson of Valmont Valley and Tommy Armstrong from T & R Valley Services made presentations to the Board regarding proposals submitted for the District's Irrigation Systems for the North Plains Water Conservation Center. The proposals of all of the parties are available in the files of the District. The presentations to the Board were closed at 10:03 a.m.

Justin Crownover arrived to participate in the meeting at 9:21 a.m.

The General Manager presented a report regarding 2013 Annual Production Reported. Mr. Walthour stated that District staff has finished processing the 2747 production reports through June 2<sup>nd</sup>. Laura and Casey continue to work on the properties that have overages. Conservation Reserve letters were mailed out the end of last week, so producers should be calling about Conservation Reserve questions. As of June 1<sup>st</sup>, Laura has started pooling properties for the 2014 production season. As of May 31, 2014, provisional groundwater production for the District is shown as follows:

County	2008	2009	2010	2011	2012	2013
<b>Dallam</b>	313,451	317,441	302,561	374,733	371,965	399,272
<b>Hartley</b>	364,560	387,305	401,506	519,684	458,696	458,998
<b>Sherman</b>	275,128	285,571	261,608	407,265	348,012	346,685
<b>Moore</b>	191,409	200,220	178,336	271,684	234,688	228,297
<b>GMA-1 West</b>	1,144,548	1,190,537	1,144,011	1,573,366	1,413,361	1,433,252
<b>Hansford</b>	142,694	152,686	129,984	234,903	218,793	201,914
<b>Hutchinson</b>	52,846	53,869	42,023	73,747	72,230	69,716
<b>Ochiltree</b>	75,527	65,840	62,269	114,392	109,213	98,280
<b>Lipscomb</b>	30,832	30,242	33,826	52,003	55,572	42,519
<b>GMA-1 East</b>	301,899	302,637	268,102	475,045	455,808	412,429
<b>Total</b>	1,446,447	1,493,174	1,412,113	2,048,411	1,869,169	1,845,681

The General Manager stated that total groundwater production for 2013 was 24,000 acre-feet lower for 2013 than it was in 2012. Mr. Walthour said that Dallam County groundwater production was coming in higher in 2013 probably because of the PGMAs reporting for the first time. Mr. Walthour commented that Hartley County was pretty much level on 2012 and 2013 groundwater production. Mr. Walthour indicated that District staff had run production numbers for the Dallam County PGMA for 2013 and production was 68,000 acre feet in the old PGMA area. Mr. Walthour said that this surprised him and that the number was higher than what he expected. Mr. Krienke stated that groundwater withdrawal projections used by the District for the current DFC



calculation was based upon withdrawal of 70,000 acre feet for the old Dallam PGMA. Mr. Walthour also stated that new production on pivots appears to be dropping off.

The Schedule of Well Permits set forth below was presented to the Board for its review. Harold Grall moved to remove DA-5746 and HA-5158 from the Well Permits to be considered by the Board and to approve the remaining Wells listed on the Schedule of Well Permits because the Wells are properly equipped and otherwise comply with District Rules. Justin Crownover seconded the motion and it was unanimously approved by the Board.

The	Class	MaxYield	Quarter	Section	Block	Survey	NS	EW
DA-5736	C	800	SW	18	4	CSS	410S	436W
DA-5746	C	800	SW	68	7	CSS	449S	478W
HA-5158	C	800	NW	27	A-1	PSL	71N	1414W
HA-5727	C	800	SE	42	11	CSS	423S	340E
HA-5728	C	800	SW	42	11	CSS	423S	445W
HA-5797	C	800	SE	22	A-1	PSL	795S	599E
HA-5818	C	800	NW	35	11	CSS	448N	433W
HA-6192	C	800	NE	5	16	CSS	726N	866E
HA-6193	C	800	NW	8	16	CSS	463N	20W
HA-6280	C	800	SW	25	A-1	PSL	267S	32W
HA-6286	C	800	NW	19	A-1	PSL	725N	1125W
HA-6321	C	800	NE	35	11	CSS	228N	807E
HA-6322	C	800	NW	24	A-1	PSL	928N	64W
HA-6523	C	800	SE	42	11	CSS	18S	122E
HA-6524	C	800	SE	42	11	CSS	204S	746E
HA-6525	C	800	SE	42	11	CSS	658S	739E
HA-626	C	800	SE	43	11	CSS	428S	433E
HA-6553	C	800	NW	110	4	CSS	268N	830W
HA-6559	C	800	NW	111	4	CSS	883N	644W
HA-6564	C	800	NW	111	4	CSS	262N	832W
HA-6650	C	800	NE	41	11	CSS	749N	248E
HA-7150	C	800	SE	60	13	CSS	155S	106W
HN-6930	D	1800	NW	25	2	WCRR	779N	43W
HN-6963	D	1800	NE	120	4-T	T&NO	423N	288E
HN-7082	C	800	NE	3	1	WCRR	875N	143E
HN-7083	C	800	SW	3	1	WCRR	131S	110W
HU-6734	D	1800	SE	Thos Ross	NONE	NONE	1644 S	1508 E
HU-6881	D	1800	NE	Thos Ross	NONE	NONE	610N	102E
LI-5267	D	1200	SW	271	43	H&TC	842S	875W
SH-4253	C	800	SW	93	1-C	GH&H	104S	573W
SH-5768	B	400	NE	242	1-T	T&NO	107N	263E

The General Manager presented a draft of proposed Rules to the Board and stated that at the May Board meeting, the Board elected to go forward in proposing new Chapter 8 (Amendments to Allowable Annual Production to Achieve Desired Future Conditions) and proposing Rule 6.3.8 amending the Conservation Reserve to be transferable with the land. Both of these proposed rules have been incorporated into the current set of rules. The Board was presented an excerpt from the current Rules where these proposed rules will be incorporated if adopted. The District's general counsel discussed placing proposed Rule 6.3.8 into current Rule 3.4 and adding Chapter 8 as Rule 4 in the current Rules if adopted by the District. A Board discussion ensued as follows:

Mark Howard inquired what was magical about the five-year length of the Conservation Reserve. Danny Krienke stated that from his viewpoint, it was important for planning purposes that the Conservation Reserve coincide with the DFC and management plan process which are on five-year intervals. Bob Zimmer stated that every year that the MAG will be smaller than the previous year. Mark Howard inquired what would be wrong having the Conservation Reserve term for a 10-year period to permit a drought cushion for producers. Danny Krienke stated that in developing the current Rules the initial discussion of the Board was that under normal



circumstances, you generally have a climate cycle with one wet year, one dry year and three average years and that is one factor in arriving at a five-year term for the Conservation Reserve. Zachary Yoder stated that in 2010 almost everyone put water into the Conservation Reserve. Mr. Yoder stated that he would hate for someone to feel that that needed to pre-water in 2015 before seeing any snowfall, just because the five-year term was concluding and the person would lose the water if the person didn't use it. Mr. Howard and Mr. Yoder asked the General Manager what percentage of the 2010, 2011 and 2012 Conservation Reserve remains for producers in the District. Justin Crownover stated that he wants the transfer of the Conservation Reserve to a new owner of the property to happen. Mark Howard stated that he wanted the Conservation Reserve transfer to a new owner of the property to be retroactive to 2010. Danny Krienke stated that he was ok with the transfer of the Conservation Reserve to a new owner of the property going forward. Gene Born stated that you could not go backward with the Conservation Reserve transferring to a new owner of the property.

Danny Krienke moved to propose the drafted rules, as amended by the Board in May, to the public for review and commentary. Justin Crownover seconded the motion and it was unanimously approved by the Board.

The Board recessed and 11:00 a.m. and reconvened at 11:17 a.m.

Justin Crownover moved that the District set a public hearing date for the rules proposed by the Board for July 14, 2014 at 9:00 a.m in the Hampton Inn Conference Room, 2010 South Dumas Avenue, Dumas Texas. Harold Grall seconded the motion and it was unanimously approved by the Board.

The Board discussed the February 7, 2014 draft of the rules presented to the Board which was tabled at its May meeting except for Chapter 8 and Rule 6.3.8 until Board members have an opportunity to review those rules. Well spacing was discussed and Zachary Yoder stated that he would like to see the divide by two rule be brought back into the current rules. Replacement Well spacing was discussed by the Board. By consensus, the Board elected to table the discussion of the remaining rules in the February 7, 2014 draft presented to the Board until its regular meeting in August.

Danny Krienke, Steve Walthour and Bob Zimmer presented reports to the Board regarding the Panhandle Regional Water Planning Group and Groundwater Management Area 1 Joint Planning. Bob Zimmer stated that High Plains Groundwater Conservation District gave a presentation on its proposed rules which are going out to the public for commentary. Mr. Zimmer also stated that there was a unanimous vote by the members of the GMA-1 joint planning group to propose the same DFC for the next five-year period as GMA-1 has today. Mr. Zimmer also stated that there was one aquifer in the Panhandle District, the Blaine aquifer, which the Panhandle District wanted to review before anything is officially done to propose the DFC for the next five-year period. The next GMA-1 meeting will be at the end of July.

The General Manager discussed the development of the District's 2014 – 2015 Budget. The General Manager stated that the District needed to begin development of the budget and that an Ag Committee Meeting and a Finance Committee Meeting needed to occur before the next regular Board meeting in July. By consensus of the Board, July 7, 2014 at 6:30 p.m. was set for the Ag Committee Meeting and July 8, 2014 at 6:30 p.m. was set for the Finance Committee Meeting.

The General Manager, Paul Sigle and Leon New presented the following report regarding the District's Agriculture Conservation Programs and the North Plains Water Conservation Center:



## 200-12

The 2014 200-12 Reduced Irrigation on Corn Demonstration Project is well underway. District staff will continue to install or replace gypsum blocks as needed. Five new meters were installed at the pivots of 200-12 cooperators and, along with the existing meters, have been read weekly. So far, seven participants have planted corn for the year, and the other cooperators will soon follow. Leon New stated that of the 20 fields participating in the program, 15 fields have been planted. Mr. New also stated that on April 30 and May 4 participants received rainfall.

## EPIC

The Extension Agents are continuing to monitor their 2014 EPIC Project. At this time, the agents have four corn demonstration sites located in Lipscomb, Ochiltree, Moore and Hutchinson Counties. A sorghum demonstration site is located in Ochiltree. Mike Bragg will conduct a demonstration of the difference between LEPA Bubble and Spray in Hartley County.

## North Plains Water Conservation Center

The district received proposals for the Request for Proposal: Irrigation Systems. Proposals were received from Valley, Lindsay, T-L and Rienke. After reviewing the presentations, the general manager with the assistance Leon New and the staff will make a recommendation to the board regarding who to select as the firm or firms that will provide equipment and service to the research field.

The General Manager has begun to negotiate a settlement agreement between the District and Texas A&M AgriLife Research and Extension regarding the closeout of the North Plains Research Field leasing contract.

The Texas Municipal League Intergovernmental Employee Benefits Pool (TML) forwarded to the district a re-rate notice and benefit verification form for Employee Health Benefits guaranteed until October 1, 2015. A re-rate notice is used to set new rates for employee and dependent coverage. TML new rates for Fiscal Year 2013-2014 will increase 7% for medical coverage for the upcoming year.

	Current Rate	New Rate
Employee	381.88	408.62
Spouse	507.26	542.78
Child	257.88	275.94
Family	729.98	781.08

The District pays the medical, vision, and dental premiums for the employee only. The District also pays the assessed monthly administration fee of \$3.70 a month for each employee either on the HRA/or/FSA plan.

The Board was presented the rerate notice, benefit verification form, continuation of coverage, administrative agreement, section 125 FSA renewal, and the HRA renewal forms.

The General Manager recommended that the Board approve the rerate notice, benefit verification form, continuation of coverage administrative agreement, Section 125 FSA renewal and the HRA Renewal Forms.

Justin Crownover moved that the Board approve rerate notice, benefit verification form, continuation of coverage administrative agreement, Section 125 FSA renewal and the HRA Renewal Forms presented to the Board. Zachary Yoder seconded the motion and it was unanimously approved by the Board.

Harold Grall moved to go into Executive Session in compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, §551.071, to obtain legal



advice from its attorney regarding pending compliance matters; contractual provisions submitted in response to Request for Proposals submitted to the District; and director election cycles . Gene Born seconded the motion and it was unanimously approved by the Board.

Executive Session: At 12:22 p.m., the Board went into Executive Session to seek legal advice from its attorney. At 4:05 p.m., Director Gene Born moved that the Board reconvene into regular session. Mark Howard seconded the motion and it was unanimously approved by the Board.

The Board reconvened into regular session at 4:15 p.m.

Harold Grall moved that the District's general counsel and its General Manager negotiate a contract for the purchase of two irrigation systems for the North Plains Water Conservation Center with Reinke. Danny Krienke seconded the motion and it was unanimously approved by the Board.

Danny Krienke moved to approve the Compromise Settlement Agreement between the District and Justin Crownover. Gene Born seconded the motion and the motion passed by the majority vote of the Board with Justin Crownover abstaining from the vote.

Gene Born moved to approve the Compromise Settlement Agreement between the District and Etter Water Well Service. Harold Grall seconded the motion and it was unanimously approved by the Board.

Danny Krienke moved to issue Show Cause Order 014-001 to Robert Spielman to show cause why action should not be taken against him to suspended, cancelled, or otherwise limited his Well permits and/or why he should not be subject to injunction or civil penalties as set forth in the District's Rules for failure to file 2013 Annual Production Reports for Property 171, composed of portions of Sections 141, 122 and 140, Block 48, H & TC Survey, Hartley County, Texas; Property 613, composed of all or portions of Sections 50 and 23, Block 48, H & TC Survey, Hartley County, Texas and Section 3, Block A-4, PSL Survey, Hartley County, Texas; Property 1753, composed of a portion of Section 20, Block 48, H & TC Survey, Dallam County, Texas; Property 2242, composed of Section 1, Block 1, SPRR Survey, Dallam County, Texas; and Property 2846 composed of a portion of Section 20, Block 48, H & TC Survey, Hartley County, Texas, for 10:00 a.m. on July 14, 2014. Gene Born seconded the motion and it was unanimously approved by the Board.

Danny Krienke moved that the District's general counsel issue a demand letter to Juan Espino, Ed Moore and Daisy Moore to file their 2013 Annual Production Reports with the District, or to contact District staff on or before July 13, 2014 at 5:00 p.m. or the District would issue a Show Cause Order for each of them to appear before the Board at the Board's next regular meeting. Harold Grall seconded the motion and it was unanimously approved by the Board.

Gene Born moved that the District's general counsel and the General Manager offer a Compromise Settlement to Steve Johnson for violation of District Rules. Justin Crownover seconded the motion and it was unanimously approved by the Board.

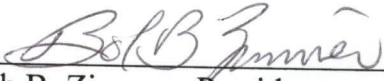

Steve Walthour presented the General Manager's Report, including information concerning upcoming meetings and conferences and the General Manager's activity summary.

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

General Counsel stated that in order to address the legal issues posed by the Board regarding the District's election cycles that additional research would be required. General Counsel indicated that his staff would respond at the next regular meeting of the Board.

President Zimmer set the Board next regular Board Meeting at 9:00 a.m. on July 14, 2014.

Harold Grall moved to adjourn the meeting. Justin Crownover seconded the motion and it was unanimously approved by the Board. President Zimmer declared the meeting adjourned at 4:26 p.m.

  
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Bob B. Zimmer, President  
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Daniel L. Krienke, Secretary