

**MINUTES OF THE JUNE 14, 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 June 14, 2016, at 9:00 a.m. in the Conference Room of the North Plains Water Conservation Center, 6045 County Road E., Etter, Texas. The following persons were present:

Members Present at 9:10 a.m.:

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

Staff Present during part or all of the meeting:

Steve Walthour, General Manager;
Kirk Welch, Assistant General Manager/Outreach;
Kristen Lane, Executive Assistant;
Pauletta Rhoades, Finance/Administration Coordinator;
Laura West, Production Monitoring Coordinator;
Patsy Long, Receptionist;
Sherry Robinett, Part-time Secretary;
Mike Pitts, Monitor Well Coordinator;
Karen Mannis, Natural Resource Specialist;
Jerry Green, Natural Resource Specialist;
Shari Stanford, Natural Resource Specialist;
Alyssa Holguin, Conservation Outreach Assistant;
Casey Tice, Compliance Coordinator;
Odell Ward, GIS and Natural Resources Tech Lead;
Paul Sigle, Agriculture Engineer; and,
Curtis Schwertner, Natural Resource Specialist.

Others present during part or all of the meeting:

Taylor Brown;
Craig Jones;
Juan R. Pena;
Keith Whitworth; and,
F. Keith Good, Attorney.

President Zimmer declared a quorum present and called the meeting to order at 9:10 a.m. Director Harold Grall gave the invocation. President Zimmer led the pledge.

1 – Public Comment

No public comments were received.

The General Manager introduced Alyssa Holguin, who is the District's new Conservation Outreach Assistant. Mr. Walthour also introduced C. E. Williams from Panhandle GCD and Carmen Cernosek from the Texas Water Development Board.

2 – Consent Agenda

The Consent Agenda was discussed by the Board and consisted of: the review and approval of the Minutes of the regular April 12, 2016 Board Meeting; the review and

approval of un-audited District expenditures for April 1, 2016 through May 31, 2016, including the General Manager's expense and activity report; the review and approval of payment to Lemon, Shearer, Phillips & Good, P.C. for professional services and out-of-pocket expenses from April 1, 2016 through May 31, 2016 in the amount of \$9,664.54; receiving a report regarding the budget and financial condition of the District for the first eight months of the 2015-2016 fiscal year; and, receiving a District 2014 Annual Report.

Harold Grall moved to approve the Consent Agenda. Gene Born seconded the motion and it was unanimously approved by the Board.

Action Agenda 3f - Review resolution and discuss dedication of the Richard S. Bowers Conservation Learning Center.

In March, the North Plains GCD Board of Directors voted unanimously to dedicate the District's learning center at the North Plains Water Conservation Center to Richard S. Bowers.

The General Manager presented the official Resolution to the Board from the Board's March 8, 2016 Board meeting dedicating the office and conference building at the Water Conservation Center to Richard S. Bowers.

RESOLUTION # 2016-0001

**A RESOLUTION DEDICATING THE OFFICE AND CONFERENCE BUILDING
AT THE WATER CONSERVATION CENTER OF
THE NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT
TO RICHARD S. BOWERS, AND NAMING SAID BUILDING
THE RICHARD S. BOWERS WATER CONSERVATION LEARNING CENTER**

KNOW ALL PEOPLE BY THESE PRESENTS:

In 1979 Richard Bowers became the General Manager of the Panhandle Groundwater Conservation District, a position he served for eight years;

In 1987 he accepted the title as General Manager of the North Plains Groundwater Conservation District and served this District for twenty years;

In 2007, he moved to Burnet, Texas and assumed the position of General Manager of the Central Texas Groundwater Conservation District, a position he served for four years prior to his retirement in 2011;

In 2014, he served as interim General Manager for the Upper Trinity Groundwater Conservation District in Springtown, Texas; and,

Throughout his career, Richard served as president of numerous water related organizations including: The Texas Water Conservation Association; the Texas Alliance of Groundwater Districts; and the National Groundwater Management Districts Association. He also chaired the Tarleton State University Hydrology Council.

Therefore, in appreciation for, and in recognition of, Richard's distinguished career dedicated to the preservation, conservation and protection of groundwater in the State of Texas, on the date set forth below, the North Plains Groundwater Conservation District Board of Directors adopted the following resolution:

BE IT RESOLVED, AND IT IS HEREBY RESOLVED, on the 14th day of June, 2016, the Office and Conference Building at the North Plains Water Conservation Center shall be dedicated to Richard S. Bowers, and shall be officially named: *The Richard S. Bowers Water Conservation Learning Center.*

PASSED AND APPROVED by the Board of North Plains Groundwater Conservation District in a Meeting held on the 8th day of March, 2016.

Mr. Walthour then introduced Curtis Schwertner, who discussed the history of the WCC, and then introduced Paul Sigle, who presented field demonstrations, after the dedication of the the District's Learning Center to Richard S. Bowers.

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

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 60 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	QTR	SEC	BLK	SUR
DA-6048	C	SW/4	1	M A Willis	NONE
DA-7932	C	SE/4	4	6	CSS
DA-8278	C	SW/4	8	W H Pardue	NONE
DA-8308	C	SW/4	8	W H Pardue	NONE
DA-8515	C	NE/4	5	W H Pardue	NONE
DA-8516	C	NE/4	5	W H Pardue	NONE
DA-8605	B	SE/4	1	1	SPRR
DA-8606	B	SW/4	1	1	SPRR
DA-8623	B	NE/4	6	2	FDW
DA-8816	C	SW/4	74	1	ME HAYS
DA-9038	C	SW/4	73	7	CSS
HA-4986	C	SE/4	37	16	CSS
HA-7671	C	NE/4	22	12	CSS
HA-8705	D	SE/4	124	48	H&TC
HA-8748	C	NE/4	14	11	CSS
HA-8749	C	SE/4	27	11	CSS
HA-8750	C	SE/4	27	11	CSS
HA-8751	C	SW/4	27	11	CSS
HA-8842	C	SW/4	38	12	CSS
HA-8898	B	NE/4	W Puett	NONE	NONE
HA-8976	C	NE	80	2	B&B
HA-9197	C	NW/4	52	48	H&TC
HN-1472	C	SW	39	P	H&GN
HN-5335	D	NE	37	R	B&B
HN-6132	C	NW/4	61	R	AB&M
HN-6198	D	SW/4	42	4-T	T&NO
HN-7236	D	NE/4	21	1	CIF
HN-7697	D	SE/4	7	1	H&GN
HN-8867	D	SE/4	3	1	H&GN
HN-9058	D	NW/4	15	1	CIF
HU-8874	C	NW/4	85	5-T	T&NO
HU-8875	C	NW/4	85	5-T	T&NO
HU-9023	C	SE/4	85	5-T	T&NO
LI-6568	D	NW/4	1065	43	H&TC
MO-5264	D	NE	23	Q	H&GN
MO-7553	D	NE/4	105	3-T	T&NO
MO-7565	C	SW/4	97	3-T	T&NO
MO-7865	C	NE/4	172	3-T	T&NO
MO-9212	D	NW/4	139	3-T	T&NO

OC-6384	A	NW/4	925	43	H&TC
OC-6807	C	NW/4	9	12	H&GN
OC-7341	C	NE/4	141	4-T	T&NO
OC-7342	D	NE/4	15	R	B&B
OC-7559	D	SE/4	18	4	GH&H
OC-7561	D	SW/4	19	4	GH&H
SH-0695	C	NW	243	1-T	T&NO
SH-4816	D	SE	180	1-C	GH&H
SH-7657	B	NW/4	102	1-T	T&NO
SH-7967	C	SE/4	6	1-C	GH&H
SH-7986	D	NE/4	48	3-T	T&NO
SH-8220	C	NE/4	399	1-T	T&NO
SH-8287	D	SE/4	228	1-T	T&NO
SH-8288	C	NW/4	216	1-T	T&NO
SH-8718	B	NW/4	5	1	PSL
SH-8719	B	NW/4	5	1	PSL
SH-8720	B	SW/4	5	1	PSL
SH-8926	D	NW/4	346	1-T	T&NO
SH-9243	D	SW/4	435	1-T	T&NO
SH-9269	D	SE/4	435	1-T	T&NO
SH-9296	C	NW/4	435	1-T	T&NO

Harold Grall moved to approve the Well Permits on the above schedule noting that the Wells are properly equipped and otherwise comply with District Rules. Zac Yoder seconded the motion and it was unanimously approved by the Board.

Action Agenda 3h - Receive report regarding District Elections.

The General Manager reported that on November 8, 2016, the District’s Board of Directors Precinct 5 – Hansford and Hutchison Counties; Precinct 6 – Ochiltree County; and Precinct 7 – Lipscomb County are scheduled for election. The election calendar is as follows:

November 8, 2016 – Uniform Election Date.	
Authority Conducting Elections	County Election Officers and Local Political Subdivisions
Deadline to Post Notice of Candidate Filing Deadline (Local Political Subdivisions Only)	Thursday, June 23, 2016
First Day to File for a Place on the General Election Ballot (Local Political Subdivisions Only)	Saturday, July 23, 2016
Last Day to Order a General Election (or Special Election on a Measure)	Monday, August 22, 2016
Last Day to File for Place on General Election Ballot (Local Political Subdivisions Only)	Monday, August 22, 2016
Last Day to File a Declaration of Write-in Candidacy (Local Political Subdivisions Only)	Friday, August 26, 2016 (NEW LAW: the deadline to submit a declaration of write-in candidacy for most local (city, school, other) general elections is now the 74th day before election day.)
Last Day to Register to Vote	Tuesday, October 11, 2016* *First business day after Columbus Day
First Day of Early Voting	Monday, October 24, 2016
Last Day to Apply for Ballot by Mail (Received, not Postmarked)	Friday, October 28, 2016 (NEW LAW: 11th day before election day; ABBM and FPCA.)
Last Day of Early Voting	Friday, November 4, 2016
Last Day to Receive Ballot by Mail	Tuesday, November 8, 2016 (election day) at 7:00 p.m. (unless overseas deadline applies)

The District will post the Notice of Candidate Filing Deadline by June 23, 2016, and the General Manager will continue to report to the Board regarding the progress of the elections. District staff is contacting the county election officials to see if the District can contract with them to hold the elections if two or more candidates file for a position in any particular precinct. If only one candidate files for a position, the Board has cancelled the election in the past. The General Manager anticipated that the Board would order the election at its August Meeting.

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

The General Manager reported that there were fifty-three (53) late filed 2015 Production Reports associated with thirty-three (33) producers. Late filing letters were sent on April 20, 2016 with a due date to pay the fee, or install flow meters by June 14, 2016. As of June 7, 2016, twenty-four (24) of the thirty-three (33) producers have resolved the late filing fee. Late filing reminder letters were sent to the remaining late-filing producers on June 2, 2016.

There were nine (9) GPUs that initially reported that the GPUs had allegedly exceeded the District's production limit for 2015. District staff notified the GPU producers on April 28, 2016, with a due date of June 1, 2016, to re-establish the GPU and to possibly forego the fee, or to pay the over-production fee by June 14, 2016. On June 2nd, eight of the producers had resolved the issue either by paying the fee, or by re-establishing the GPU, or working with District staff to correct withdrawal amounts that were reported in error.

Agenda 3c - Review the District's Texas County and District Retirement System Retirement Plan.

The District joined the Texas County and District Retirement System (TCDRS) to provide a retirement benefit to its employees in January 2013. TCDRS is a savings-based plan. Employees save for their own retirement over the length of their careers. At retirement, TCDRS benefits are based on an employee's final savings balance and employer matching. This unique design makes costs more predictable for the District. The TCDRS benefit is based on mandatory employee deposits of 7 percent from their salaries, which earn 7 percent compounded interest each year, and employer matching at retirement. TCDRS invests the employees and District-matching funds to grow the retirement. The investments generally grow faster than the 7 percent compounded interest rate. Since joining TCDRS, the District's Board has elected to match the employee's 7 percent contribution annually into the fund. The District's contributions to retirement costs are based on two factors - normal cost or the employer and employee contributions to pay for the long-term costs of the plan and 2) actuarial accrued liability or costs on an amortization basis with primary emphasis given to anticipated earnings on investments. For 2017, the District's required rate of matching is 4.42 percent of employee salaries. By electing to fully match the employees' 7 percent salary contributions, the District required amounts to provide a buffer against future adverse experience in the fund, and address unfunded actuarial accrued liability (UAAL). The UAAL is an actuarial term that refers to the difference between the actuarial values of assets (AVA) and the actuarial accrued liabilities (AAL) of a plan. Essentially, the UAAL is the amount of retirement that is owed to an employee in future years that exceed current assets and their projected growth.

The District's Plan Assessment for Plan Year 2017 was presented to the Board.

Gene Born move that the District continue to match the 7 percent employee contributions to TCDRS for 2017. Zac Yoder seconded the motion and it was unanimously approved by the Board.

Agenda 3d -

Receive report regarding Panhandle Regional Water Planning Committee.

The General Manager reported that the 2016 Panhandle Regional Water Plan has been approved by the Texas Water Development Board and will be included in the 2017 State Water Plan which should be adopted later this summer. The Panhandle Regional Water Planning Committee released a request for qualifications to firms to begin the next round of water planning that will culminate in the 2022 State Water Plan.

The General Manager also reported that in May, the PRWP Committee selected Freese and Nicols to perform the next round of planning.

Danny Krienke stated that he wanted the PRWPG to consider adding the discussion of replacing Janet Tregallas, who has not been able to attend a lot of meetings, with someone from the West side of the District, who is primarily an irrigated ag producer on its next meeting agenda. Mr. Krienke stated that he felt that he was not a voice in irrigated ag and that this group of producers would be best served by someone who was. Danny asked C. E. Williams his opinion and Mr. Williams stated that there were currently three spots filled on the board. Mr. Williams stated that he did not have a problem appointing someone from the West, but felt irrigated ag was currently well represented. Mr. Williams asked Mr. Krienke if PRWPG should look at changing some of the people in the user groups, but not the representative. The General Manager stated that user groups can be changed. Mr. Krienke stated he was not sure that he was qualified to represent large-scale ag irrigation. C. E. Williams stated that he will be glad to add the replacement of Janet Tregallas, by someone in the West that is primarily an irrigated ag producer to the next PRWPG meeting agenda.

Agenda 3e -

Receive report regarding District Agriculture Irrigation Conservation Programs.

Master Irrigator Program

The General Manager reported that the first two classes of the Master Irrigator Program went off with only some minor issues. A total of 25 applicants and 3 NRCS employees enrolled in the program. The Project Advisory Committee met on May 2nd to discuss the first two sessions and further planning of the next two sessions. A presentation given by Steve Amosson discussing session reviews and other planning topics was presented to the Board.

The District was also notified by NRCS that all EQIP eligible attendees must sign up with NRCS by May 20th in order to be eligible for the allocated funds. After learning the application process from NRCS staff, Paul Sigle determined the participants only needed to apply for the funding, but did not need to know the practice or location for the funding at the time of the deadline. An email was sent to the 19 participants relating that information on Wednesday May 4th. Mr. Sigle then contacted the participants by phone to make sure the participants received the email and to offer any assistance. Keith Sides, NRCS Irrigation Engineer, said that he will send out an email to all local District Conservationists to remind them of the funding and the process they need to take for the funding. A total of 18 applicants filed 23 applications.

Session Dates:

April 13, 2016;
April 20, 2016;
July 13 and 14, 2016;
July 20, 2016;

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; Bryce Howard, Farmer.

3-4-5 Demonstration Project

The General Manager reported that Leon New and Curtis Schwertner began installing equipment for the 3-4-5 Project. This year's project will consist of five producers. The sites include 5 LEPA fields, 1 subsurface drip field and a LEPA vs. spray field.

Water Conservation Center

The General Manager reported that Jerry Funck finished work on the subsurface drip irrigation system on Friday, June 3rd, and the system was in operation by late Sunday, June 5th. The remaining work for the system consists of building a cover for the filter station and tying in the flush system. Crop Production Services and Stan Spain started planting the corn on May 26th and finished on May 28th. The cotton was planted about a week earlier than the corn.

Full Integrated Irrigation Management Application

On June 1st, Texas Water Development Board approved to fund a proposed joint project between the District and Texas A&M AgriLife in the amount of \$15,000.

The proposed project involves software development to integrate existing conservation technologies into a simplified irrigation management tool. The project team will use open source software licenses to build a fully integrated system that collects soil moisture measurements, weather station data, weather forecasts, and water-use-data from center pivots. The system will integrate this information into a single interface and provide functionality necessary to perform efficient irrigation management. The project will include education and outreach through the support of the existing agricultural demonstration project funded by TWDB through the District. The system will also be available through Texas A&M AgriLife to interested agricultural producers. This project supports implementation of an irrigation conservation water management strategy in the 2017 State Water Plan and the 2016 Panhandle Regional (Region A) Water Plan.

Project Duration (to be determined during contract negotiations):

The project involves development of the application during the first two years and outreach and education activities during the following three years. If funded, the applicant will be required to report progress on a quarterly basis and submit a final report upon completion, including a cumulative estimate of water savings or water use efficiency improvements.

Agenda 3g - Receive Hydrology and Groundwater Resources Report 2015-2016.

The General Manager provided a review of the District's annual "Hydrology and Groundwater Resources 2015-2016 Report".

The production table from the report showed the volumes of groundwater reported to the District from 2007 through 2015. In 2015, groundwater production in the four western counties was down from the previous year approximately 369,000 acre-feet, while the four eastern counties showed a decrease of 117,600 acre-feet. The decreases in groundwater production are attributable to increased rainfall throughout 2015.

County	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dallam	268,700	313,500	317,500	302,600	374,800	372,000	399,300	393,700	297,000
Hansford	106,900	142,700	152,700	130,000	235,000	218,800	202,000	211,700	148,800
Hartley	312,500	364,600	387,400	401,600	519,700	458,700	459,000	442,100	332,700
Hutchinson	35,000	52,900	53,900	42,100	73,800	72,300	69,800	74,000	57,700
Lipscomb	32,800	30,900	30,300	33,900	52,100	55,600	42,600	48,800	39,400
Moore	148,200	191,500	200,300	178,400	271,700	234,700	228,300	210,000	156,700
Ochiltree	53,700	75,600	65,900	62,300	114,400	109,300	98,300	106,300	77,400
Sherman	220,600	275,200	285,600	261,700	407,300	348,100	346,700	361,400	251,700
Total	1,178,100	1,446,500	1,493,200	1,412,200	2,048,500	1,869,200	1,845,700	1,847,700	1,361,100

Note: Production quantities are rounded to the nearest one hundred.

Agenda 3i - Discuss Texas Senate Invitation to Testify Before the Senate Committee on Agriculture Water & Rural Affairs.

The Senate Committee on Agriculture, Water and Rural Affairs has invited the General Manager to testify on "Water conservation and drought contingency plans". The proposed testimony will include a brief explanation of the District's Management Plan (conservation plan) including our conservation rules and various conservation programs, and how these locally-managed programs fit into the District's long-term desired future conditions.

A key in the very short testimony is expressing how locally-managed groundwater conservation benefits the State and protects private property rights.

Agenda 3j - Review TML-IEBP re-rate notice and benefit verification for health insurance.

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, 2017. A re-rate notice is used to set new rates for employee and dependent coverage. TML new rates for Fiscal Year 2016-2017 will increase 18% for medical coverage for the upcoming year. The last time the District experienced this type of rate increase was in 2013 when rates jumped by 22%. The primary reason for the jump in rates is that the medical claims from October 2015 through March 2016 were approximately 200.89 percent of the amount contributed by the District and its employees. The new proposed monthly rates are as follows:

	Current Rate	New Rate
Employee	\$420.88	\$496.64
Spouse	\$559.06	\$659.70
Child	\$284.22	\$335.38
Family	\$805.52	\$949.34

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. An employee has the option of extending coverage at the employee's expense for Child, Spouse, or Family.

The General Manager stated that he will factor the employee insurance increase into the budget draft.

Agenda 3b - Consider action in setting a District hearing date and time for proposed Groundwater Management Area 1 Desired Future Conditions.

On April 20, 2016 the Groundwater Management Area 1 (GMA-1) Joint Planning Committee proposed Desired Future Conditions for the area. The District is currently receiving public comments for the 90-day period beginning May 13, 2016 and ending August 15, 2016, on the proposed DFCs for the area aquifers that were recently proposed by Groundwater Management Area 1 under §36.108, Texas Water Code. GMA 1 includes the following groundwater conservation districts: Hemphill County Underground Water Conservation District, High Plains Underground Water Conservation District No.1, North Plains Groundwater Conservation District, and Panhandle Groundwater Conservation District. The proposed DFCs for the District are:

1. Ogallala Aquifer and Rita Blanca Aquifer DFCs:
 - A. Management Zone 1: Dallam, Hartley, Sherman and Moore Counties - At least 40% of the volume in storage remaining in 50 Years for the period 2012 - 2062;
 - B. Management Zone 2: Hansford, Hutchison, Ochiltree and Lipscomb Counties - At least 50% of the volume in storage remaining in 50 Years for the period 2012 - 2062; and
 - C. Dockum Aquifer DFCs - At least 40% of the available drawdown remaining in 50 Years for the period 2012 - 2062 for Dallam, Hartley, Moore and Sherman Counties, Texas.

The Explanation of Proposed DFCs and the Resolution to adopt proposed DFCs are provided as an attachment. All of the documents considered by the Joint Planning Committee can be found at the link as follows: http://panhandlewater.org/GMA_Proposed_Documents.html. Legal counsel drafted two notices to the public related to the DFC hearing and DFC comment process. The first is a Notice of Public Comment Period on Adoption of Proposed Desired Future Conditions. The second is a Notice of Public Hearing on Adoption of Proposed Desired Future Conditions for the District to post and publish. Only the second notice is statutorily required; however, the General Manager and general counsel believed that since the Board would not have an opportunity to set a hearing date until June, the first notice would allow the public to know there is a 90-day comment period. Texas Water Code Section 36.063(c) provides: except as provided by Subsection (b), notice of a hearing described by Subsection (b) must be provided in the manner prescribed for a rulemaking hearing under Section 36.101(d) and (e). It was the General Manager's and general counsel's opinion that the DFCs public notice of hearing must include all of the information required by TWC Section 36.063(b), as well as conforming to a district's rulemaking notice procedures. There appears to be a conflict between the ten-day notice required under TWC Section 36.063(b) and the 20-day notice required under TWC Section 36.101(d). The District's Enabling Legislation and District Rule 11.4C both require that the District publish notice of the proposed rules or the proposed rule revisions and the public hearing thereon in a newspaper of general circulation in the District once a week for two (2) consecutive weeks, with the first publication of notice being at least 20 days before any rulemaking hearing. Therefore, the District should post the DFCs hearing notice once a week for two (2) consecutive weeks, with the first

publication of notice being at least 20 days before the DFC hearing proposed by the General Manager for July 19, 2016.

The General Manager recommended that the Board set a public hearing to take comment regarding the adoption of proposed Desired Future Conditions for July 19, 2016 at a time selected by the Board (the same day as the District's regularly scheduled Board meeting) at the North Plains Water Conservation Center, 6045 County Road E., Etter, Texas (Approximately 9 miles north of Dumas Texas east of Highway 287). A copy of the notices, the Resolution to Propose DFCs and the Proposed DFC Explanation were presented to the Board.

President Zimmer polled the other members of the Board that were present regarding the necessity of holding more than one public hearing to receive comments regarding the proposed DFCs. The Board members present were all in favor of holding only one public hearing to receive comments regarding the proposed DFCs.

By consensus, the Board set a public hearing to take comment regarding the adoption of proposed Desired Future Conditions for July 19, 2016 at 9:00 a.m., at the North Plains Water Conservation Center, 6045 County Road E., Etter, Texas 79029 (Approximately 9 miles north of Dumas Texas east of Highway 287).

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.

The General Manager and the District's general counsel discussed the Texas Supreme Court's decision in *Coyote Lake Ranch, LLC v. City of Lubbock* with the Board.

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.

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

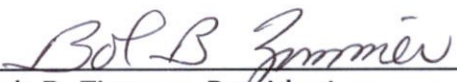
By consensus, the Board set its next regular Board meeting on July 19, 2016 at 9:00 a.m.

President Zimmer announced the recess of the regular meeting at 10:16 a.m. for the dedication of the District's learning center at the North Plains Water Conservation Center to Richard S. Bowers. President Zimmer also announced that the regular meeting would be reconvened at 12:15 p.m. at Mike's Chill N. Grill, Pheasant Trails Golf Course, 11354 Schuman Road, Dumas, Texas.

The meeting reconvened at 12:15 p.m.

Agenda 6 - Adjournment.

There being no further business to come before the meeting, Danny Krienke moved to adjourn the meeting. Harold Grall seconded the motion and it was unanimously approved by the Board. President Zimmer declared the meeting adjourned at 1:25 p.m.



Bob B. Zimmer, President



Daniel L. Krienke, Secretary