

**MINUTES OF THE AUGUST 12, 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 August 12, 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;
Justin Crownover, Director; and,
Mark Howard, Director.

Staff Present during part or all of the meeting:

Steve Walthour, General Manager;
Dale Hallmark, Assistant General Manager and Hydrologist;
Kristen Lane, Executive Assistant;
Odell Ward, GIS and Natural Resource Tech Lead; and,
Paul Sigle, Agricultural Engineer.

Others present during part or all of the meeting:

Sabrina Leven;
Ashley Handy;
C. C. Sysmobath;
Dee Vaughn;
Scott Clawson;
David Ford;
Ben Weinheimer;
F. Keith Good, Attorney; and,
Haley Rader, Attorney.

President Zimmer declared a quorum present and called the meeting to order at 9:06 a.m.

Director Zach Yoder joined at 9:09 a.m.

President Bob Zimmer gave the invocation and led the pledge.

The General Manager reported that Robert Spielman had contacted the District and settled his compliance issue as of Sunday, August 11, 2014. The General Manager requested that the Show Cause Hearing be canceled. The Show Cause Hearing was closed at 9:15 a.m. Mark Howard moved that Show Cause Hearing No. 014-001 in re: Robert Spielman be canceled. Justin Crownover seconded the motion and it was unanimously approved by the Board.

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

Danny Krienke moved to remove the Minutes of the regular Board of Directors Meeting of July 14, 2014 from the Consent Agenda for separate review. Mark Howard seconded the motion and the motion passed unanimously.

Danny Krienke moved to approve item 2a of the Consent Agenda consisting of the review and approval of the Minutes of the regular Board of Directors Meeting of July 14, 2014 with the following changes to the Minutes:

- 1) Danny Krienke stated: "Gene, we have some data, which is not conclusive, that the ability to put ~~six inches~~ six gallons/acre or more of water on crops from wells actually hurt yields. More data on this topic should help Lipscomb County."
- 2) Justin Crownover stated that he is a proponent of keeping it simple, it is really hard to keep things going. ~~You~~ We are spending other peoples' money --- and it may be good for some people. Justin Crownover stated that he supports the program long-term, but that he prefers corn.
- 3) Mark Howard stated that if the Board isn't completely behind the project, he does not support it and that he just doesn't think that it is put together right. He stated that he doesn't have confidence in it overall.
- 4) Harold Grall stated that it is a huge, huge undertaking and that the District is up against time constraints. Mr. Grall said that he has heard a lot of things, but no one has come up with any good solutions. If we are going to promote conservation we have to jump into this and not look back. If we don't take this approach, I believe we will be sending the wrong signal. ~~---that~~ If the Board isn't completely behind it, I don't think we should do it and we should get out of it and sell it. We need to bring credibility into this thing.
- 5) Mark Howard stated that he was not in favor of raising taxes, but would like to install a drip irrigation system.

Harold Grall seconded the motion and the motion passed unanimously.

Gene Born moved to approve items 2b, 2c and 2d of the Consent Agenda consisting of the review and approval of District expenditures for July 1, 2014 through July 31, 2014, including the General Manager's Expense and Activity Report; the approval of payment of professional services and out-of-pocket expenses to Lemon, Shearer, Phillips & Good, P.C. in the amount of \$12,113.01 for July 1, 2014, through July 31, 2014; and, the acceptance of the bid of \$6,100.00 on the sale of real property described in the Sheriff's Deed recorded in Instrument Number 00000167820 in Dallam County, Texas. Justin Crownover seconded the motion and the motion passed unanimously.

President Zimmer stated that the Board would no longer need to take up action Agenda item 3a, Review and consider action regarding Show Cause Hearing No. 014-001 in re: Robert Spielman, due to the matter being settled on August 11, 2014.

The General Manager requested direction from the Board as to when a replaced well can be used other than for domestic and livestock use. The General Manager stated that there are a lot of capped wells in the District and asked if there is any option for the operator of the capped well to use the capped well in the case of an emergency. He stated that he was asking mostly thinking of water suppliers such as municipalities.

Danny Krienke asked what constituted an emergency. Mr. Krienke stated that he thought people would abuse the system for things that didn't actually constitute emergencies. He stated that he didn't know why someone would drill a replacement well if the original well was still functioning, and thus didn't know why the replaced well would be capped instead of plugged. He stated that it was ok with him if people came back in to repermit a capped well for emergency purposes, but that if it didn't go through a repermit process, a rule change would be required.

Mark Howard stated that even if the permit process for drilling a new well is expedited, it does not mean that the new well will be drilled quickly. For that reason, Mr. Howard stated that he doesn't see an issue with using a capped well until the new well is drilled.

Harold Grall stated that he thought the Board should be accommodating and that it would be done without a rule change. Mr. Grall also asked what constituted an emergency and provided an example of what he considered to be an emergency. Mr. Grall stated that allowing the capped well to be used wouldn't increase the user's production, rather it would only allow them to use the capped well to get by until the emergency was resolved.

Bob Zimmer stated that he could see allowing a municipality to keep a pump in the capped well since municipalities have contamination issues. Mr. Zimmer stated that he cannot see allowing other users to leave a pump in the capped well.

The General Manager asked each member of the Board if they were of the opinion that the capped wells were temporarily usable or not. All Board members stated that they were. The General Manager also asked if the Board was of the opinion that a pump could be left in the capped well. All Board members stated that it was ok to leave a pump in the capped well only if the well was capable of producing less than 25,000 gallons/day.

The General Manager recommended that Action Item 3c, receive report and consider action regarding the District's draft proposed rules, be taken up by the Board after Action Agenda Item 3m.

The Schedule of Well Permits set forth below was presented to the Board for its review. Bob Zimmer pointed out the number of wells in certain groundwater production units. Mr. Zimmer stated that he just wanted the Board to be aware of how many wells could be in a groundwater production unit in case the Board wanted to look at changing the rules. The General Manager stated that with the current rules, up to twenty wells could be included in a 1,600 acre groundwater production unit. Danny Krienke stated that it was not the intention of the Board to allow groupings like that when the rule was created. Harold Grall moved to approve the Schedule of Well Permits because the Wells are properly equipped and otherwise comply with District Rules. Danny Krienke seconded the motion and it was unanimously approved by the Board.

WELL	CLASS	MAX	QTR	SEC	BLK	SUR	NS	EW
DA-4762	C	800	NE	20	1	FDW	766N	340E
DA-5254	C	800	SE	82	47 1/2	H&TC	805S	904E
DA-7390	C	800	SE	7	7-T	T&NO	439SW	423E
DA-7391	C	800	SE	8	1-A	CTRR	553S	308E
DA-7607	B	400	NW	6	7-T	T&NO	771N	690W
DA-7608	B	400	NW	6	7-T	T&NO	723N	129W
HA-4906	B	400	NW	73	48	H&TC	755N	752W
HA-5084	B	400	NE	43	13	CSS	851N	871E
HA-5195	C	800	SW	24	11	CSS	421S	435W
HA-5248	C	800	NW	51	2	B&B	809N	128W
HA-5269	C	800	SW	17	11	CSS	656S	36W
HA-5270	C	800	NW	17	11	CSS	41N	276W
HA-5271	C	800	NW	17	11	CSS	856N	634W
HA-5272	C	800	NW	17	11	CSS	637N	30W
HA-5273	C	800	SW	24	11	CSS	35S	734W
HA-5336	C	800	NW	425	44	H&TC	108N	749W
HA-5343	C	800	NE	3	11	CSS	427N	452E
HA-5345	C	800	SW	17	11	CSS	438S	427W
HA-5347	C	800	SE	24	11	CSS	433S	470E
HA-5349	C	800	SE	17	11	CSS	434S	478E
HA-5378	C	800	SE	17	11	CSS	868S	685E
HA-5379	C	800	NW	18	11	CSS	856N	639W
HA-5381	C	800	SE	3	11	CSS	445S	463E
HA-5442	C	800	SE	5	11	CSS	442S	451E
HA-5444	C	800	NE	5	11	CSS	451N	444E
HA-5454	C	800	SE	23	11	CSS	450S	434E
HA-5455	C	800	SW	23	11	CSS	426S	407W
HA-5720	C	800	NE	40	11	CSS	430N	593E

HA-5740	C	800	NW	1	Q	H&GN	442N	559W
HA-5741	C	800	NW	96	48	H&TC	420N	549W
HA-6181	C	800	NW	4	11	CSS	212N	842W
HA-6182	C	800	SE	5	11	CSS	854S	663E
HA-6183	C	800	SE	5	11	CSS	681S	40E
HA-6184	C	800	SE	17	11	CSS	33S	239E
HA-6185	C	800	SE	17	11	CSS	219S	864E
HA-6222	C	800	SE	JL Lasater	NONE	NONE	117S	484E
HA-6266	B	400	SW	105	48	H&TC	405S	106W
HA-6278	C	800	NW	16	11	CSS	45N	219W
HA-6289	C	800	NW	5	11	CSS	185N	852W
HA-6348	C	800	NW	5	11	CSS	8N	486W
HA-6349	C	800	NW	5	11	CSS	272N	25W
HA-6350	C	800	NW	5	11	CSS	704N	33W
HA-6351	C	800	SW	5	11	CSS	619S	15W
HA-6353	C	800	SW	5	11	CSS	500S	878W
HA-6371	C	800	NW	5	11	CSS	438N	427W
HA-6527	C	800	NW	4	11	CSS	33N	218W
HA-6528	C	800	NE	5	11	CSS	655N	35E
HA-6535	C	800	NW	39	11	CSS	211N	694W
HA-6643	C	800	NE	19	A-1	PSL	106N	756E
HA-6682	C	800	SE	19	A-1	PSL	223S	461E
HA-6684	C	800	NW	19	A-1	PSL	498N	776W
HA-6686	C	800	SE	44	11	CSS	830S	653E
HA-6687	C	800	SE	44	11	CSS	634S	31E
HA-6689	C	800	NW	42	11	CSS	577N	727W
HA-6691	C	800	SW	19	A-1	PSL	473S	388W
HA-6695	C	800	NW	19	A-1	PSL	115N	654W
HA-6707	C	800	SE	44	11	CSS	201S	836E
HA-6782	C	800	NE	44	11	CSS	763N	584E
HA-7037	C	800	SW	420	44	H&TC	30S	48W
HA-7519	C	800	NE	19	A-1	PSL	475N	557E
HA-7542	C	800	NW	42	11	CSS	370N	17W
HA-7544	C	800	NW	42	11	CSS	275N	446W
HN-6992	C	800	NE	273	2	GH&H	104N	125E
HU-5832	D	1200	NW	131	5-T	T&NO	101N	356W
HU-6159	D	1800	NW	2	M-24	TC&RY	1398N	431W
LI-6580	D	1200	NW	971	43	H&TC	431N	415W
MO-5606	D	1200	SW	432	44	H&TC	830S	20W
MO-5684	B	400	SW	204	44	H&TC	85S	10W
MO-5855	C	800	NW	98	44	H&TC	31N	432W
MO-6162	B	400	NW	175	44	H&TC	156N	109W
MO-6576	B	400	NE	134	3-T	T&NO	518N	394E
OC-6589	C	800	SW	114	13	T&NO	554S	33W
SH-5685	B	400	SE	26	2-B	GH&H	240S	169E
SH-5770	B	400	NW	109	1-T	T&NO	101N	434W
SH-6019	B	400	NW	109	1-T	T&NO	611 N	428 W
SH-6020	B	400	SW	109	1-T	T&NO	646 S	424 W
SH-6385	B	400	SW	65	1-T	T&NO	534S	541W
SH-6386	B	400	SW	65	1-T	T&NO	290S	282W

The Schedule of Well Permits set forth below was presented to the Board for its review. Zach Yoder moved to approve the Schedule of Well Permits because the Wells are property equipped and otherwise comply with District Rules. Danny Krienke seconded the motion, Gene Born and Mark Howard abstained from voting, and it was approved by the remainder of the Board.

WELL	CLASS	MAX	QTR	SEC	BLK	SUR	NS	EW
HA-7224	D	1800	SW	F Jordan	NONE	NONE	282S	2056W
HA-7225	D	1800	SW	H Hall	NONE	NONE	70S	29W
LI-6752	A	100	SW	1151	43	H&TC	143S	143W

The General Manager gave a report on the Property Committee's meeting held on July 31, 2014. It was reported that the Property Committee toured the house located at 605 First Place, Dumas, Texas, and considered possible uses for the house. The Property Committee recommended 1) The District have the house demolished, 2) Remove all trees due to potential District liability caused by the type of trees and the fact that they overhang adjacent property, 3) Do a minimum of dirt work, but enough to proceed and have the lot graveled and install a fence on the East side, 4) Postpone working on the main office parking lot until plans for the new lot and storage building are further along and plans for the current garage/storage building are finalized, and 5) That the General Manager and realtor agent continue to pursue the possibility of purchasing adjacent lots. Danny Krienke moved to approve the demolishing of the house at 605 First Place, Dumas, Texas and other Property Committee recommendations. Gene Born seconded the motion and it was unanimously approved by the Board.

The General Manager 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. All participants have planted corn for the year.

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 County. Mike Bragg will conduct a demonstration between LEPA Bubble and Spray in Hartley County.

200-12/EPIC Field Days

The 2014 200-12/EPIC Field Days are scheduled as follows:

September 8 – Sherman County Barn, Stratford, TX

September 10 – Ochiltree County Expo Center, Perryton, TX

September 11 – North Plains Conservation Center, Etter, TX

Danny Krienke presented the following for the Conservation Center:

North Plains Water Conservation Center

The Agriculture Committee met July 31st to plan and consider purchasing equipment at the transition of the research field to the Water Conservation Center. The committee discussed the settlement negotiations with Texas A&M AgriLife Research (AgriLife) regarding purchased upgrades during the life of the leasing contract for the North Plains Conservation Center (Center). After touring the facilities located at the center, the committee recommended the purchase of the following equipment:

Equipment Summary	Quantity	Estimated Cost
Flex Wing Rotary Cutter	1	\$ 14,600.00
Blu-Jet Track Master	1	\$ 4,100.00
150 hp Row Crop Cab Tractor	1	\$ 130,000.00
Standard Farm Loader	1	\$ 10,300.00
Zero Turn Riding Mower	1	\$ 3,000.00
High Wheel Line Trimmer	1	\$ 400.00
Box Blade	1	\$ 2,000.00
Utility Vehicles	2	\$ 30,000.00
Total		\$ 194,400.00

The committee recommended purchasing as much equipment as can be purchased in this fiscal year. The committee referred to the staff's recommendation of the remodel for the office building located at the Center and recommended reviewing the barn condition after the transition with AgriLife. The committee recommended not purchasing the fence and lab building. The District is a member of the State of Texas CO-OP Program to purchase the equipment on the TxSmartBuy board. In order to maintain membership, the District must pay \$100 per year renewal fee.

Rita Blanca Electric Cooperative has staked out the locations for the new distribution line to the Center. Rita Blanca requires an easement from the District.

Danny Krienke reported that the plan is to keep the Center simple this year and to probably only plant corn.

Danny Krienke moved to approve the Agriculture Committee's recommendations for the purchase of the equipment set forth in the table below, with the General Manager discretion to purchase the zero-turn riding mower, high wheel line trimmer, and utility vehicles.

Equipment Summary	Quantity	Estimated Cost
Flex Wing Rotary Cutter	1	\$ 14,600.00
Blu-Jet Track Master	1	\$ 4,100.00
150 hp Row Crop Cab Tractor	1	\$ 130,000.00
Standard Farm Loader	1	\$ 10,300.00
Zero Turn Riding Mower	1	\$ 3,000.00
High Wheel Line Trimmer	1	\$ 400.00
Box Blade	1	\$ 2,000.00
Utility Vehicles	2	\$ 30,000.00
Total		\$ 194,400.00

Zach Yoder seconded the motion and it was unanimously approved by the Board.

Texas Water Development Board Agricultural Conservation Loan

Staff has received the contract papers for the \$620,000 loan from the Texas Water Development Board.

Bob Zimmer read a resolution wherein the General Manager was appointed by the Board to serve as the authorized representative of the Board for purposes of executing the agreement with the Texas Water Development Board for funding in the amount of \$620,000.00.

Danny Krienke moved to approve the Resolution and to enter into the loan agreement with the Texas Water Development Board. Harold Grall seconded the motion and it was unanimously approved by the Board.

The Board recessed at 10:15 a.m. and reconvened at 10:32 a.m.

The General Manager reported that the Finance and Budget Committee met on August 4, 2014. The committee proposes a fiscal year 2014-2015 budget as described below. The General Manager projects that the District's income from all sources in FY 2014-2015 will be \$3,530,996.49 if the District elects to maintain the same effective tax rate or \$3,693,693.40 from its reserves if the District determines it is necessary to increase the effective tax rate to the roll back rate. Assuming all budgeted funds are expended in FY 2014-2015, the District will use \$591,601.91 from its reserves if the District elects to maintain the same effective tax rate or \$428,905.00 from its reserves if the District determines it is necessary to increase the effective tax rate to the roll back rate. The

General Manager's estimated income for FY 2013-2014 compared to proposed income for FY 2014-2015 is as follows:

	2013-2014 EOY	2014-2015	2014-2015 tax increase
Anticipated Income			
Taxes	\$2,008,869.37	\$2,008,869.37	\$2,169,378.03
Penalty & Interest	\$15,050.63	\$15,050.63	\$16,253.18
Delinquent Taxes	\$14,081.52	\$14,081.52	\$15,067.23
North Plains Water Conservation Center	\$8,800.00	\$150,000.00	\$150,000.00
Refunds	\$-4,015.12	\$2,500.00	\$2,500.00
Fees for District Services	\$320,437.53	\$150,000.00	\$150,000.00
Other Income	\$150,000.00	\$100,000.00	\$100,000.00
TWDB Grant (200-12 Continuation)	\$30,000.00	\$65,000.00	\$65,000.00
TWDB Grant Meters		\$300,000.00	\$300,000.00
TWDB Irrigation Equipment Loan		\$620,000.00	\$620,000.00
Investment Income	\$15,494.96	\$15,494.96	\$15,494.96
CIG Grant	\$151,959.69	\$30,000.00	\$30,000.00
Donations	\$3,000.00	\$0.00	\$0.00
Dallam County Untaxed		\$60,000.00	\$60,000.00
Total Income	\$2,713,678.58	\$3,530,996.49	\$3,693,693.40

In FY 2014-2015 the District will receive income from two Texas Water Development Board grants totaling \$365,000.00 and a TWDB Irrigation Equipment Loan to equip the Water Conservation Center. The General Manager anticipates that the income from the North Plains Water Conservation Center will increase from \$8,800.00 to \$150,000.00 per year because the District will cease renting and start managing production at the field changing the revenue source. Additionally, the area within Dallam County that currently does not pay taxes to the District is projected to be \$60,000.00. Permitting fees are captured under Fees for District Services. The General Manager anticipates a reduction from \$200,000 to \$150,000 per year in this category because the number of new wells and test hole permits will decrease. Other income should decrease from the \$150,000.00 end of year estimate to approximately \$100,000.00. Other income, in part, captures penalties and fees by the District. The General Manager sees a trend instead of paying the District a fee for exceeding the groundwater withdrawal limit, well owners are working out arrangements with surrounding property owners to acquire additional groundwater withdrawal rights. The Finance Committee's proposed expense budget for FY 2014-2015 compared to the FY 2013-2014 is as follows:

	2013-2014	2014-2015	Explanation
Director's Expense	110,660.00	105,000.00	Director's expenses decreased base on fewer meetings required.
Personnel	1,085,845.00	1,229,598.40	Addition of two persons for expanded conservation outreach and water conservation center (WCC) operations.
Administrative	122,000.00	133,500.00	Increased to assist in administrative costs to WCC operations
Contracted Services	93,600.00	91,000.00	Adjusted based on no election but higher anticipated collection costs.
Professional Fees	240,000.00	270,000.00	Increased for additional legal costs
Tech., Comm., & Utilities	125,000.00	125,000.00	
Vehicle, Bldg, Field, Supplies	155,000.00	115,000.00	Reduced after initial WCC installation.
Capital Outlay	230,000.00	110,000.00	Building and vehicle acquisition
Aquifer Science	380,000.00	380,000.00	
Conservation Outreach	141,000.00	441,000.00	Increased by \$300,000 to address TWDB Meter Program
Conservation Demo Project	382,350.00	130,000.00	Reduced because contract with Texas Tech will be ending and CIG grant will end. Irrigation engineer costs are moved to the WCC
Water Conservation Center	0.00	992,500.00	Installation of equipment and operation of WCC.
Total	3,065,455.00	4,122,598.40	

The Finance and Budget Committee recommended that the board adopt the budget for the 2014-2015 fiscal year as follows:

Budget Item	Amount
Director's Expense	105,000.00
Personnel	1,229,598.40
Administrative	133,500.00
Contracted Services	91,000.00
Professional Fees	270,000.00
Tech., Communication, & Utilities	125,000.00
Vehicle, Bldg, & Field Supplies	115,000.00
Capital Outlay	110,000.00
Aquifer Science	380,000.00
Conservation Outreach	441,000.00
Conservation Demo Project	130,000.00
Water Conservation Center	992,500.00
Total	4,122,598.40

Harold Grall moved that the board adopt the following 2014-2015 budget and authorize the District to use from its reserves any funds necessary to fully address the budget expense items.

Budget Item	Amount
Director's Expense	105,000.00
Personnel	1,229,598.40
Administrative	133,500.00
Contracted Services	91,000.00
Professional Fees	270,000.00
Tech., Communication, & Utilities	125,000.00
Vehicle, Bldg, & Field Supplies	115,000.00
Capital Outlay	110,000.00
Aquifer Science	380,000.00
Conservation Outreach	441,000.00
Conservation Demo Project	130,000.00
Water Conservation Center	992,500.00
Total	4,122,598.40

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

The General Manager and Harold Grall reported that the Finance and Budget Committee met on August 4, 2014. However, the District had not received all of the information from the counties to analyze the 2014 effective tax rate and the 2014 rollback rate at that time. The committee did discuss the effect of setting a rate above the effective rate. Below is the proposed budget and the anticipated effects of setting the rate at the estimated effective rate or at the roll back rate.

Expense	2014-2015 Estimated Effective Rate	2014-2015 Rollback Rate
Taxes	2,008,869.37	2,169,378.03
Penalty & Interest	15,050.63	16,253.18
Delinquent Taxes	14,081.52	15,067.23
North Plain Water Conservation Center	150,000.00	150,000.00
Refunds	2,500.00	2,500.00
Fees for District Services	150,000.00	150,000.00
Other Income	100,000.00	100,000.00
TWDB Grant (200-12 Continuation)	65,000.00	65,000.00
TWDB Grant Meters	300,000.00	300,000.00
TWDB Irrigation Equipment Loan	620,000.00	620,000.00
Investment Income	15,494.96	15,494.96
CIG Grant	30,000.00	30,000.00
Donations	0.00	0.00
Dallam County Untaxed	60,000.00	60,000.00
Total Income	3,530,996.49	3,693,693.40
Total Expenses	4,122,598.40	4,122,598.40
Budgetary Difference	-591,601.91	-428,905.00

Harold Grall reported that, as shown in the chart, increasing the tax rate to the rollback rate would increase income by about \$160,000.00. Mr. Grall also pointed out that even if the rate was increased to the rollback rate, the District would still be in a deficit.

The District's legal counsel explained that the District is funded through ad valorem taxes. 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 counties within the confines of the District for the last three years.

County	2012	2013	2014
Dallam	657,512,807	705,324,465	736,674,045
Hansford	640,494,348	598,011,802	629,065,320
Hartley	554,727,947	594,833,715	588,456,108
Hutchison	284,764,250	233,750,810	206,343,400
Lipscomb	1,110,751,947	1,217,513,558	1,219,888,949
Moore	2,230,479,493	2,288,939,037	2,245,567,863
Ochiltree	1,331,731,584	1,730,153,898	1,976,158,575
Sherman	699,862,530	625,571,890	665,431,950

The District's legal counsel also explained that funds generated are calculated by multiplying the total taxable value of properties within the District and the tax rate set by the District. Mr. Good stated that 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.

The General Manager stated that last year's tax rate was 0.025652/\$100; that this year's effective tax rate is 0.025324/\$100; and that this year's rollback tax rate is 0.027349/\$100. The District's legal counsel stated that the rollback rate is equal to 1.08 of last year's rate. Legal counsel also stated that if anything above the effective rate is chosen by the board, 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 offices of the County Clerks within the District at least 72 hours prior to adopting the tax rate.

Justin Crownover stated that he would rather not raises taxes because an increase of \$160,000 in income is not enough of a difference to justify an increase in the tax rate. Mr. Crownover stated that he thought the overage should be taken out of the reserves and that if the taxes are raised now, it would act as a disincentive to work hard at making the new Conservation Center a profitable venture.

Danny Krienke stated that he does not have an issue going to the rollback rate, but does not wish to go any higher. Mr. Krienke also stated that if the rate is not raised this year, he believe it sets the District back for future years.

Harold Grall stated that even at the effective rater, individuals in counties with increased values are going to be paying more in taxes next year.

Bob Zimmer stated that he does not support staying at the effective rate.

The General Manager stated that he recommended the amount of money to keep in reserves is six months operating expenses. In the District's case, that would be 2.0 million.

Gene Born stated that he believed the tax rate should be increased at least to the rollback rate to keep up with inflation.

Gene Born moved to have two hearings, as required by statute, and to raise the tax rate to the rollback level of 0.027349/\$100.

Dee Vaughn, a member of the public, commented that he did not believe the Conservation Center would ever be profitable and self-supporting. He said he believes that the same goals could be accomplished by having individuals do the experiments.

Danny Krienke seconded the motion. President Zimmer called for a roll call vote:

Gene Born: Yes

Justin Crownover: Yes

Danny Krienke: Yes

Zach Yoder: Yes

Bob Zimmer: Yes

Harold Grall: No

Mark Howard: No

The motion passed by the majority vote of the Board and the hearings were set for September 2, 2014 at 9:00 a.m. and September 8, 2014 at 6:00 p.m.

The General Manager reported that since the last board meeting, the Panhandle Regional Water Planning Group and the Groundwater Management Area – 1 Joint Planning Committee have not met. The General Manager reported that the Panhandle Regional Water Planning Group will meet on August 18th at 1:30 p.m. in the Panhandle Regional Planning Commission Board Room, 415 W. Eighth Street, Amarillo, Texas. The GMA-1 Will Meet August 19, 2014 at 10:00 AM at the same location.

The General Manager reported that there are several upcoming educational events for the District staff and board members to attend. The General Manager, Danny Krienke, Mark Howard and Zach Yoder all expressed that they would be attending at least one of these educational events.

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 and to obtain legal advice from its attorney in regard to the District's proposed Rules. Danny Krienke seconded the motion and it was unanimously approved by the Board.

Executive Session: At 11:41 a.m., the Board went into Executive Session to seek legal advice from its attorney. At 1:00 p.m., Director Gene Born moved that the Board reconvene into regular session. Harold Grall seconded the motion and it was unanimously approved by the Board.

The Board reconvened into regular session at 1:20 p.m.

Bob Zimmer asked for suggestions and comments on the proposed rules.

Mark Howard asked the purpose for creating the "S" classification for wells. The General Manager stated that it was to include small wells that were not domestic or livestock.

Mark Howard requested that the last sentence of proposed rule 3.4 be struck. Mr. Howard also stated that he would like the words "above the original permitted capacity" to be added after "...increased production" on proposed rule 5.1.1.

Justin Crownover left the meeting at 1:43 p.m.

Danny Krienke, Mark Howard, Zach Yoder, Harold Grall, and the General Manager engaged in a general discuss of the pooling rules and issues. Members of the public, Dee Vaughn, Ben Weinheimer, and Sabrina Leven, also made comments about the pooling rules.

Gene Born stated that he would like to see proposed Rule 2.10 modified to preclude any perforation above the static water level when drilling a Well. Mr. Born also stated that he would like to see springs classified as A wells.

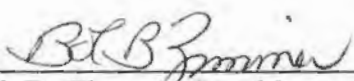
There was a general discussion of the production fees in the PGMA area.

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

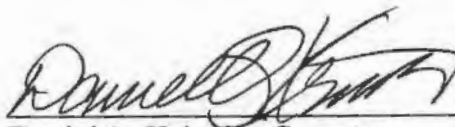
District Directors reported to the Board regarding meetings and/or seminars attended, weather conditions and economic development in each Director's precinct.

President Zimmer set the next regular Board Meeting at 9:30 a.m. on September 15, 2014.

Harold Grall moved to adjourn the meeting. Gene Born seconded the motion and it was unanimously approved by the Board. President Zimmer declared the meeting adjourned at 3:15 p.m.



Bob B. Zimmer, President



Daniel L. Krienke, Secretary

Authorized Representative Agreement Execution Resolution

A RESOLUTION by the North Plains Groundwater Conservation District, a Political Subdivision of the State of Texas (the "DISTRICT") authorizing its General Manager, Steve Walthour, to be the Designated Representative of the DISTRICT to execute an agreement with the Texas Water Development Board for funding in the amount of Six hundred twenty thousand and no/100 (\$620,000.00).

WHEREAS, the Texas Water Development Board made a commitment to provide financial assistance in the form of a loan in the amount of \$620,000.00 to the DISTRICT to finance the upgrade of the District's Conservation Center in Moore County, Texas upon the execution of a Texas Water Development Board loan agreement, therefore:

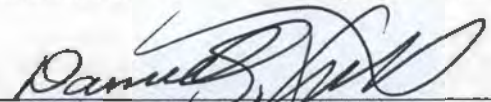
BE IT RESOLVED, and it is hereby resolved, BY THE Board of Directors OF THE DISTRICT:

SECTION 1. Approval of Agreement. The agreement setting out the terms and conditions of the financial assistance between the Texas Water Development Board and the DISTRICT is approved and the DISTRICT's Designated Representative, Steve Walthour, is hereby authorized to execute the agreement on behalf of the DISTRICT.

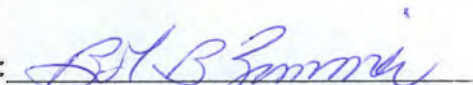
SECTION 2. Effective Date. This Resolution shall become effectively immediately after its adoption.

PASSED AND APPROVED, this the 12th day of August, 2014.

ATTEST:


Danny Krienke, Secretary

By:


Bob Zimmer, President

(Seal)