

**MINUTES OF THE AUGUST 13, 2021
BOARD OF DIRECTRS MEETING OF
NORTH PLAINS GROUNDWATER DISTRICT**

The Board of Directors of North Plains Groundwater Conservation District met in regular session on August 13, 2021, at 9:00 a.m. in the Conference Room in the Richard S. Bowers Water Conservation Learning Center Building at the North Plains Water Conservation Center, 6045 West County Road E., Dumas, Texas 79029-7201. The following persons were present:

Members Present at 9:05 a.m.:

Bob B. Zimmer, President;
Mark Howard, Vice-President;
Zac Yoder, Secretary;
Daniel L. Krienke, Director
Gene Born, Director; and,
Harold Grall, Director.

Staff present during part or all of the meeting:

Steve Walthour, General Manager;
Kirk Welch, Assistant General Manager;
Kristen Blackwell, Administration Manager;
Curtis Schwertner, Natural Resource Specialist;
Paige Glazner, Conservation Outreach Assistant;
Baylee Barnes, Conservation Outreach Specialist;
Sherry Robinett, Administrative Assistant; and,
Odell Ward, Field Operations Manager.

Others present during part or all of the meeting:

Clinton Born;
Nich Kenny;
F. Keith Good, General Counsel for the District; and,
Ellen Orr, Paralegal.

President Zimmer declared a quorum present and called the meeting to order at 9:05 a.m. Director, Gene Born, gave the invocation and President, Bob B. Zimmer, led the pledge.

1. - Public Comment

No Public Comment was made to the Board.

2. - Consent Agenda

The Consent Agenda was discussed by the Board and consisted of: (a) the review and approval of the Minutes of the regularly scheduled Board of Directors Meeting held on July 13, 2021; (b) the review and approval of un-audited District expenditures for July 1, 2021 through July 31, 2021, including the General Manager's expense and activity report; (c) the review and approval of payment to Lemon, Shearer, Phillips & Good, P.C. for professional services and out-of-pocket expenses incurred from July 1, 2021 through July 31, 2021, in the amount of \$9,528.91; and, (d) the review and approval of the Lipscomb County 2020 Tax Roll Reconciliation.

Harold Grall moved to remove item 2(d), the review and approval of the Lipscomb County 2020 Tax Roll Reconciliation, from the Consent Agenda. Zac Yoder seconded the motion and it was unanimously approved by the Board.

Mark Howard moved to approve items 2(a) through 2(c) of the Consent Agenda. Zac Yoder seconded the motion and it was unanimously approved by the Board.

Harold Grall moved to approve Consent Agenda item 2(d). Zac Yoder seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.a. - Consider approval of Dallam County Appraisal District Collection Contract for 2022 - 2023.

The General Manager stated that in July, the Board elected to remove this item from the consent agenda for approval because the Board did not know the amount for the collections for 2022 -2023. General counsel said that the Board should know the contract amount before voting on it.

The proposed two-year contract references Section 6.06(d) of the Property Tax Code as the method used to determine the District's appraisal and collection cost allocation share with other entities in Dallam County. According to Section 6.06(d) (Appraisal District Budget and Financing), each taxing unit participating in the District is allocated a portion of the amount of the budget equal to the proportion that the total dollar amount of property taxes imposed in the District by the unit for the tax year in which the budget proposal is prepared bears to the sum of the total dollar amount of property taxes imposed in the District by each participating unit for that year. If a taxing unit participates in two or more districts, only the taxes imposed in a district are used to calculate the unit's cost allocations in that District. If the number of real property parcels in a taxing unit is less than 5 percent of the total number of real property parcels in the district and the taxing unit imposes in excess of 25 percent of the total amount of the property taxes imposed in the District by all of the participating taxing units for a year, the unit's allocation may not exceed a percentage of the appraisal district's budget equal to three times the unit's percentage of the total number of real property parcels appraised by the district.

To illustrate how the allocation method works, the Board can look at the District's and other taxing entities levies from other years and resulting allocations. For the Board's reference, the DCAD 2021 Appraisal and Collection Budgets and Allocations as follows.

2021 APPRAISAL BUDGET		\$ 456,465.00			
ENTITY		2020 LEVY	%	\$ ALLOCATION	QUARTERLY
DALHART ISD	DALLAM COUNTY	\$8,499,448.65	43.56151972%	\$198,843.09	\$49,710.77
CITY OF DALHART	DALLAM COUNTY	\$1,150,035.05	5.89417933%	\$26,904.87	\$6,726.22
DALLAM COUNTY		\$3,502,122.21	17.94913670%	\$81,931.53	\$20,482.88
D-H HOSPITAL	DALLAM COUNTY	\$2,086,797.96	10.69529263%	\$48,820.27	\$12,205.07
NORTH PLAINS GCD	DALLAM COUNTY	\$317,319.72	1.62633246%	\$7,423.64	\$1,855.91
CITY OF TEXLINE		\$266,818.14	1.36750090%	\$6,242.16	\$1,560.54
TEXLINE ISD		\$2,250,575.55	11.53468834%	\$52,651.82	\$13,162.95
STRATFORD ISD	DALLAM COUNTY	\$1,034,059.79	5.29978094%	\$24,191.65	\$6,047.91
FPC	DALLAM COUNTY	\$404,191.46	2.07156899%	\$9,455.99	\$2,364.00
TOTAL		\$19,511,368.53	100.00000000%	\$456,465.00	\$114,116.25

2021 COLLECTION BUDGET		\$91,820.00			
ENTITY		2020 LEVY	%	\$ ALLOCATION	QUARTERLY
DALHART ISD		\$13,104,604.23	63.56250549%	\$58,363.09	\$14,590.77
CITY OF DALHART		\$2,186,570.97	10.60573268%	\$9,738.18	\$2,434.55
D-H HOSPITAL		\$2,086,797.96	10.12179418%	\$9,293.83	\$2,323.46
NORTH PLAINS GCD		\$317,319.72	1.53912595%	\$1,413.23	\$353.31
CITY OF TEXLINE		\$266,818.14	1.29417334%	\$1,188.31	\$297.08
TEXLINE ISD		\$2,250,575.55	10.91618016%	\$10,023.24	\$2,505.81
FPC		\$404,191.46	1.96048820%	\$1,800.12	\$450.03
TOTAL		\$20,616,878.03	100.00000000%	\$91,820.00	\$22,955.00

In 2021, North Plains' share of the DCAC budget using the method required by Section 6.06(d) is \$7,423.64 or 1.6263346% for the appraisal budget; and \$1,413.23 or 1.53912595% for the collection budget totaling \$8,836.87. For 2022 and 2023, the

General Manager is uncertain how North Plains will know its exact allocation "amount" as discussed at the Board meeting until DCAD knows what taxing entities are participating, all other taxing units set their tax rates for those years and the DCAD sets its budgets for those years.

The General Manager interpreted the DCAD contract as an agreement that the appraisal district will follow the method and North Plains GCD will pay its fair share of the appraisal and collection costs as directed in Section 6.06(d) to participate in the DCAD. The contract most importantly lets the appraisal district know that North Plains wishes to participate in their services for 2022 and 2023.

After the Board meeting in July, the General Manager directed staff to send all county appraisal district meeting notices it receives to the representative Board member so that each Board member can participate more fully in the appraisal and collection action, District budgeting process, and costs.

There is no change in the existing contract the District has with the Dallam County Appraisal District which appears to follow Section 6.06(d) of the Property Code. The General Manager believed that DCAD is the most cost-effective method for appraising and collection of taxes in Dallam County.

The General Manager requested that the Board approve the attached collection contract for 2022-2023 with the Dallam County Appraisal District. The General Manager stated that he had also sent the proposed contract to General Counsel for review so that counsel can further advise the Board on how to proceed, if required.

Gene Born moved that the Board approve the Dallam County Collection Contract for 2022- 2023 with the Dallam County Appraisal District. Mark Howard seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.b. - Consider final compliance approval of water well permits as active and complete wells.

The General Manager reported that 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) is/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.

It was noted that 271 non-exempt Well Permits had been issued by the District since January 1, 2021, and that 168 non-exempt Well Permits had been approved by the Board since January 1, 2021.

The General Manager reported that the District staff had processed 30 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.

Permit Number	Well Class	Quarter	Section	Block	Survey	N S	E W
DA-11330	C	NE/4	55	1	B&B	193 N	355 E
DA-11360	C	SW/4	61	1	ME HAYS	512 S	497 W
DA-11387	B	SW/4	1	2	CSS	472 S	163 W
DA-11389	B	SW/4	1	2	CSS	122 S	159 W
DA-11394	D	NE/4	16	2	CSS	839 N	487 E
DA-11463	B	NE/4	1	2	B&B	880 N	448 E
DA-11531	B	SW/4	8	A-7	PSL	110 S	2554 W

DA-11553	C	NE/4	13	7-T	T&NO	52 N	422 E
DA-11633	C	SW/4	21	5	CSS	880 S	570 W
HA-11427	B	SW/4	85	4	CSS	139 S	15 W
HA-11483	C	NW/4	165	44	H&TC	367 N	733 W
HA-11494	D	NW/4	17	14	CSS	397 N	101 W
HA-11495	D	NW/4	17	14	CSS	408 N	632 W
HA-11496	D	SW/4	17	14	CSS	765 S	474 W
HA-11529	D	SW/4	18	14	CSS	553 S	385 W
HA-11625	C	SE/4	14	11	CSS	430 S	432 E
HA-11627	C	NW/4	15	11	CSS	14 N	323 W
HA-11628	C	NW/4	15	11	CSS	75 N	721 W
HA-11637	C	SW/4	16	5	CSS	134 S	128 W
HA-11639	C	SW/4	16	5	CSS	452 N	445 W
HA-11640	C	SE/4	16	5	CSS	113 S	108 E
HA-11651	C	SW/4	14	11	CSS	429 S	430 W
HA-11652	C	SW/4	14	11	CSS	163 S	842 W
HA-11653	C	NW/4	14	11	CSS	444 N	436 W
MO-11938	C	SE	92	44	H&TC	183 S	560 E
MO-12056	D	SE	92	44	H&TC	601 S	853 E
MO-12057	D	NE	92	44	H&TC	284 N	124 E
MO-12058	D	NW	92	44	H&TC	105 N	361 W
MO-12059	D	SW	92	44	H&TC	100 S	494 W
SH-11708	D	SW/4	24	1-C	GH&H	866 S	815 E

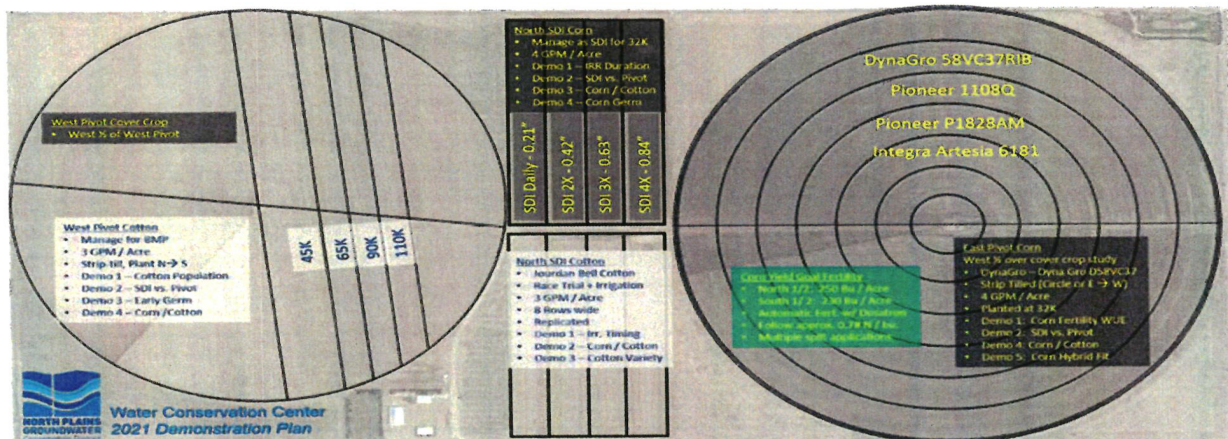
Harold Grall moved to approve all of the well permits on the well permit schedule, noting that the wells are properly equipped and otherwise comply with District Rules. Mark Howard seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.c.- Receive report and consider action as needed regarding agriculture water conservation demonstration programs and the North Plains Water Conservation Center.

Nich Kenny presented the following report to the Board

31 July 2021 – NPGCD Water Conservation Center Update
Nicholas Kenny, P. E.

Figure 1: 2021 WCC Field plan for Corn and Cotton Rotation



Irrigation through 31 July 2021 (including herbicide and pre-water)

Cotton	West Pivot:	5.2 Inches
	South SDI:	4.25 – 4.5 Inches
Corn	East Pivot:	14.6 Inches
	North SDI:	12-14 Inches

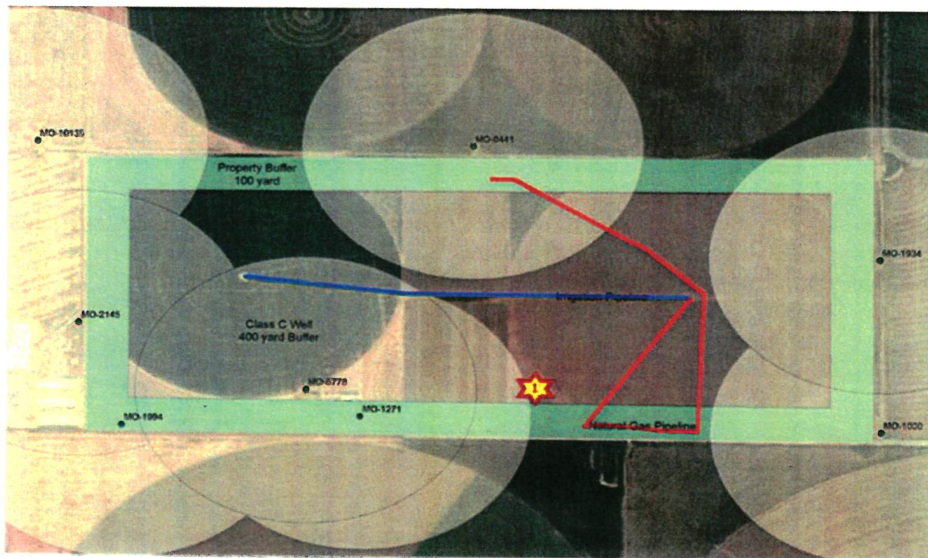
New Irrigation Well

Work towards a new well was initiated in July 2021. A PO was issued to Hydro Resources (Sunray) for up to three test holes to be drilled to confirm water and circulation. Randy Taylor made a site visit on Wednesday, 21 July to locate the test holes in the SW Dryland Corner of the East Pivot. Based on the infrastructure limitations and spacing requirements, a sonar test was not considered useful and was not pursued. The test-hole process is expected to occur in early August at an approximate cost of \$5,000 per test hole.

Rita Blanca Electric was contacted for the electrical project initiation based on 150-hp service. An engineer made a site visit on 27 July to locate the power location and Rita Blanca has prepared a project invoice ready for finalization once the well location is confirmed. The expected electrical cost (prior to a formal invoice from Rita Blanca) is \$14,000 for the service drop and \$17,250 for the 3-phase line extension.

At the proposed well location, the water line extension is expected to be 1,200-ft at an anticipated cost of \$14,500.

Figure 2: WCC Well Spacing overlap map created by Odell Ward. The star marks the location of the test hole location.



Herbicide Drift on West Cotton from the Moore County Gin

An approximate 2.5-acre area was impacted by 2,4-D drift from weed control at the Moore County Gin. Stan has addressed this issue with the Gin and worked an equitable compensation for lost yields. None of the formal demonstration plots were impacted.

Figure 3: Moderate damage caused by drifted herbicide from the Moore County Gin on the west edge of the West Pivot, south of the centerline.



Figure 4: West Pivot cotton on 14 July. Notice the scarred portion on the SW edge of the pivot that highlights the drift damage. This damage appears to be compounded by a weaker variety planted on the west edge.

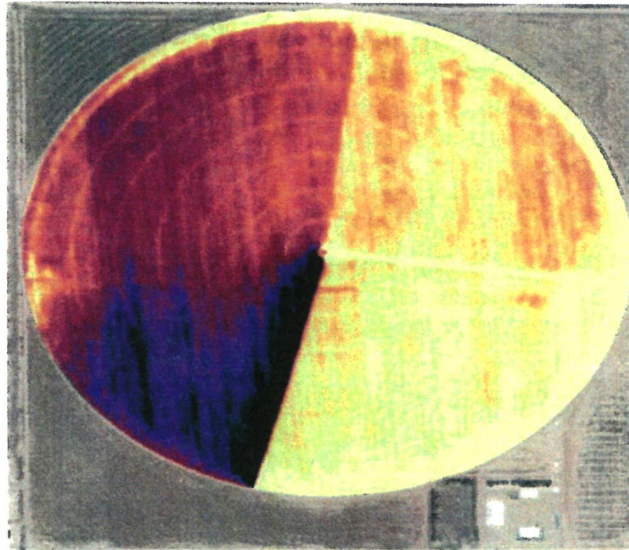


Figure 5: Cotton planting in the West Pivot. Notice the corn harvest rows are stunted where the volunteer corn shaded and limited the early growth. Volunteer pressure from the corn crop and heavy stubble have been ongoing challenges with the corn and cotton rotation.



Figure 6: Ceres aerial image from 14 July demonstrating the chlorophyll density of the crops. Denser green areas indicate higher rates of photosynthesis and red areas indicate areas of weaker plants. Working from left to right:

1. The red area on the SW edge of the West Pivot. This is the initial impact of the 2,4-D drift.
2. The stark vegetative change on the west side of the West Pivot is a cotton variety difference.
3. The east side of the West Pivot demonstrates consistent stresses.
4. The North SDI Plot Zones 3-4 are much denser than the others. This is the area with LESS applied irrigation, 10.8" vs 11.8". This plot has spent less time in saturated conditions.
5. The South SDI is generally weaker in this image because of the smaller stature plants from a delayed planting date.
6. The East Pivot is rotating in the CCW direction. The only area of "stress" is immediately AFTER the pivot pass. The corn is showing significantly more stress after the pivot than the plants before the pivot. The cooler temps have allowed a moderate strategy with 4 GPM / acre to over-irrigate the corn.
7. The rows in the East Pivot are oriented east-west. The hybrid signatures are visible in

the north and south demonstration areas.

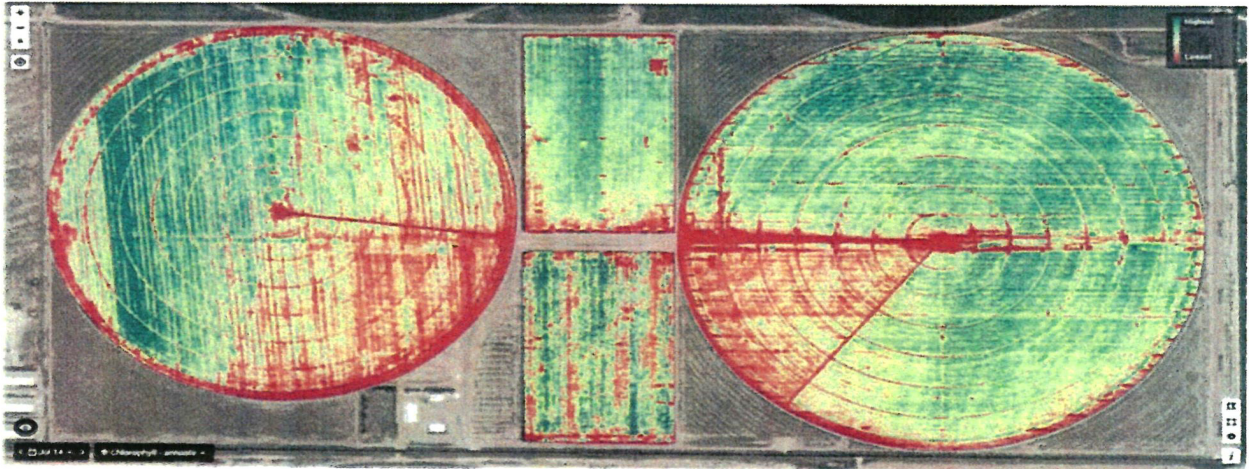


Figure 7: East Pivot GroGuru chart. The highlight of the chart is the clear expression of the Critical Management Point occurring on 8 July, where daily water consumption ramped up dramatically. In conjunction with the previous figure of the Ceres imagery, these figures indicate that the corn was able to completely recover from the water extracted by the cotton and get to the point where saturation stresses were evidenced in mid-season corn. As of 26 July, the application rate was reduced to 1.25" from 1.7" to mitigate the application stresses.

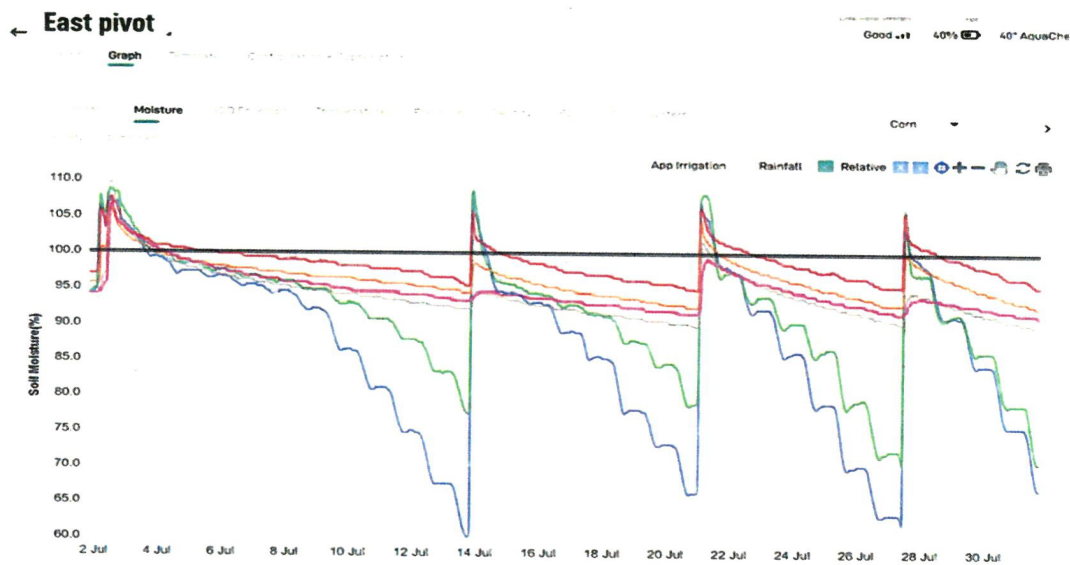
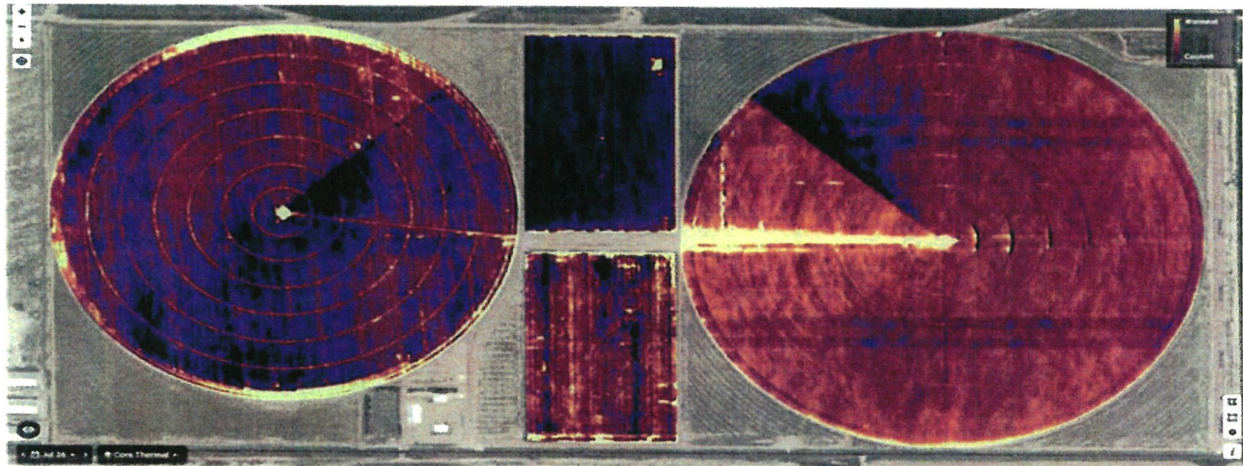


Figure 8: West Pivot Corn, looking north from the pivot. The corn is mid-tassel in this picture on 23 July. The short corn in the foreground is the planter pass nearest the wide pivot road.



Figure 9: Compare the Corn Core Thermal Image from 26 July between the North SDI and The East Pivot. The darker color indicates cooler color and relates to better irrigation impacts. The North SDI is very uniform, comparable only by the few degrees of rotation immediately following the East sprinkler.



Daniel L. Krienke, presented the following proposal to the Board for the WCC, which was prepared by Nich Kenny:

Ideas for additional projects at the WCC- 29 July 2021

Cotton - The approach is that cotton is a water conservation strategy in the North Plains. As such, all efforts to improve cotton production systems fit the purpose of the WCC.

1. Plant growth regulator intensity: Cotton plant size and structure is critically important for cotton in the North Plains. This project would use the existing plan (~4x applications of a plant regulator as the baseline) and increase the intensity of application, starting earlier and increasing frequency. The idea would be to create the "perfect" cotton structure. The cost of this project would be incremental cost of the spray passes and chemicals on the treated areas plus the additional test ginning expenses. (~10-acres,\$1,500)
2. Cotton Germination/ Early Season Management: Early crop conditioning has proved to be mandatory, yet difficult for cotton production in the North Plains. Below are multiple items that should be considered to affect area wide improvements in early season cotton management. Either in isolation or in combination, these strategies could be employed at the Center.
 - a. Cold germ results/ test seeds and select for best fit (up to \$2,000)
 - b. Planting dates (no additional costs)
 - c. Seed treatments (unknown products, this will require further investigation for cost)
 - d. Pre-water vs. water up cotton for improved germination (no additional costs)
3. Finisher: This is a late-season product designed to eliminate bolls that will not reach maturity, allowing the crop to focus resources on bolls that will reach maturity. Efficacy and timing are currently unknown and strategies to match high populations will need to be developed. Cost includes product, application, and test ginning expenses. (~10-acres, \$1,000)
4. Cotton HUAP documentation: Developing a clearer understanding of cotton heat unit accumulation in the North Plains has not been accomplished. Existing models

miss the mark due to the latitude, elevation, and reduced peak temperatures. A better model will be mandatory for long-term cotton reliability. This project has no additional field expenses and utilizes existing weather stations at the Center.

5. Row Spacing: Cotton planting density and uniformity is critical for high-quality and high-yield cotton. As populations increase, seed spacing in conventional 30" rows become limiting. Many producers have converted to narrow rows and many would like to understand when to make a conversion to narrow rows. This project would help to identify the agronomic value of narrow row cotton (May be a better project with a cooperator, or contract planting at -\$2,500 inclusive for ~10-acres).

6. North Plains Cotton management book: This project was discussed at a Cotton PAC and should be pursued. It is not a formal WCC project.

Corn - Based on previous discussions with the Ag Committee, corn will remain a primary focus at the wee. Two projects are of utmost interest for the WCC.

1. Silage production: Silage is expected to be in the North Plains for the foreseeable future. It would be useful to optimize the production system with respect to water, especially capitalizing on the shorter season. A silage project would look at crop timing, field and enterprise level nutrient management, and harvest impacts in addition to the normal water use parameters.

2. Short-stature corn: This is a project that appears to be a perfect fit for the WCC. Short stature corns are still experimental, large amounts of seed are not available, and the crop must be destroyed (currently). The expense of this project would be the total cost of growing the crop since it cannot be marketed and sold. (~5-acres, \$5,000)

3. Myland Algae: A topic of interest is on-farm algae generation to boost organic matter in the production system. There are many items to discuss on this topic. (Costs depend on the level of the project. ~\$50 - \$100 /acre/year is the current range)

Daniel L. Krienke moved that the Board adopt Nich Kenny's proposal at the WCC. Mark Howard seconded the motion and it was unanimously approved by the Board.

Ag Committee Meeting

The Ag Committee met on August 12, 2021.

Master Irrigator

A meeting of the Master Irrigator Project Activity Committee (PAC) was held on July 15, 2021 to get updates on the 2021 Master Irrigator and to begin planning for the Class of 2022. The dates for the 2022 Master Irrigator have been set as follows:

Session 1: March 23, 2022;
Session 2: March 30, 2022;
Session 3: April 6, 2022; and,
Session 4: April 13, 2022.

District staff is checking on the availability of the O'Loughlin Center in Spearman to hold the 2022 sessions.

Action Agenda 3.e. - Review North Plains GCD and Texas Water Development Board Meter Reimbursement Program.

Steve Walthour, presented the following report to the Board:

The District's Meter Reimbursement Program began in late 2014 with the acquisition of a grant from the TWDB providing 50% matching funds for meter reimbursement. Not long after that, the District was awarded two addition grants for the same purpose. The combined grants made \$1,695,450.00 available to the District to reimburse local ag producers up to 50% of the cost of their flow meters.

Since 2014, the District has accepted 546 applications representing 221 different entities. The District has reimbursed 50% of 1,345 meters totaling \$1,154,393.59. The average reimbursement per meter is around \$900. The table below The table below shows general information regarding meters installed from 2017 through August 1, 2021.

Year	GPU's Served	Total Owners Served	Total Meters for Year	Total Reimbursement for Year	Most Meters to Single Owner	Amount to Single Owner
2017	72	43	141	\$129,347.14	17	\$10,947.80
2018	88	48	198	\$181,365.69	18	\$16,315.77
2019	38	27	84	\$78,584.88	16	\$15,536.84
2020	79	48	157	\$134,677.94	17	\$9,463.67
2021	46	25	127	\$104,666.83	43	\$38,356.76

The final TWDB contract the District is currently operating under expires on December 31, 2021. Of the \$295,000.00 available under that grant, the District has utilized \$243,714.04 and has \$51,335.96 remaining. It is estimated that the remaining \$51,335.96 could be utilized by September 30, 2021.

On August 6, 2021, the Finance Committee met and recommended a budget that is covered in Item 3f. including continued funding (\$100,000) for irrigation meter reimbursement program. The committee recommended that the Board adopt guidance for distributing the allocated funds before beginning a new reimbursement program.

Daniel L. Krienke moved to continue the District Meter Reimbursement Program. Gene Born seconded the motion and it was unanimously approved by the Board.

The meeting was recessed at 10:25 a.m. and reconvened at 10:39 a.m.

Action Agenda 3.d. - Consider General Manager's request to amend the 2020-2021 District Budget.

General Manager, Steve Walthour, presented the following report to the Board:

To address the immediate need to repair the East Well at the North Plains Water Conservation Center and the unlikely potential of needing to drill a new well during the 2021 irrigation season, the general manager has reviewed the District 2020 - 2021 Budget to provide funding for the well repairs without immediately raising the District's overall budget. If a new well is required before the end of the fiscal year, the general manager may ask for an overall District budget increase to cover other priorities later this fiscal year if necessary. The General Manager requested that the Board amend the 2020 - 2021 Budget as follows:

Budget Item Description	Current Budget Amount	Increase or (Decrease)	Proposed Budget Amount	Explanation
Capital Outlay	\$233,000.00	(\$80,000.00)	\$ 153,000.00	Beginning of the year budget was \$60,000. Funds were transferred to this item in June to cover the potential costs of well construction/repair at the North Plains WCC this fiscal year and the construction of 2 monitor wells. The anticipated production well should be drilled in fiscal year 2021- 2022.
Aquifer Science	\$30,000 .00	\$20,000.00	\$50,000.00	Increased to cover small equipment purchases
Conservation Demo Project	\$228,000.00	\$20,000.00	\$248,000.00	Increased to cover potential additional professional costs related to on farm
Vehicle; Bldg., Field, supplies	\$106,000.00	\$20,000.00	\$126,000.00	Increased to cover unanticipated repair costs.
Professional Fees	\$218,000.00	\$20,000.00	\$238,000.00	Additional legal fees regarding risk management, personnel, compliance, and rule issues.
Total overall 2020-2021budget change		0		No change in overall budget

The General Manager requested that the Board amend the 2020-2021 Budget as described above. The proposed budget amendments reflect no change in the District's 2020-2021 overall budget.

Mark Howard moved that the Board amend the 2020 -2021 budget as follows:

- Decrease Capital Outlay from \$233,000.00 to \$153,000;
- Increase Professional Fees from \$218,000 to \$238,000;
- Increase Vehicle, Bldg. Field, Supplies budget from \$106,000 to \$126,000;
- Increase Aquifer Science budget from \$30,000 to \$50,000; and,
- Increase Conservation Demonstration Project budget from \$228,000 to \$248,000.

Gene Born seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.f. - Consider action to adopt the 2021-2022 District Budget.

The General Manager presented the following report to the Board:

In July, the Board proposed a budget for 2021-2022. The Finance Committee met and approved the revised expense budget and revised income budget that will draw \$583,287.95 from District reserves in 2021-2022 fiscal year. There is approximately \$400,000 in anticipated one-time charges related to \$200,000 in drilling a new well, \$100,000 for designing an electronic production reporting filing module for the District's database, \$45,000 for one of two vehicles, and \$55,000 to the USGS. If the Board adopts a No-New-Revenue Tax Rate, then \$1,908,801.25 should be left in reserves by October 2022. The General Manager provided the Board with copies of the ending balance sheets for the four previous budget cycles from the District's accounting

database for this item end of year comparisons. The original budget proposal and revised budget proposal are as follows:

Income Description	Current 2020-2021 Budget	Estimate 2020-2021 EOY	2021-2022 Income Budget	2021-2022 Revised Budget	Explanation
Taxes	2,209,152.00	2,135,387.45	2,098,449.83	2,159,217.05	
Penalties and Interest	15,600.00	18,854.83	15,600.00	15,600.00	
Delinquent Taxes	14,800.00	15,272.82	14,800.00	14,800.00	
North Plains Water CC	42,000.00	42,000.00	42,000.00	42,000.00	
Refunds	5,000.00	117,016.44	5,000.00	5,000.00	
Sale of Assets	5,000.00	0.00	5,000.00	5,000.00	
Fees for District Services	130,000.00	218,471.00	150,000.00	160,000.00	Primarily Permitting
Other Income	16,000.00	120,493.21	16,000.00	16,000.00	
TWDB #1734	0.00	18,321.44	0.00	0.00	Closed
TWDB Meter/Equipment Grants	150,000.00	59,797.95	150,000.00	150,000.00	Program funds end December 2021
TWDB Master Irrigator/ICI Grants	250,000.00	12,538.12	250,000.00	250,000.00	Total of \$500,000 available plan on spreading over 2 years for 2 MI Courses.
Investment Income	20,000.00	18,653.35	9,000.00	9,000.00	Lower interest Income
Dallam Co. PGMA fees	70,000.00	83,000.00	70,000.00	70,000.00	Variable
Export Fees	50,000.00	53,271.57	50,000.00	50,000.00	City of Borger (Variable)
Total Income	2,977,552.00	2,928,954.59	2,875,849.83	2,946,617.05	

The 2021-2022 revised budget is based on the Board adopting a 2021 No-New Rate (NNR) of 0.032600/\$100 valuation which is the same rate as 2020. The reason the NNR Rate is the same as last year's rate because the revised certified values are very close to the last years values.

Expense Description	Current 2020-2021 Budget	Estimate 2020-2021 EOY	2021-2022 Expense Budget	2021-2022 Revised Expense	Explanation
Director's Expense	65,000.00	35,447.48	65,000.00	50,000.00	
Personnel	1,310,000.00	1,270,594.47	1,310,000.00	1,297,000.00	
Administrative	132,478.95	117,588.37	143,500.00	135,000.00	
Contracted Services	140,100.00	122,751.32	140,686.50	140,700.00	CAD, Region A, and GMA-1 Costs
Professional Fees	218,000.00	217,695.54	204,000.00	220,000.00	Interstate Water Development, General Legal
Tech., Comm., & Utilities	160,000.00	144,339.16	177,500.00	305,000.00	
Vehicle; Bldg; Field; Supplies	106,000.00	110,936.18	112,000.00	107,000.00	Vehicle, Building, Maint., Repair, fuel
Capital Outlay	233,000.00	128,118.82	415,000.00	325,000.00	New Irrigation Well, Monitor Wells, Vehicles
Aquifer Science	30,000.00	30,000.00	78,000.00	78,000.00	USGS/ field data costs/Telemetry
Conservation Outreach	452,000.00	341,670.60	530,000.00	495,000.00	Radio, Meter program, ICI/MI program, etc., Partially-funded TWDB Meter & MI Grants
Conservation Demo Project	228,000.00	220,407.61	300,000.00	305,000.00	Irrigation Demonstrations - MI moved to Cons. Outreach
North Plains WCC	10,000.00	10,000.00	10,000.00	10,000.00	Small equipment and repair
Transfer Out	62,273.00	62,273.00	62,205.00	62,205.00	WWC Irrigation Equipment - Principle \$62,000 and Interest \$273.00
Total Expenses	4,059,134.70	3,724,105.30	3,547,891.50	3,529,905.00	
Total Net Income/Expenses	-1,081,582.70	-795,150.71	-672,041.67	-583,287.95	

The anticipated funding sources to pay for the District's mission include Grants and Outside Assistance 14 percent, Taxes and PGMA Fees - 76 percent, other regulatory, export, WCC and investment income - 10 percent. The table below shows the funding sources and amounts.

2021-2022 Funding Sources	2021-2022 Amount Same Tax collection	Total Percent Funds
Grants and Outside Assistance	400,000.00	14%
Taxes - PGMA Fees	2,259,617.05	76%
Other regulatory, Export, WCC & investment Income	287,000.00	10%
Subtotal	2,946,617.05	100%
Funds from Reserves		
District Reserves (Additional)	583,287.95	
Net Income. Reserves & Expenses	0.00	
2021-2022 Fiscal Year End District Reserves	1,908,801.25	

The Finance Committee recommended that the Board adopt the 2021-2022 budget as follows:

Income

Description	Amount
Taxes	2,159,217.05
Penalties and Interest	15,600.00
Delinquent Taxes	14,800.00
North Plains Water CC	42,000.00
Refunds	5,000.00
Sale of Assets	5,000.00
Fees for District Services	160,000.00
Other Income	16,000.00
TWDB Meter/ Equipment Grants	150,000.00
TWDB Master Irrigator/ICI Grants	250,000.00
Investment Income	9,000.00
Dallam Co. PGMA fees	70,000.00
Export Fees	50,000.00
Total Income	2,946,617.05

Expense

Budget Item	Amount
Director's Expense	50,000.00
Personnel	1,297,000.00
Administrative	135,000.00
Contracted Services	140,700.00
Professional Fees	220,000.00
Tech., Comm., & Utilities	305,000.00
Vehicle; Bldg.; Field; Supplies	107,000.00
Capital Outlay	325,000.00
Aquifer Science	78,000.00
Conservation Outreach	495,000.00

Conservation Demo Project	305,000.00
North Plains WCC	10,000.00
Transfer Out	62,205.00
Total Expenses	3,529,905.00

The anticipated funding sources to pay for the District's mission include Grants and Outside Assistance 14 percent, Taxes and PGMA Fees – 76 percent, other regulatory, export, WCC and investment income – 10 percent. The table below shows the funding sources and amounts.

2021-2022 Funding Sources	2021-2022 Amount Same Tax	Total Percent Funds
Grants and Outside Assistance	400,000.00	14%
Taxes - PGMA Fees	2,259,617.05	76%
Other regulatory, Export, WCC & investment Income	287,000.00	10%
Subtotal	2,946,617.05	100%
Funds from Reserves		
District Reserves (Additional)	583,287.95	
Net Income. Reserves & Expenses	0.00	
2021-2022 Fiscal Year End District Reserves	1,908,801.25	

Mark Howard moved that the Board adopt the 2021-2022 District budget as follows:

Income

Description	Amount
Taxes	2,159,217.05
Penalties and Interest	15,600.00
Delinquent Taxes	14,800.00
North Plains Water CC	42,000.00
Refunds	5,000.00
Sale of Assets	5,000.00
Fees for District Services	160,000.00
Other Income	16,000.00
TWDB Meter/ Equipment Grants	150,000.00
TWDB Master Irrigator/ICI Grants	250,000.00
Investment Income	9,000.00
Dallam Co. PGMA fees	70,000.00
Export Fees	50,000.00
Total Income	2,946,617.05

Expense

Budget Item	Amount
Director's Expense	50,000.00
Personnel	1,297,000.00
Administrative	135,000.00
Contracted Services	140,700.00
Professional Fees	220,000.00
Tech., Comm., & Utilities	305,000.00
Vehicle; Bldg.; Field; Supplies	107,000.00

Capital Outlay	325,000.00
Aquifer Science	78,000.00
Conservation Outreach	495,000.00
Conservation Demo Project	305,000.00
North Plains WCC	10,000.00
Transfer Out	62,205.00

Total Expenses	3,529,905.00
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Harold Grall seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.g. - Review last year's tax rate, the 2021 No-New-Revenue Tax Rate and the 2020 Voter-Approval Tax Rate and consider proposing a new tax rate.

The General Manager stated that the table below shows the certified values by county for the last five years. The 2020 certified values have been revised. The eight county appraisers have provided the District certified values for 2021 tax valuations across the District.

CERTIFIED VALUES					
County	2017	2018	2019	2020	2021
Dallam	\$ 892,889,155	\$ 898,572,736	\$ 935,109,799	\$ 973,517,076	\$ 1,001,942,460
Hansford	\$ 521,523,254	\$ 543,520,467	\$ 566,421,569	\$ 547,689,169	\$ 588,523,042
Hartley	\$ 677,107,188	\$ 722,720,265	\$ 752,067,804	\$ 768,066,970	\$ 817,562,920
Hutchison	\$ 112,744,190	\$ 120,874,840	\$ 114,574,960	\$ 110,352,750	\$ 117,409,080
Lipscomb	\$ 622,855,165	\$ 631,672,875	\$ 638,836,622	\$ 432,158,279	\$ 399,135,058
Moore	\$ 1,933,338,389	\$ 1,989,268,573	\$ 2,042,825,518	\$ 2,027,103,420	\$ 2,077,715,250
Ochiltree	\$ 1,430,482,148	\$ 1,488,422,874	\$ 1,515,365,792	\$ 1,227,855,479	\$ 1,103,298,312
Sherman	\$ 503,931,340	\$ 506,939,140	\$ 502,738,820	\$ 463,525,100	\$ 517,779,060
Total	\$ 6,694,870,829	\$ 6,901,991,770	\$ 7,067,940,884	\$ 6,550,268,243	\$ 6,623,365,182
Tax Rate	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Taxes Expected	\$ 2,257,109	\$ 2,287,044	\$ 2,304,149	\$ 2,155,145	\$ 2,159,376

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. The 2020 tax rate (0.032600 /\$100) is the actual rate the District used to determine property taxes last year. For 2021, the District has seen an overall increase in Certified Values by less than 1 percent.

No-New-Revenue Tax Rate

The no-new-revenue tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year, based on a tax rate that would produce the same amount of taxes if applied to the same properties taxed in both years.

Although the actual calculation is more complicated, a taxing unit's no-new-revenue tax rate generally equal to the last year's taxes divided by the current taxable value of properties that were also on the tax roll last year. The resulting tax rate, used for comparison only, shows the relation between the last year's revenue and the current year's values.

To generate the same income from 2020 (approximately \$2,155,145), the District's tax rate will stay the same 0.0326/\$100, (No-New-Revenue) formally known as the Effective Tax Rate, which should generate \$2,159,376. A No-New-Revenue rate will require the Board propose the rate by roll call vote, publish the results, and then meet again to adopt the rate.

Voter-Approval Tax Rate

The voter-approval tax rate is a calculated maximum rate allowed by law without voter approval. Most taxing units calculate a voter-approval tax rate that divides the overall property taxes into two categories - M&O and debt service. The District has no debt service.

The District can increase its tax rate by up to 3.5% (Voter-approval Rate) to 0.0338/\$100 which would generate \$2,234,954. A Voter-approval rate will require the Board to propose the rate by roll-call vote, publish the results in a paper of general circulation within the District, hold a hearing and then meet again to adopt the rate.

Publish Notices

Most taxing units are required to publish their calculated no-new-revenue and voter-approval tax rates on the home page of the taxing unit's website. The District is also required to file the notice in a paper of general circulation. Most taxing units are required to file one notice before adoption of a tax rate in compliance with Tax Code requirements. Local government taxing units and special districts must comply with notice requirements in the Property Tax Code. The notice provides details on the no-new-revenue tax rate, voter-approval tax rate and proposed tax rate. The notice includes the date and time of the meeting to adopt a tax rate. Generally, if the proposed rate is higher than the voter-approval rate, the notice will also include information about the next uniform election date when voters would have to vote on the tax rate.

Hold Public Hearings

After the District publishes the required notice, taxpayers must have the opportunity to express their views on tax increases at hearings. The type of taxing unit determines the hearing requirements.

Adopt a Tax Rate

The District must adopt its tax rate before September 30. The District is required to hold an election to approve the tax rate on the next uniform election date if it adopts a tax rate that exceeds the voter-approval rate and the De minimis Rate.

Hold Automatic Election to Approve Tax Rate, if Necessary

In most cases, if a taxing unit adopts a tax rate that exceeds the voter-approval tax rate, the taxing unit must hold an election on the next uniform election date. To do this, the taxing unit must order the election no later than the 78th day before election day.

If a taxing unit calculates a De minimis rate and it adopts a tax rate greater than its voter-approval rate, but less than its De minimis rate, the voters in the taxing unit may petition for an election on the tax increase.

De minimis Rate

The District can elect to use the De minimis rate that is the sum of the NNR maintenance and operation rate, that will raise \$500,000. The District's De minimis rate is 0.0402/\$100.

District Maximum Tax Rate

The District's maximum tax rate set in 1955 is \$0.05/\$100 valuation.

When the District proposes its tax rate, the proposed tax rate notice will be published on the District's Website and published in a paper of general circulation. Five days after

the notice has been published, the Board may meet to hold a hearing and/or to adopt a rate. A copy of the tax rate calculation form and the notice of meeting to vote on the tax rate were presented to the Board. Though the Board must adopt a tax rate by September 30th, the eight-county appraisal and collection districts need the District to adopt the rate as soon as possible. The General Manager recommended that the Board set a date to adopt the rate the last week in August.

Recommendation

The Finance Committee recommended that the Board propose the No-New-Revenue Tax Rate of 0.032600/\$100 of valuation as the District's ad valorem tax rate for the 2021 tax year.

Mark Howard moved that the Board propose the No-New-Revenue Tax Rate of 0.032600/\$100 as the District's 2021 ad valorem tax rate, direct staff to publish the rate as required by law, and set August 27, 2021, at 9:00 a.m., as the date to hold a public hearing regarding the District's 2021 proposed ad valorem tax rate and, after holding the public hearing, for the Board to consider adopting the District's proposed 2021 ad valorem tax rate. Harold Grall seconded the motion and President Zimmer called for roll-call vote:

Zac Yoder - Yes ;
Mark Howard – Yes;
Harold Grall – Yes;
Bob B. Zimmer – Yes;
Gene Born - Yes; and,
Daniel L. Krienke - Yes.

The motion passed by the unanimous vote of the Board.

Action Agenda 3.h. - Review and consider Dallam County non-taxed area production fees to pay the area's share for District administration and services.

The General Manager reported that 2021 is the fifth year that the District has collected production fees from the Dallam County untaxed area to pay for District's regulation of groundwater.

In August of 2013, the Dallam County Priority Groundwater Management Area was annexed by the North Plains Groundwater Conservation District pursuant to Title 2, Texas Water Code (TWC), Chapters 35 and 36. The District held an election for the residents within the annexed area to cast votes for the levy of an ad valorem tax to pay for the District's regulation of groundwater in the District. Ad valorem taxes allow the cost of District operations to be shared by all owners in an area that chose to be taxed based on the owner's property values and regardless of the amount or whether the landowner uses water in the area. Most of the votes cast in the election were against the levy of the tax. In voting not to pay taxes, the community tasked the nonexempt well owners to shoulder the burden for the area's share of the District's operations. According to TWC 36.1071(h), if most of the votes cast at the election are against the levy of a maintenance tax, the District shall set fees authorized by this chapter in accordance with Section 35.013(g-1) to pay for the District's regulation of groundwater in the District. For the 2018-2019 budget year, the Board reduced the production fees by 10 percent by adopting a \$0.90 per acre foot for non-exempt groundwater produced for agricultural purposes and \$4.50 per acre foot on all other non-exempt uses.

For groundwater production in 2021, the Finance Committee recommended that the Board adopt no change to the current production fee amounts for the Dallam County

non-taxed area's share of costs of the District's administration and services.

Harold Grall moved that the Board adopt no change to the current production fee amounts for the non-tax Dallam County area annexed into the District pursuant to Title 2, Texas Water Code (TWC), Chapters 35 and 36. Mark Howard seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.i. - Receive Quarterly Public Funds Investment Report ending June 30, 2021.

The General Manager presented a quarterly investment report to the Board.

Mr. Walthour stated that this quarterly investment report for the period from April 1, 2021, through June 30, 2021, reflects the North Plains Groundwater Conservation District investment transactions for all District funds subject to the District's Public Funds Investment Policy.

The report describes in detail the District's investment position as of June 30, 2021; states the maturity date of each separately invested asset that has a maturity date; and states the compliance of the investment portfolio of the District with the investment strategy expressed in the District's investment policy; and relevant provisions of Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act").

Standard of Care

The Board directs that public funds investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. The order of investment priorities are as follows:

Preservation and safety of principal;

Liquidity; and,

Yield.

In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds, or funds under the District's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and whether the investment decision was consistent with the District's written investment policy.

Investments

The District may invest in obligations of, or guaranteed by, governmental entities as provided in Section 2256.009(a) of the Act. The District's Board has authorized Perryton National Bank (PNB) as its primary depository and First State Bank as secondary depository as follows:

Bank Accounts	Account Name	Account Number	June 30, 2021	Interest Rate
Perryton National Bank	Main Account	337	\$1,714,374.92	0.01%
Perryton National Bank	Default Reserve	116	\$11,225.00	Non-Interest Bearing
Perryton National Bank	Interest & Sinking	256	\$100.00	Non-Interest Bearing

First State Bank	Late Filer Fees	9005805	\$2,900.00	Non-Interest Bearing
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Perryton National Bank is the District's primary financial institution that provides the district's main operating account. The main operating account and CDs at Perryton National Bank exceeds the FDIC insurance coverage so the bank pledges funds that are secured by securities more than FDIC insurance for all District funds deposited with the bank. The District is currently holding 3 pledged securities with an original face value of \$3,680,000. The Default Reserve Account, the Interest & Sinking Account, are non-interest-bearing accounts used to service Texas Water Development Board Loans for Water Conservation Center agriculture equipment construction. By contract these accounts are required to be non-interest bearing. The First State Bank Account is used by the District to secure funds of well owners that filed their production reports late. Funds in the account collected from 2020 production report late filers totaling \$2,900.00 will be refunded to the late filers if they turn in their 2021 Production Report by January 15, 2022. Afterward, all remaining funds are swept from the account and are deposited in the District's operating account at Perryton National Bank. The District holds \$210.52 in petty cash at its offices.

The District secures its funds in checking accounts that are collateralized as described above or insured by the Federal Deposit Insurance Corporation (FDIC), and certificate of deposits (CDs) issued by a state or national bank domiciled in Texas, a savings and loan association domiciled in Texas and is guaranteed or insured by the FCIC or its successor. The maximum allowable maturity of any authorized investment is two (2) years. The District's Board has approved a list of District depositories for its funds in interest bearing checking accounts or purchase CDs.

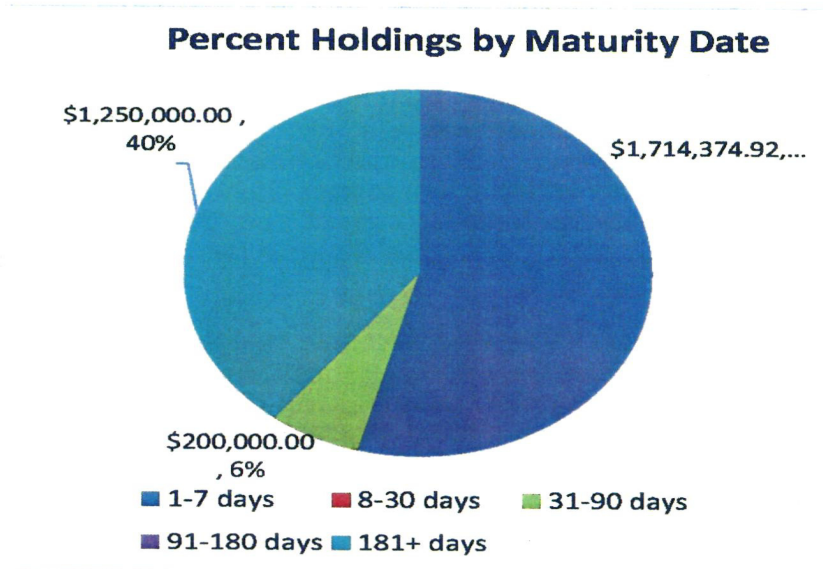
All interest from the CDs is paid by check to the District and deposited into the District's Perryton National Bank Main Account. On June 30, 2021, the District has funds in its Perryton National Bank Main Account, nine CDs set to mature after 180 days. The District has no investment set to renew from 8-30 days and from 91-180 days.

The Default Reserve Account, the Interest & Sinking Account, and the First State Bank Late Filer Fees Account are non-interest-bearing accounts and are not included in this analysis. The WAM is used to illustrate the average amount of days it takes District investments to mature. The Perryton National Bank Account is the main operating account used by the District. Funds within this account are available within one day and are shown in the 1-7-day maturity date in the pie chart below. The District is currently operating on a 116.93-day WAM. A summary of District funds by dollar amount, number of days until maturity, and weighted average maturity (WAM) is as follows:

Security Description	Investment Amount	Mat. in Days (DTM)	WAM
Perryton National Bank Main Account	\$1,714,374.92	1	0.54
First Bank Southwest CD 10000222	\$100,000.00	270	8.53
First State Bank - Spearman CD 45152	\$150,000.00	207	9.81
Dalhart Federal Savings & Loan CD 602-609183-3	\$150,000.00	231	10.95
Happy State Bank CD 11297	\$150,000.00	230	10.90
Western State Bank CD 20855	\$250,000.00	233	18.41
First State Bank CD 21046	\$100,000.00	277	8.75
Dalhart Federal Savings & Loan CD 602-608808-8	\$100,000.00	307	9.70
Happy State Bank CD 12046	\$100,000.00	38	1.20
Perryton National Bank CD 21457	\$100,000.00	54	1.71
First National Bank CD 82875	\$100,000.00	200	6.32
Interstate Bank SSB CD 9361-13004190	\$150,000.00	635	30.10
Total	\$3,164,374.92		116.93

The following pie chart shows a snapshot of what percent of District's money is being held in longer investments versus money on hand. Fifty-four percent of the District's

investments are held in the main operating account with one day maturity, whereas forty percent of the District's investments are held in CDs with a maturity date of over 180 days. The final piece of the pie are investments that are held for a period of 31-90 days. The highest interest rate the District receives on a CD is 0.70 percent. The pie chart representing the percent of holdings in investments based on the days to maturity is as follows:



As of June 30, 2021 (last trading day of month), the US Department of Treasury Yield Curve Rates for one month is 0.05 percent and the one year is 0.07 percent. Treasury Yield Curve Rates are commonly referred to as "Constant Maturity Treasury" rates, or CMTs. Yields are interpolated by the Treasury from the daily yield curve. This curve, which relates the yield on a security to its time to maturity is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of indicative, bid-side market quotations (not actual transactions) obtained by the Federal Reserve Bank of New York at or near 3:30 PM each trading day.

District Loan Obligations

The District entered into a loan agreement with the Texas Water Development Board. The loan agreement (TWDB Account# 21743) was executed in October 2014 for \$620,000.00 to equip the North Plains Water Conservation Center. The loan is for ten years with an 0.11 percent annual fixed interest rate. Three years are remaining on the loan. The remaining loan amount as of June 30, 2021, and the remaining number of payments are as follows:

Loan	Account #	June 30, 2021	Notes
TWDB	21743	\$186,000.00	3 annual payments + 0.11% interest

The schedule of loan payments including interest is as follows:

Amount	Year
62,205	2022
62,136	2023
62,068	2024

The North Plains Groundwater Conservation District follows the District's Board-approved Public Funds Investment Policy and state law.

Mark Howard moved that the Board accept the quarterly public funds investment report ending June 30, 2021. Harold Grall seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.j. - Consider action directing the General Manager to amend 2020-2021 Budget based on consultation with Auditor and report any changes to the Board for its review.

The General Manager reported that at the end of each fiscal year, the Board requires the District's Auditor to perform a financial audit of the District's operations. As a result of the audit, and in consultation with the Auditor, the District may be compelled to amend its books pursuant to fiscal policy, state and/or local law. The General Manager requested the Board direct the General Manager to amend the 2020-2021 Budget if necessary, based on his consultation with the Auditor, and to report any required changes to the Board for its review and discussion.

The General Manager did not anticipate that the District would be compelled to perform a budget amendment by the District's Auditor, because of fiscal policy, state, and/or local law after the end of the fiscal year audit.

Daniel L. Krienke moved that the Board direct the General Manager to amend the 2020-2021 budget if necessary, based on his consultation with the Auditor and to report any required changes to the Board for review and discussion. Mark Howard seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.k. - Receive District 2020 Annual Report.

The Assistant General Manager, Kirk Welch, presented the District's 2020 Annual Report to the Board.

Action Agenda 3.l - Receive report and consider resolution to seek federal legislation for an update of the 1982 Six-State High Plains-Ogallala Aquifer Regional Resources Study and to solicit federal support to implement the import of surface water into the High Plains Region.

Steve Walthour presented Missouri River Transfer Project to Mitigate Flooding and Protect the Six-State Ogallala-High Plains Regional Socio-Economic Viability to the Panhandle Groundwater Conservation District in July. Panhandle's board favorably received the presentation and requested that its staff prepare a resolution for consideration at that Panhandle District's next meeting. Mr. Walthour is scheduled to make a presentation at the American Society of Agronomy - 2021 Sustainable Agronomy Conference Virtual Event & Conservation In Action Tour Series on August 10. Mr. Walthour anticipated including the water transfer concept as a part of his presentation to the participants.

The General Manager recommended that the Board consider its own resolution regarding this matter. General counsel has developed a draft resolution for the Board's consideration. The following draft resolution was presented to the Board.

**Resolution by the North Plains Groundwater Conservation District
to Seek Federal Legislation for an Update of the 1982
Six-State High Plains-Ogallala Aquifer Regional Resources Study
and to Solicit Federal Support to Implement the Import of
Surface Water into the High Plains Region**

RECITALS

1. The Ogallala aquifer is the primary water source for one of the most fertile regions of the world.
2. Groundwater withdrawals continue to outpace recharge, causing depletion of the Ogallala aquifer.
3. In 1976, Congress authorized the Six State High Plains-Ogallala Aquifer Regional Resources Study of depleting water supplies in the region.
4. The study was completed in 1982 and was updated in 2015 (collectively, the "1982 Study").
5. The 2015 update identified alternative concepts for water transfer to the six states (Texas, Oklahoma, Kansas, Nebraska, Colorado, and New Mexico) included in the 1982 Study.
6. The Missouri River has a history of severe flooding.
7. Diverting Missouri River flood water, available seasonal water, other excess water or purchased water could be an effective strategy to mitigate Missouri River flooding and depletion of the Ogallala aquifer.
8. Approximately \$35 Billion in crops are grown each year on the High Plains.
9. Farmland in the region produces nearly 1/5 of the wheat, corn and cotton in the United States each year; and nearly 1/2 of the sorghum and cattle in the United States each year.
10. Despite aggressive efforts to conserve water in the region, depletion continues, and, without a new source of water, the region will eventually be without a source of water, particularly for irrigation.
11. The Missouri River watershed is the longest drainage basin in the United States.
12. As early as 1967, water transfer plans were proposed to divert flood water to supply the foregoing High Plains states.
13. The 1982 Study further examined the feasibility of water transfer from the Missouri River basin to the High Plains.
14. A project of this nature could help solve the Missouri River basin flooding by diverting the flood water to the High Plains and, thereby mitigate the High Plains aquifer depletion issues.
15. Such a project is important to North Plains Groundwater Conservation District ("NPGCD") because, if determined to be feasible, moving water from the Missouri River Basin to the High Plains will help ensure the continued economic and social viability of the Ogallala region and, specifically, the area served by NPGCD.

RESOLUTION

Be it resolved, and it is hereby resolved, for NPGCD to expend funds and staff resources to seek federal legislation to update the 1982 Study, and if determined to be feasible, to seek federal funding to implement a surface water import project for the High Plains.

Mark Howard moved that the Board adopt the resolution as presented to seek federal legislation for an update of the 1982 Six-State High Plains-Ogallala Aquifer Regional Resources Study and to solicit federal support to implement the import of surface water into the High Plains Region. Harold Grall seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.m. - Receive report and consider action regarding compliance and contested matters before the District.

The General Manager reported that there was no compliance or contested matters to be discussed with the Board.

Action Agenda 3.n. - Executive Session - Section 551.071 of the Texas Government Code.

At 11:27 a.m., Daniel L. Krienke 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 on matters in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflicts with Chapter 551. Harold Grall seconded the motion and it was unanimously approved by the Board.

Executive Session: At 11:27 a.m., the Board went into Executive Session. At 11:58 a.m., Harold Grall moved that the Board reconvene into regular session. Zac Yoder seconded the motion and it was unanimously approved by the Board. The Board reconvened into regular session at 11:58 a.m.

Discussion Agenda 4.c. - General Manager's Report.

Steve Walthour presented a report to the Board, which included the General Manager's activity summary, the District's activity summary, permits issued by the District in July, 2021, post-drill well inspections as of July 30, 2021, and upcoming meetings and conferences.

Discussion Agenda 4.b. - Director Reports regarding meetings and/or seminars attended, weather conditions and economic development in each Director's precinct.

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

Committee Reports.

Except as stated herein, no other Committee reports were presented to the Board.

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 27, 2021, at 9:00

a.m. The Board also discussed whether an October Board meeting would be required. By consensus, the Board authorized the Board President, General Manager and the District's General Counsel to confer and determine whether an October Board Meeting would be held, and the date and time for such meeting, if required.

Agenda 6. - Adjournment.

There being no further business to come before the meeting, Harold Grall moved to adjourn the meeting. Gene Born seconded the motion and it was unanimously approved. President Zimmer adjourned the meeting at 12:17 p.m.



Bob B. Zimmer, President



Zac Yoder, Secretary