

**MINUTES OF THE JULY 14, 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 July 14, 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;  
Mark Howard, Director; and,  
Zachary Yoder, Director.

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

Steve Walthour, General Manager;  
Kirk Welch, Assistant General Manager/Outreach  
Casey Tice, Compliance Coordinator;  
Laura West, Production Monitoring Coordinator; and,  
Paul Sigle, Agricultural Engineer.

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

Sabrina Leven;  
Ashley Handy;  
Scott Clawson;  
Patricia A. Burt;  
Haley Rader, Attorney; and,  
Ellen Orr, Paralegal.

President Zimmer declared a quorum present and called the meeting to order at 9:03 a.m.

Director Harold Grall gave the invocation and President Zimmer led the pledge.

Danny 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 from its attorney in regard to the formal rulemaking hearing on the District's proposed Rules. Harold Grall seconded the motion and it was unanimously approved by the Board.

Executive Session: At 9:06 a.m., the Board went into Executive Session to seek legal advice from its attorney. At 9:13 a.m., Director Harold Grall moved that the Board reconvene into regular session. Gene Born seconded the motion and it was unanimously approved by the Board.

The Board reconvened into regular session at 9:14 a.m. and President Zimmer recessed the regular session and called the formal Rulemaking Hearing to Order.

At 9:29 a.m., President Zimmer closed the formal Rulemaking Hearing and the Board reconvened into regular session.

The General Manager reported that Robert Spielman had contacted the District and had requested that his Show Cause Hearing be continued until the August Board meeting so that he could file any reports and be present before the Board. Danny Krienke moved that Show Cause Hearing No. 014-001 in re: Robert Spielman be continued until 9:00 a.m. at the Board's regular August meeting date. Justin Crowover 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. Steve Johnson appeared to make public comment to the Board about a Well that was used for rig supply. Before Mr. Johnson presented commentary to the Board, Haley Rader informed Mr. Johnson that the Board would listen to his commentary, but the Board would not respond to any questions, or make any ruling in the matter, because the matter had not been submitted as a contested matter.

Mr. Johnson stated that he was unaware that the increase in pumping status in the Well was a violation of the District's Rules. Mr. Johnson believed that the oil and gas company could drop a pump in the Well and the use of the Well was exempt. Mr. Johnson reported that the oil and gas company used the Well for 26 days and produced 19,626.936 gallons of groundwater per day. It is Mr. Johnson's understanding that the Well could produce up to 25,000 gallons of water per day without being in violation of the District's Rules. Mr. Johnson stated that he had requested a set of the District's Rules but he had never received the same. The General Manager assured Mr. Johnson that he would be provided a set of the District's Rules.

Justin Crowover moved to approve items 2a through 2d of the Consent Agenda consisting of the review and approval of the Minutes of the regular Board of Directors Meeting of June 10, 2014; the review and approval of District expenditures for June 1, 2014 through June 30, 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 \$11,736.51 for June 1, 2014, through June 30, 2014; and the approval of the bid of \$200.00 on sale of property that has been struck off the tax roll in March, 2014 described as Lot Seventy (70), Double Diamond Estates Unit 1, Moore County, Texas. Mark Howard seconded the motion and it was unanimously approved by the Board.

Harold Grall moved to go into Executive Session in compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, §551.071, to obtain legal advice from its attorney in regard to the formal rulemaking hearing on the District's proposed Rules. Gene Born seconded the motion and it was unanimously approved by the Board.

Executive Session: At 9:40 a.m., the Board went into Executive Session to seek legal advice from its attorney. At 10:39 a.m., Director Gene Born moved that the Board reconvene into regular session. Zachary Yoder seconded the motion and it was unanimously approved by the Board.

The Board reconvened into regular session at 10:49 a.m.

President Zimmer stated that the Board would take up action Agenda item 3a, Review and consider action regarding the District's proposed new District Rule 4 – Adjustments to Allowable Annual Production Limits to Achieve Desired Future Conditions and proposed amendment to District Rule 3.4 – Groundwater Conservation Reserve.

The General Manager stated that based upon Mr. Jones' and other persons commentary regarding proposed Rule 3.4 that it was his recommendation that the Board continue to work out the nature of what type of ownership of property that the Board desired to

create, if any, and to discuss this issue with the remainder of the possible revisions of the Rules the Board will consider at its August meeting.

As to the commentary regarding Rule 4, the General Manager stated that it was his recommendation that the words "at least" be struck from proposed Rule 4.3.

At 11:05 a.m., Danny Krienke moved to strike the words "at least" from proposed Rule 4.3 and to adopt the remainder of Chapter 4 as proposed, with any necessary edits of the same, to be taken up with the Rules being discussed in August by the Board. Zachary Yoder seconded the motion and it was unanimously approved by the Board.

President Zimmer stated that from his perspective, it was his intention regarding the District's Rules to treat everyone fairly and the same and that the only thing which he could foresee at this time that might ever be applied differently was the Annual Allowable in a Management Zone.

On February 10, 2014 Mr. Wayne Garrett requested a permit to drill a Well on Section 110, 45, H&TC in Hansford County, Texas. On February 14, 2014 the District approved the Well Construction Permit HN-7721. The permit is authorized for 150 days and expires on July 14, 2014.

On July 1, 2014 Mr. Garrett contacted the District to request an extension to the expiration of HN-7721. Mr. Garrett's request for a permit extension was presented to the Board.

District Rule 9.3B states:

The Board, for good cause, may extend the duration of a Well Permit for up to a maximum of one hundred-twenty (120) days, from the original termination date of the permit. An application for an extension must be filed with the District before the expiration of the Well Permit to be considered by the Board. Applications for an extension of more than one hundred-twenty (120) days shall be construed as an application for an exception to the Rules of the District.

Mr. Garrett's permit expires on July 14, 2014. There are currently no active test permits around the area Mr. Garrett wishes to drill his well. A map showing the location of the well was presented to the Board, well as a copy of the permit and supporting documentation.

Mark Howard moved to approve the request of Wayne Garrett to extend the permit for HN-7721 for an additional 120 days. Gene Born seconded the motion and it was unanimously approved by the Board.

The Schedule of Well Permits set forth below was presented to the Board for its review. Justin Crownover moved to approve the Wells listed on the Schedule of Well Permits because the Wells are properly equipped and otherwise comply with District Rules. Mark Howard seconded the motion and it was unanimously approved by the Board.



WELL	CLASS	MAX	QTR	SEC	BLK	SUR	NS	EW
DA4930	C	800	NE	LEAGUE 114	1	CSS	992N	733E
DA5001	C	800	SW	23	2	B&B	696S	162W
DA5197	D	1200	SE	72	5	CSS	59S	111E
DA5746	C	800	SW	68	7	CSS	449S	478W
DA5834	C	800	NW	48	1	B&B	104S	134W
DA5849	C	800	SE	41	1	B&B	747S	107E
DA6768	C	800	SE/4	1	1	B&B	55S	62E
HA5159	C	800	SW	16	11	CSS	656N	849W
HA5188	C	800	SE	16	11	CSS	860S	54SE
HA5189	C	800	SW	16	11	CSS	439S	442W
HA5190	C	800	SW	16	11	CSS	13SS	107W
HA5191	C	800	NE	16	11	CSS	63SN	853E
HA5192	C	800	NW	16	11	CSS	236N	851W
HA5193	C	800	NW	16	11	CSS	880N	499W
HA5194	C	800	NW	16	11	CSS	832N	108W
HA5342	C	800	SW	2	11	CSS	440S	426W
HA5344	C	800	SE	19	11	CSS	457S	442E
HA5358	C	800	SW	74	48	H&TC	437S	108W
HA5371	C	800	SE	2	11	CSS	849S	65SE
HA5372	C	800	SE	3	11	CSS	85SS	676E
HA5373	C	800	NW	1	11	CSS	83SN	661W
HA5374	C	800	NW	2	11	CSS	207N	846W
HA5375	C	800	NW	2	11	CSS	842N	644W
HA5376	C	800	NW	3	11	CSS	210N	840W
HA5377	C	800	NW	3	11	CSS	852N	645W
HA5380	C	800	SW	1	11	CSS	437S	440W
HA5382	C	800	SW	3	11	CSS	448S	412W
HA5383	C	800	SE	4	11	CSS	461S	459E
HA5384	C	800	NE	1	11	CSS	429N	453E
HA5385	C	800	NW	1	11	CSS	421N	434W
HA5386	C	800	NW	2	11	CSS	428N	422W
HA5387	C	800	NW	3	11	CSS	442N	414W
HA5388	C	800	NE	4	11	CSS	435N	469E
HA5389	C	800	SW	20	11	CSS	452S	438W
HA5390	C	800	SW	19	11	CSS	446S	433W
HA5392	C	800	SW	18	11	CSS	442S	418W
HA5445	C	800	SE	20	11	CSS	457S	473E
HA5449	C	800	NW	19	11	CSS	433N	425W
HA5463	C	800	NE	108	4	CSS	452N	447E
HA5464	C	800	NW	107	4	CSS	449N	429W
HA5465	C	800	NE	107	4	CSS	447N	450E
HA5466	C	800	NW	106	4	CSS	450N	422W
HA5467	C	800	NE	106	4	CSS	446N	459E
HA5468	C	800	SE	108	4	CSS	386S	457E
HA5470	C	800	SE	107	4	CSS	396S	444E
HA5471	C	800	SW	106	4	CSS	406S	426W
HA5472	C	800	SE	106	4	CSS	398S	454E
HA5474	C	800	NW	110	4	CSS	483N	420W
HA5475	C	800	NE	110	4	CSS	473N	452E
HA5476	C	800	NW	111	4	CSS	476N	422W
HA5477	C	800	NE	111	4	CSS	473N	447E
HA5794	C	800	NE	25	A1	PSL	63N	562E

HA5796	C	800	SW	41	11	CSS	460S	287W
HA5799	C	800	SE	23	A1	PSL	811S	560E
HA5800	C	800	SW	23	A1	PSL	816S	325W
HA6164	C	800	SE/4	1	11	CSS	838S	688E
HA6165	C	800	NW/4	1	11	CSS	13N	223W
HA6167	C	800	NW/4	1	11	CSS	637N	40W
HA6168	C	800	SE/4	2	11	CSS	652S	31E
HA6169	C	800	NW/4	2	11	CSS	23N	212W
HA6170	C	800	NW/4	2	11	CSS	648N	21W
HA6172	C	800	SE/4	19	11	CSS	237S	836E
HA6173	C	800	SE/4	3	11	CSS	657S	50E
HA6174	C	800	SE/4	4	11	CSS	855S	680E
HA6175	C	800	SE/4	4	11	CSS	668S	59E
HA6176	C	800	SW/4	4	11	CSS	858S	649W
HA6177	C	800	NW/4	3	11	CSS	35N	205W
HA6180	C	800	NW/4	3	11	CSS	660N	16W
HA6202	C	800	SW/4	256	44	H&TC	861S	113W
HA6276	C	800	SE/4	16	11	CSS	27S	224E
HA6277	C	800	SE/4	16	11	CSS	217S	848E
HA6279	C	800	SE/4	25	A1	PSL	308S	786E
HA6287	C	800	W/2	19	A1	PSL	147S	180W
HA6306	C	800	SW/4	23	A1	PSL	335S	776E
HA6307	C	800	SE/4	23	A1	PSL	150S	151E
HA6308	C	800	NW/4	37	11	CSS	32N	206W
HA6309	C	800	NW/4	37	11	CSS	220N	830W
HA6315	C	800	NW/4	25	11	CSS	257N	33W
HA6320	C	800	SW/4	16	11	CSS	538S	7W
HA6354	C	800	NW/4	16	11	CSS	397N	6W
HA6355	C	800	SW/4	2	11	CSS	461S	872E
HA6356	C	800	SW/4	1	11	CSS	488S	885W
HA6357	C	800	NE/4	1	11	CSS	826N	237E
HA6370	C	800	SW/4	4	11	CSS	504S	872W
HA6372	C	800	NW/4	16	11	CSS	453N	445W
HA6373	C	800	SW/4	25	11	CSS	427S	441W
HA6518	C	800	NE/4	41	11	CSS	657S	50E
HA6519	C	800	SE/4	41	11	CSS	27S	232E
HA6520	C	800	SW/4	41	11	CSS	835S	66W
HA6522	C	800	NW/4	24	A1	PSL	1223S	319W
HA6532	C	800	SE/4	48	11	CSS	662S	185E
HA6545	C	800	NW/4	108	4	CSS	122N	265W
HA6546	C	800	NW/4	108	4	CSS	616N	208W
HA6547	C	800	SW/4	108	4	CSS	770S	462W
HA6548	C	800	NW/4	108	4	CSS	537N	626W
HA6549	C	800	SE/4	108	4	CSS	788S	663E
HA6550	C	800	SW/4	108	4	CSS	163S	561W
HA6551	C	800	NE/4	109	4	CSS	21N	228E
HA6552	C	800	NW/4	110	4	CSS	85N	207W
HA6554	C	800	NW/4	110	4	CSS	893N	643W
HA6555	C	800	NE/4	110	4	CSS	890N	675E
HA6556	C	800	NE/4	110	4	CSS	263N	40E
HA6557	C	800	NE/4	110	4	CSS	888N	230E
HA6559	C	800	NW/4	111	4	CSS	883N	644W



Steve Walthour reported that the Panhandle Regional Water Planning Group meeting will be in late August and that the Groundwater Management Area 1 Joint Planning Meeting scheduled for July 23, 2014 has been moved to August 19, 2014.

Danny Krienke reported that he attended a Farm Bureau Summit to look at projects and see how agriculture could fit into the SWIFT funds. Mr. Krienke stated that possibly drip irrigation might fit into a category.

Paul Sigle and Leon New presented a report on the 200-12 program and the EPIC program.

## **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. Mike Bragg will conduct a demonstration of the difference between LEPA Bubble and Spray in Hartley County.

Danny Krienke presented the following for the Conservation Center:

### **North Plains Water Conservation Center**

The Agriculture Committee met, on July 7<sup>th</sup> to plan and consider the purchase of equipment and the transition of the research field to the Water Conservation Center. There are generally two categories for equipping the Water Conservation Center. The first category is for equipment directly related to irrigation. This includes irrigation motors, drip equipment, piping, pivots and the electric facilities. The District is finalizing a loan with the Texas Water Development Board for \$620,000 to purchase this type of equipment. The Ag Committee intends to use the loan for the equipment listed as follows:

#### **Irrigation Equipment List.**

<b>Equipment</b>	<b>Amount</b>	<b>Total Cost</b>
Center Pivot Irrigation System	2	\$ 135,000.00
Subsurface Drip Irrigation System	35 acres	\$ 105,000.00
VFD Electric Motor, Irrigation System Tracking and Monitoring	1	\$ 60,000.00
Electric Line Construction	1	\$ 205,000.00
Subsurface Pipeline	1	\$ 80,000.00
<b>Total</b>		<b>\$ 585,000.00</b>

From the beginning of this project, the District has focused on electrifying the wells at the field. The first well by the office is already completed and is serviced by Xcel Energy. Though Xcel Energy serves the facility and the one well by the offices, the large WCC Well is located in Rita Blanca Electric Cooperative service area. Xcel will not directly serve the District's large well in the southwest corner of the WCC. After meeting with Xcel Energy and Rita Blanca Electric Cooperative, two options were given to the District in order to provide electricity at the Water Conservation Center.



The first option is Xcel providing Rita Blanca with a wholesale meter and Rita Blanca providing the District with a retail meter. This option will cost \$37,500.00. The second option is Rita Blanca constructing a 2.7 mile 3-phase line, replacing the current Xcel meters. This option will cost \$192,000 for the line and transformers plus \$12,000 for Xcel to remove their current electric lines. By installing the line and having Rita Blanca service all of the property, the District reduces its risk regarding electric supplier accountability and the line could be used to service surrounding irrigation operations since the District is advocating variable rate drives.

At this point the General Manager recommended the Board finalize this very critical issue so that the District can move forward with electrifying the southwest well.

The second category is for equipment that is not directly related to irrigation facilities but is important for the demonstration farming. The Agriculture Committee recommended that this equipment be ordered.

#### Demonstration Farming Equipment List

Equipment Summary	Quantity	Estimated Cost
Flex Wing Rotary Cutter	1	\$ 14,600.00
<b>Blu-Jet Track Master</b>	<b>1</b>	<b>\$ 4,100.00</b>
<b>20' Drill</b>	<b>1</b>	<b>\$ 56,400.00</b>
<b>Integral Rigid Planter - 8-Row</b>	<b>1</b>	<b>\$ 33,700.00</b>
<b>Row Crop Head (Used)</b>	<b>1</b>	<b>\$ 19,000.00</b>
<b>20' Auger Cutting Platform (Used)</b>	<b>1</b>	<b>\$ 25,000.00</b>
8-Row Corn Head	1	\$ 56,300.00
150 hp Cab Tractor	1	\$ 94,600.00
Standard Farm Loader	1	\$ 10,300.00
Grain Cart	1	\$ 60,000.00
Utility Vehicle	2	\$ 30,000.00
<b>Total</b>		<b>\$ 404,000.00</b>

Other equipment that the Committee plans to lease is a tractor leased at \$60.00 per hour and a combine leased at \$225 per hour. If the combine and tractor are operated twice as much as anticipated of less than 50 hours per year (100 hours per year), the total cost will be \$28,500.00. For the first year, the acres will be stripped tilled.

The Ag Committee recommended that the Board approve the purchase of the equipment on the irrigation equipment list and that the purchase thereof be funded through the Texas Water Development Board loan. The Committee also recommended that the Board authorize the order and purchase of the equipment detailed on the demonstration farming equipment list to implement the transition of the research field into the Water Conservation Center be purchased in the 2013- 2014 and 2014-2015 fiscal years. Since acquisition of equipment will span across two fiscal years the budgets for each of these year may need to be adjusted to accommodate the transition.

The Board instructed the Committee to consider and determine if there are more cost-effective methods to achieve the goals of this project, without sacrificing quality.

Danny Krienke stated that one of the biggest issues before the Board was the electrification of the Well, including the cost of the generator. Mr. Krienke presented the preliminary plan to the Board for the Conservation Center as follows:

#### North Plains Water Conservation Center Preliminary Plan



July 14, 2014

The North Plains Water Conservation Center is as an extension of the District's on-farm water conservation demonstration projects that began in 2009. In 2009, the District began planning the "200-12" Reduced Irrigation on Corn Demonstration Project (200-12 Project). The 200-12 Project is a five year on-farm, field scale project that demonstrates how water conservation technologies and irrigation management practice adjustments can reduce groundwater use and allow agricultural irrigation producers to remain profitable and financially viable with restricted and/or diminishing groundwater resources. In 2013, the Board determined that it would continue, the demonstrations after the five-year period, but incorporate other crops that are grown in the area. In addition to the on-farm demonstrations, the Board elected to convert the North Plains Research Field into the Water Conservation Center to demonstrate water conservation technologies and irrigation management practices adjustments can reduce groundwater use in an atmosphere that can provide additional information to producers on new, cutting-edge technology and irrigation practices.

The Water Conservation Center targets three groups. These are as follows:

- Early Adapters — Well owners within the District that are constantly looking for the newest technology or practice that will improve their operations.
- Late Adapters — Well owners within the District that only adapt new technologies and conservation practices after they have observed those practices being successfully implemented by others.
- Outsiders — The information developed and published as a result of the demonstrations on the field will be made available and promoted by the District to well owners and policy decision makers outside of the district. By promoting the Water Conservation Center and the information developed as result of projects at the Center to these subgroups the district establishes itself and improves its reputation locally, statewide and nationally as a groundwater conservation district that is successfully managing our water resources on a local scale through conservation education.

#### Early Adapters

The Center will provide a platform to test new technologies and practices for early adapters and provide this group independent information on whether a practice or technology is viable and outlining its limitations and recommending how to use the technology or practice to maximize success.

#### Late Adapters

The Center will provide a source of information and encourage late adapters to implement new technologies and practices through continuing education at the field and through workshops as well as CEU courses.

#### Outsiders:

All of the information developed through the Water Conservation Center will be available to anyone. The Water Conservation Center will provide a place to show off and promote conservation education activities as part of our local management of groundwater.



## Water Conservation Center Configuration

The center will have approximately 200 acres under the latest practicable pivot technologies and 40 acres under drip irrigation. The fields will be at a scale that we see today where a pivot circle is halved to take advantage of the farm's water availability. The District will provide the inputs that are normal to irrigated agriculture. Cooperators will provide extra inputs for their demonstrations.

### Ongoing Costs

Our costs are different because we will be collecting and analyzing precise controlled data. We will be rigorously evaluating all new technologies and methods used on the fields for public information and education in relationship to water conservation. We will use the latest technologies to monitor progress and collect data on the fields. At this point staffing of the field will include one staff member to run the day-to-day operations.

### Implementation Costs

Initially the district will need to acquire farming equipment and install irrigation equipment for the field. At this point, except for a little grant money from the TWDB for monitoring equipment, most of the expense to the field will be carried by the District. The District can borrow up to \$620,000 from the TWDB for irrigation related equipment and infrastructure. Most of the loan amount will be spent. Farm implements and facility improvements not related to irrigation related infrastructure will come from the District's reserves. The District has collected funds from permit fees and other fees over the past three years. Using this money for the startup would be in line with our designated use of those fees for water conservation projects. A water conservation engineer is on Board to assist the District with the transition of the research field to the Water Conservation Center. The transition should last up to three years with the irrigation engineer spending the most hours (about 1500) the first year and then declining over the next two years.

Director Born inquired about the life expectancy of the drip system and about the maintenance of it, too.

Mark Howard commented about the value of the research at the North Plains Groundwater Conservation Center and stated that it was well received and well viewed. Mr. Howard stated that he would like to see the goal for the group to be economically responsible. If we could lower the cost to get it down where it doesn't hurt as much. Mr. Howard stated that Tom Moore is very much a supporter of this project.

Director Krienke stated that some value must be placed on the savings of one-acre inch of water throughout the District.

The General Manager stated that anyone that wants to donate equipment can feel free to do so.

Gene Born stated that people in Lipscomb County don't know about the research facility and that he was opposed to this initially.

Danny Krienke stated: "Gene, we have some data, which is not conclusive, that the ability to put six inches of water on crops from wells actually hurt yields."

Justin Crownover stated that he is a proponent of keeping it simple, it is really hard to keep things going. You 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.

Mark Howard stated that 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.

Zachary Yoder stated the he could support it if it is done in an economic fashion, such as to get there in five years --- you don't have to get there in the first year. Perhaps you should cultivate 15 acres of wheat the first year and not have the other 30 acres. Mr. Yoder stated that conservation has to be successful.

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 --- which the Board isn't completely behind it. I don't think we should do it and get out of it and sell it. We need to bring credibility into this thing.

Gene Born stated that the Board has committed itself on the sprinklers and agreed with the statements of Mr. Grall.

President Zimmer stated that research isn't always profitable and that it required risks. Mr. Zimmer stated that the 200-12 program has shown that you can save one to two acre inches of water. Mr. Zimmer also said that the whole State is looking hard for someone to defend ag use of groundwater because 60% of the State uses ag water. If the District isn't going to defend ag use of groundwater, then who will? Mr. Zimmer stated that he was eager to hear someone show how to be responsible. Mr. Zimmer stated that he was in support of the Conservation Center and asked what was it going to take to get us there?

Mark Howard stated spending less and getting it done right looks better. Mr. Howard stated that he was concerned that the District should obtain an advisory Committee to help run the facility.

The General Manager recommended to remove the wheat equipment from the initial budget list and move forward.

Mark Howard stated that he was not in favor of raising taxes to install a drip irrigation system.

Danny Krienke moved to approve the equipment on the irrigation equipment list to be purchased through the Texas Water Development Board loan and to direct the General Manager to enter into an agreement with Rita Blanca Electric Cooperative to run a 3 phase electric line to provide the electricity at the Center. Justin Crownover seconded the motion and it was unanimously approved by the Board.

Director Krienke inquired what the Mission Statement should be for the Water Conservation Center.

The Board recessed at 1:16 p.m. for lunch and reconvened at 1:41 p.m.

Danny Krienke moved to order and/or purchase the following equipment listed in the Demonstration Farming Equipment List:

Flex Wing Rotary Cutter	\$14,600.00
Blu-Jet Track Master	\$ 4,100.00



Stripped-Down Integral Rigid 8-Row Planter	\$33,700.00
2 Utility Vehicles	\$30,000.00.

Harold Grall seconded the motion and it was unanimously approved by the Board.

The General Manager compared the District's 2013-2014 Budget to the General Manager's projected end of fiscal year expenses. The General Manager anticipates that the expenses for budget items below may exceed the current budgeted amounts for normal operations of the District and the initiation of the startup of the Water Conservation Center. The General Manager met with the Agriculture Committee on July 7<sup>th</sup> to plan construction and equipment acquisition and personnel for the North Plain Water Conservation Center as well as met with the Finance Committee regarding these budget items. Together with the Agricultural Committee's recommendations the general manager requests the following 2013-2014 budget amendments.

Budget Item description	Current Budget Amount	Proposed Budget Amount	Increase or (Decrease)	Explanation
Director's Expense	\$101,160.00	\$110,660.00	\$9,500.00	Unanticipated directors' expenses related to conservation programs, GMA-1, public meetings.
Personnel	\$1,057,845.00	\$1,085,845.00	\$28,000.00	Additional costs for personnel in overtime, part time assistance and transfer personnel (1) from research field Water Conservation Center.
Contracted Services	\$86,000.00	\$93,600.00	\$7,600.00	Unanticipated costs GMA-1 administration and projected appraisal and collection fees.
Professional Fees	\$188,000.00	\$240,000.00	\$52,000.00	Professional consulting costs related to establishment of the NPWCC and additional attorney's fees.
Vehicle; Building, Field, Supplies	\$115,000.00	\$155,000.00	\$40,000.00	NPWCC startup expenses.
Capital Outlay	\$200,000.00	\$230,000.00	\$30,000.00	Capital Equipment associated with startup of NPWCC
Conservation Demonstration Project	\$282,350.00	\$382,350.00	\$100,000.00	Texas Tech's pass through expenses for High Plains Initiative funded by USDA.
Total Budget	\$2,798,355.00	\$3,065,455.00	\$276,100.00	

The General Manager recommended that the Board approve the above amendments to the District's 2013-2014 Budget increasing the District's budget from \$2,798,355.00 to \$3,065,455.00.

Zachary Yoder moved that the Board approve the following amendments to the District's 2013-2014 Budget increasing the District's budget from \$2,798,355.00 to \$3,065,455.00 as follows.

Budget Item description	Current Budget Amount	Proposed Budget Amount	Increase or (Decrease)
Director's Expense	\$101,160.00	\$110,660.00	\$9,500.00
Personnel	\$1,057,845.00	\$1,085,845.00	\$28,000.00
Contracted Services	\$86,000.00	\$93,600.00	\$7,600.00
Professional Fees	\$188,000.00	\$240,000.00	\$52,000.00
Vehicle; Building, Field, Supplies	\$115,000.00	\$155,000.00	\$40,000.00
Capital Outlay	\$200,000.00	\$230,000.00	\$30,000.00
Conservation Demonstration Project	\$282,350.00	\$382,350.00	\$100,000.00
Total Budget	\$2,798,355.00	\$3,065,455.00	\$276,100.00

Harold Grall seconded the motion and it was unanimously approved by the Board.

The General Manager met with the Finance Committee and the Ag Committee to develop a proposed budget for the Board's consideration. The General Manager anticipates the Board adopting a final budget in August or September. Both Committees and the Property Committee will meet again before presenting a proposed budget to the Board in August. The transition to the Water Conservation Center and review of other District programs, equipment, facilities and personnel require additional review.

Over the last four election cycles, the District has held elections in May 2008, 2010, and 2014. In 2008 and 2010, the elections personnel in Lipscomb County refused to hold elections and the District sought other assistance from outside the county and hired personnel to hold elections in the county. In both cases the District held the elections in one location. In the 2014 cycle, the District held elections in Dallam and Hartley Counties. In both cases the District had one polling place. In all three election cycles the District received complaints regarding the location and/or numbers of polling places. Under its current statute, the District is required to hold elections in May of even numbered years. Any changes to this schedule such as moving the election to another date requires an amendment to the District's Enabling Legislation.

The District's legal counsel reported to the Board that only in the instance that there was an election administrator and that an election was held at a time other than May of an even numbered year could the District mandate that someone conduct its directorate election. Legal Counsel also reported that as far as it was aware, Lipscomb County was the only county within the boundary of the District which had an election administrator. Legal counsel recommended that the Board amend its Enabling Legislation to provide the District the most versatility in conducting its directorate elections.

Gene Born moved to modify the District's Enabling Legislation to provide that Board elections shall be held on a uniform election date in each even numbered year. Justin Crownover seconded the motion and it was unanimously approved by the Board.

Casey Tice reported that twenty-two (22) late filings of 2013 Production Report letters were sent to Producers on April 28, 2014 with invoices and a payment due date of June 1, 2014. All late filers of 2013 Production Reports have paid or cleared late filing fees.

Mr. Tice also reported that eighty-nine (89) overproduction letters for 2013 Production Reports were sent to fifty-five (55) Producers on May 20, 2014 with due dates to re-pool by July 1, 2014 or to pay overproduction fees and install District approved flow meters by August 1, 2014. Forty-three (43) overproduction reports have been cleared by recalculating numbers on the report, or in the Conservation Reserve, or by re-pooling as requested by Producers.

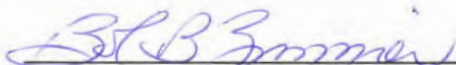
Steve Walthour presented the General Manager's Report, including information concerning upcoming meetings and conferences and the General Manager's activity summary.

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 Board next regular Board Meeting at 9:00 a.m. on August 12, 2014.



Harold Grall moved to adjourn the meeting. Mark Howard seconded the motion and it was unanimously approved by the Board. President Zimmer declared the meeting adjourned at 2:05 p.m.

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

It must be a very old manuscript, as the handwriting is very old and the paper is very yellowed and stained.

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The third page is very blank, with only a few faint lines of text visible. The fourth page is also very blank, with only a few faint lines of text visible.