

**MINUTES OF THE MAY 14, 2013
BOARD OF DIRECTORS MEETING OF
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

The Board of Directors of North Plains Groundwater Conservation District met in regular session May 14, 2013, at 9:30 a.m. in the Conference Room of the Hampton Inn, 2010 South Dumas Avenue, Dumas, Texas 79029. The following persons were present:

Members Present:

Gene Born; President
Daniel L. Krienke, Director;
Bob Zimmer, Secretary;
Phil Haaland, Director;
Harold Grall, Director; and,
Justin Crownover, Director.

Staff Present during part or all of the meeting:

Steve Walthour, General Manager;
Dale Hallmark, Assistant General Manager and Hydrologist;
Kirk Welch, Assistant General Manager/District Outreach;
Pauletta Rhoades, Finance and Administration Coordinator;
Kristen Alwan, Executive Assistant;
Paul Sigle, Ag Engineer;
Rebekah Purl, Intern; and,
Laura West, Production Monitoring Coordinator.

Others present during part or all of the meeting:

Scott Clawson;
Mark Howard;
Marty Jones;
Amy Haschke;
David Grotegut;
Tom Moore;
F. Keith Good, District General Counsel; and,
Ellen Orr, Paralegal.

President Born declared a quorum present and called the meeting to order at 9:32 a.m.

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

President Born recessed the regular Board meeting at 9:35 a.m. and called the Public Hearing to order for the purpose of considering the District's intent to adopt a revised Management Plan. The Public Hearing was closed at 9:45 a.m.

By consensus, the Board recessed the regular Board Meeting until 10:00 a.m.

At 10:02 a.m. the regular Board Meeting was reconvened.

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

Bob Zimmer moved to approve the Consent Agenda consisting of the approval of the Minutes of the Board Meeting of April 8, 2013; the un-audited District expenses presented to the Board from April 1, 2013 through April 30, 2013, 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 \$4,961.08 for April 1, 2013, through April 30, 2013; and the report regarding the Budget and Financial Condition of the District for the first six months of the 2012-2013 fiscal year. Harold Grall seconded the motion and it was unanimously approved.

In October 2012, the District proposed to adopt a new management plan that among other things would update the requirement to address Desired Future Conditions. The District conducted Stakeholders' Meetings for public comment and questions on the proposed Management Plan in Perryton, Texas at 7 pm on November 19th and in Dalhart Texas at 7 pm on November 20th. The District conducted a public hearing concerning the District's intent to adopt a revised Management Plan on November 29, 2012 in Dumas, Texas. The purpose of these meetings was to provide interested members of the public the opportunity to appear and provide oral or written comments on the proposed revisions to the Management Plan. Written comments that indicated whether the comments are general and directed at all of the proposed revisions of the Management Plan, or whether they are directed at specific items in the proposed Management Plan were accepted in the District offices. Written comments and a transcript of the hearing were provided to the Board at the meeting.

In January 2013, District staff incorporated proposed amendments to the plan based on the hearings and submitted the Proposed Management Plan to the Texas Water Development Board for review. The TWDB responded with a list of required and suggested changes. District staff incorporated all required changes and most of the suggested changes and returned the Proposed Revised Management Plan to the TWDB and received an email indicating the review was complete.

The Board amended the original proposed plan as presented at the April 8, 2013 Board meeting and held a public hearing on May 14, 2013 concerning the District's intent to adopt a revised Management Plan. The public hearing was for the purpose of providing interested members of the public the opportunity to appear and provide oral or written comments on the proposed revisions to the Management Plan.

Danny Krienke moved that after considering the oral and written commentary which the District received regarding the proposed Management Plan as amended, that the Board adopt the following resolution. Harold Grall seconded the motion and the following resolution was unanimously adopted by the Board:

WHEREAS, Texas Water Code, Chapter 36, Section 36.1071 requires the North Plains Groundwater District ("the District") to develop a comprehensive management plan to address specific management goals; and,

WHEREAS, Texas Water Code, Section 36.1071 also requires the District to identify the performance standards and management objectives under which the District will operate to achieve its management goals; and,

WHEREAS, the Board of Directors of the North Plains Groundwater Conservation District believes that the 2013 Management Plan of the District reflects the best management of the groundwater for the District and meets the requirements of Section 36.1071 as applicable; and,

WHEREAS, the Board further believes that the description of activities, programs, and procedures of the District included in the Plan provide performance standards and management goals and objectives necessary to effect the Plan in accordance with Section 36.1071.

NOW, THEREFORE, BE IT RESOLVED, AND IT IS HEREBY RESOLVED, THAT the Board of Directors of the North Plains Groundwater Conservation District

does hereby adopt the 2013 North Plains Groundwater Conservation District Management Plan on this 14th day of May, 2013.

The Board reviewed the General Manager's recommendations for a proposed modification of Chapter 8 of the District Rules based upon the April Board meeting.

The Board also reviewed Chapter 3 of the current Rules of the District and discussed the following issues:

- Chapter 3 – Are there alternatives to the current well classification and spacing system?
 - What is the criteria to create a small well category for permitting from possibly 0-25 gpm because we currently have a gap in what is currently required for a permit and our current well classification rules?
 - What is the criteria to change spacing to move wells further away from the 100 yard spacing requirement to allow well owners to drill wherever they want on their property?
 - Should we clarify that the 1 well per 80 acres apply on a section by section basis as the board originally intended?
 - Should there be a reduction in the density of wells from 8 to another number or should there be no limit on the number of wells?
 - What happens to the original well that is to be replaced?
 - How should we treat spacing from domestic wells?
 - Should we create an easement category to allow drilling closer to domestic wells?
 - How do we treat wells that are capped in the density standards?

The Board directed counsel and District staff to draft proposed rules for Chapter 3 as discussed at this meeting and provide a copy of the draft at the next board meeting along with a discussion of the issues which the Board might desire to review and amend in Chapter 7.

At 10:50 a.m. the Board recessed and at 11:01 the Board reconvened.

A Schedule of Well Permits was presented to the Board for its review. Bob Zimmer moved to remove DA-5602, HA-4965, HA-4967, SH-4253, HA-5427 and OC-5203 from the Schedule of Well Permits and to approve the remainder of the Schedule of Well Permits because the Wells are properly equipped and otherwise comply with District Rules. Phil Haaland seconded the motion and the motion passed unanimously.

COUNTY	OWNER	WELL	METER LOCATION	CL	MAX	QTR	SEC	BLK	SUR	YARDS N S	YARDS E W
DALLAM	MATHEW KOEHN	DA-4814	WELL	C	800	SE	7	2	FDW	191S	278E
DALLAM	SHERWIN & JO ETTA KOEHN	DA-5305	WELL	C	800	SW	74	7	CSS	389S	121W
DALLAM	WTB FARMS	DA-5414	WELL	B	400	NW	31	1	CSS	734N	533W
DALLAM	WTB FARMS	DA-5415	WELL	B	400	NW	31	1	CSS	735N	113W
HARTLEY	FOUR STAR MIDDLEWATER LT	HA-2588	PIVOT	C	800	NE	27	12	CSS	6N	2W
HARTLEY	LARSEN FARMS LLC	HA-5157	WELL	C	800	NE	2	11	CSS	459N	441E
HARTLEY	DANIEL FORD	HA-5417	WELL	D	1800	NE	0	2	F&A	430N	464E
HARTLEY	PHIL HAALAND	HA-5427	WELL	C	800	SW	44	48	H&TC	34S	51W

HARTLEY	EDWARD CARSON	HA-5490	WELL	B	400	NE	80	2	B&B	434N	459E
HARTLEY	AWE AG SERVICES	HA-5664	WELL	C	800	NE	7	0	JC POOL	14N	222E
HANSFORD	DAVID THOMAS	HN-5327	WELL	D	1800	SE	11	45	H&TC	883S	835E
HANSFORD	MICHEAL & TONYA YANKE	HN-5505	WELL	D	1800	SW	132	2	GH&H	92S	530W
OCHLTREE	DANIEL KRIENKE	OC-5203	WELL	D	1800	NW	7	12	H&GN	832N	129W
OCHILTREE	NEED IT MORE LP	OC-5228	WELL	D	1800	SW	135	4-T	T&NO	278S	102W
OCHILTREE	DAVID PECKENPAUGH	OC-5299	WELL	D	1800	NE	55	R	AB&M	103N	246E
OCHILTREE	DON MCLAIN FAMILY LTD PARTNERSHIP	OC-5325	WELL	D	1800	NE	140	4-T	T&NO	733N	707E
SHERMAN	WILLIAMS JERRY DAYNELL CADDELL AND RONNIE	SH-4851	WELL	D	1800	NW	87	1-C	GH&H	644N	130W
SHERMAN	KENQUINT LLC	SH-5308	WELL	C	800	SW	178	1-C	GH&H	104S	189W
SHERMAN	KENQUINT LLC	SH-5354	WELL	C	800	SE	178	1-C	GH&H	869S	970E
SHERMAN	KENQUINT LLC	SH-5355	WELL	C	800	NE	178	1-C	GH&H	113N	915E
SHERMAN	BUSBY CHILDRENS TRUST	SH-5394	WELL	C	800	NE	112	1-T	T&NO	108N	494E
SHERMAN	W&C LAND AND CATTLE LTD	SH-5399	WELL	B	400	SE	61	1-T	T&NO	441S	872E
SHERMAN	W&C LAND AND CATTLE LTD	SH-5400	WELL	B	400	SE	61	1-T	T&NO	773S	865E

Danny Krienke moved to approve Well Permit HA-5427 because the Well is properly equipped and otherwise complies with District Rules. Bob Zimmer seconded the motion and it passed by the majority vote of the Board with Phil Haaland abstaining from the vote.

Phil Haaland moved to approve Well Permit OC-5203 because the Well is properly equipped and otherwise complies with District Rules. Bob Zimmer seconded the motion and it passed by the majority vote of the Board with Danny Krienke abstaining from the vote.

The General Manager presented a report to the Board regarding the District's 200-12 Demonstration Program, the Texas AgriLife Extension EPIC Demonstrations and the High Plains Initiative. The following information regarding the foregoing programs was presented to the Board:

EPIC Demonstration

The EPIC Project will now consist of seven sites, six corn fields and one sorghum field. James Born came to Scott Strawn about preforming the EPIC Project on sorghum. Paul has met with Pat Scarth to discuss his AquaPlanner product and the addition of satellite imagery to the product. He has also met with James Born, Noon Vela, Pat Scarth, and Scott Strawn to discuss and visit the Ochiltree County sites. The EPIC project will use HydroBio service on 340 acres at the Moore County and Hutchison County Sites.

200-12 Program

The 200-12 project is moving along. Currently, Randy is installing gypsum soil moisture blocks in all of the sites. Randy has completed installation of the gypsum blocks in Harold, Brent, David, Joe, Myles, and Richards fields with five of the eleven sites remaining. Randy has also pulled all the soil maps for each field from NRCS Web Soil Survey in coordination with Leon to place the gypsum blocks in the corresponding soil types. The Crop Committee meet with HydroBioARS and reviewed their product. After review, the decision was made to use their satellite imagery on a limited number of acres within the project and Leon and Randy have been providing Bridget Adams with all of the necessary information for them to complete the task.

TWDB Grant

The Texas Water Development Board Agricultural Water Conservation Grant quarterly report was filed on April 17, 2013. The report was for the period of December 1, 2012 through February 28, 2013. As of the end of the quarter, there is \$79,957.51 left in the grant with \$66,325.31 allocated to salaries, fringe, travel, and subcontractor services.

CIG Grant

As of the last NRCS CIG Grant quarterly report, the total expenditures are \$115,373.35 leaving \$384,474.65 in available funds. The staff is currently working on the quarterly report for January 1, 2013 to March 31, 2013. The quarterly report was due April 30, 2013.

Public Outreach

In October, the National Groundwater Association will be holding a conference in Dallas on Groundwater and Food Production (#5022). The conference proposes to address "How will we use new and existing tools and technology to plan, manage, protect, and allocate increasingly stressed groundwater resources to provide adequate food and drinking water supplies to nourish more than seven billion people as we move through the 21st century?" Potential topic areas to be explored include, but are not limited to, agricultural wells, aquaculture, biofuels, CAFOs, climate change, drought mitigation, emerging contaminants, groundwater sustainability, and pesticides. A current call is underway seeking abstracts in these areas and others. The general manager plans to provide at least one abstract regarding our 200-12 program and possibly one abstract for adaptive management of groundwater in agriculture production areas. Abstracts are due June 22nd.

Phil Haaland moved that the District participate in the 2014 program for High Plains. Harold Grall seconded the motion and it was unanimously approved by the Board.

The General Manager reported to the Board that the District is in the process of entering 2602 production reports that the District mailed to producers back in December. District staff anticipates having all reports processed and entered by the middle of May. The General Manager stated that the District would send a notice to all people filing production reports late and all people who overproduced groundwater in calendar year 2012. The General Manager estimated that there are approximately 120 people who filed late and/or overproduced groundwater. Mr. Walthour stated that of the 120 people in the two categories, it was also his estimate that approximately one-half of the 120 would be removed from the two categories.

In February, the Board directed the general manager to solicit bids for a building to store the equipment on the North Plains Research Field. The 60' x 100' metal building was bided in the Amarillo Globe-News on March 22 and March 25. The final date for accepting bids was on April 15. The District has received bids from Rhino Roofing, L.P.; Willis Construction; High Plains Contractors & Management Group, Inc.; and Tri-State General Contracting Group, Inc. with the amounts of the bids being \$103,193.75, \$111,715.00, \$173,185.00, and \$177,906.00, respectively. A copy of each bid was presented to the Board. Mr. Walthour reported that District staff inspected the field with Harold Grall the last week in April to determine the need for the building. Based on the staff report, the general manager recommended that the Board table this item until District staff can reassess what equipment will be housed by the building and whether or not equipment that appears to be unrelated to the operations can be moved from the existing structure to make room for the additional equipment.

Phil Haaland moved that the Board not authorize construction of a new equipment building at the North Plains Research Field at this time and directed the General Manager to work with the tenant to remove unrelated equipment stored at the Research Field to

better utilize the existing facility. Harold Grall seconded the motion and it was unanimously approved by the Board.

Kirk Welch presented a report to the Board on the District's 2013 Water Festivals. Mr. Welch stated that a total of 882 of the district's 4th graders attended this year's Water Festivals. The events were held May 1st in Dalhart, May 2nd in Dumas and May 3rd in Perryton. The number of students attending in Dalhart remained constant from last year's number of 200 students. This year Hartley and Stratford were unable to attend the Dalhart festival. Sunray was able to attend this year in Dumas, making it the largest festival in the last four years at 432 students. There were 250 students at our 8th Annual Perryton water festival. Public Relations intern, Rebekah Purl assisted Kirk with the coordination of the Festivals for 2013. RJ Vandygriff assisted with scheduling presenters and coordinating attendance with the schools in the District, as well as making a presentation at the Dalhart and Perryton festivals. The rest of the employees participated in the execution of the events, either by actual participation or by covering the responsibilities of the staff helping with the festival. The District provided t-shirts to the volunteers as well as the students and teachers who attended. This should be an effective tool in raising conservation awareness by releasing 1000 walking billboards throughout the District. The District introduced a new "Water Ranger" theme with the t-shirts and an opening skit. The theme challenges the students to learn about our water and how to "protect and defend it wherever they find it," so they can become Water Rangers. Both of these additions seemed to have been well received. To help gather feedback from the teachers and students, the District cooperated with AgriLife on a new automated post-test that will provide the District more accurate numbers on knowledge transfer with no additional District resources allocated. During the Dumas festival, Xcel Energy donated their time and food by cooking lunch for 85 teachers and volunteers. As a special surprise for the students, we were able to bring in The Green Magician, Kevin Barnes. Kevin's show helps encourage kids everywhere to care for the world around them, teaching them that even the smallest effort can make a world of difference. Both KAMR and KVII news stations from Amarillo covered the Dumas event.

The General Manager presented a report to the Board of the Bills which had been filed in the 83rd Legislative Session which may affect this District.

The General Manager reported to the Board that in April the District was notified by area wheat producers that unusually late hard freezes on multiple dates have extensively damaged their wheat crops across the Texas Panhandle.

In addition to the freezing weather, according to data released on April 30, 2013 by Eric Luebehusen, U. S. Department of Agriculture, the entire Texas Panhandle and west Texas is in a severe drought. This drought began in 2010 and current estimates believe it will extend into the foreseeable future.

The District has received reports that insurance company representatives or adjustors apparently using the Risk Management Agency guidelines are requiring farmers to continue to irrigate all or part of the wheat crop to provide samples for crop insurance assessment. The District is concerned that RMA has not developed a method of estimating crop damage as an alternative to requiring most producers over a region as large as the Texas Panhandle to continue to irrigate all or a portion of their crop to simply assess crop damage. Assessing crop damage by requiring continued irrigation diminishes the ability of a producer to plant and irrigate another crop with the same water. The method does not provide a productive benefit while wasting a valuable resource particularly during an extended drought.

The District requested that RMA develop alternative guidelines that do not require continued regional irrigation of a crop to assess damage in an area that is under drought conditions.

The Board discussed developing the 2013-2014 proposed budget and requested that the Finance Committee meet and discuss items which may need to be included in next year's budget before the next regular Board Meeting.

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

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

By consensus, the Board set its next regular Board meeting for June 11, 2013 at 9:30 a.m.

Phil Haaland moved to adjourn the meeting. Bob Zimmer seconded the motion and it was unanimously approved by the Board. President Born declared the meeting adjourned at 12:27 p.m.



Gene Born, President



Bob Zimmer, Secretary

**BOARD RESOLUTION OF
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT
2013 GROUNDWATER MANAGEMENT PLAN**

WHEREAS, Texas Water Code, Chapter 36, Section 36.1071 requires the North Plains Groundwater District ("the District") to develop a comprehensive management plan to address specific management goals; and,

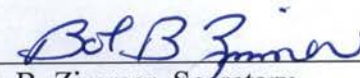
WHEREAS, Texas Water Code, Section 36.1071 also requires the District to identify the performance standards and management objectives under which the District will operate to achieve its management goals; and,

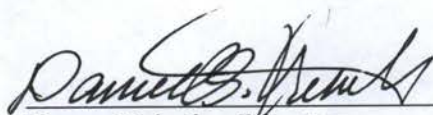
WHEREAS, the Board of Directors of the North Plains Groundwater Conservation District believes that the 2013 Management Plan of the District reflects the best management of the groundwater for the District and meets the requirements of Section 36.1071 as applicable; and,

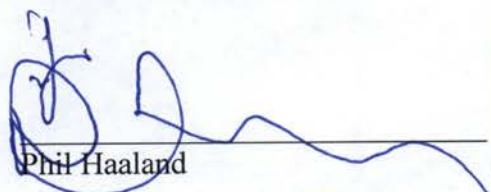
WHEREAS, the Board further believes that the description of activities, programs, and procedures of the District included in the Plan provide performance standards and management goals and objectives necessary to effect the Plan in accordance with Section 36.1071.

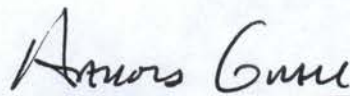
NOW, THEREFORE, BE IT RESOLVED, AND IT IS HEREBY RESOLVED, THAT the Board of Directors of the North Plains Groundwater Conservation District does hereby adopt the 2013 North Plains Groundwater Conservation District Management Plan on this 14th day of May, 2013.

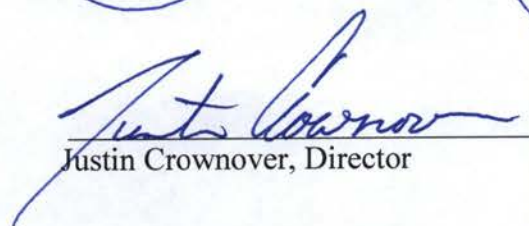

Gene Born, President


Bob B. Zimmer, Secretary


Danny Krienke, Director


Phil Haaland


Harold Grall, Director


Justin Crownover, Director