

**MINUTES OF THE JULY 9, 2019
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 9, 2019, at 9:00 a.m. in the Conference Room of the Hampton Inn & Suites, 2010 South Dumas Avenue, Dumas, Texas 79029. The following persons were present:

Members Present at 9:03 a.m.:

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

Staff Present during part or all of the meeting:

Steve Walthour, General Manager;
Dale Hallmark, Assistant General Manager — Hydrologist/Production Services;
Kirk Welch, Assistant General Manager — Outreach;
Kristen Blackwell, Executive Assistant;
Casey Tice, Compliance Coordinator;
Odell Ward, Program Coordinator — GIS/Monitor Wells; and,
Julia Stanford, Conservation Outreach Specialist.

Others present during part or all of the meeting:

Marvin W. Jones, Esq.
Kelli Johnson, Prestage Farms of Oklahoma, LLC;
Greg Stephens, Prestage Farms of Oklahoma, LLC;
Sabrina Levin, RNA;
Nicole Spencer, RNA;
Nicholas Kenny;
F. Keith Good, Attorney; and,
Ellen Orr, Paralegal.

President, Daniel L. Krienke, declared a quorum present and called the meeting to order at 9:03 a.m. Vice-President, Bob B. Zimmer, gave the invocation and President Krienke led the pledge.

Executive Session - Section 551.071 of the Texas Government Code.

At 9:05 a.m., Vice-President Bob B. Zimmer 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 conflict with Chapter 551. Harold Grall seconded the motion and it was unanimously approved by the Board.

Executive Session: At 9:05 a.m., the Board went into Executive Session. At 9:15 a.m., Director Zac Yoder moved that the Board reconvene into regular session. Mark Howard seconded the motion and it was unanimously approved by the Board.

In public open session, Gene Born moved that the Board reconvene into regular session. Bob Zimmer seconded the motion and it was unanimously approved by the Board. The Board reconvened into regular session at 9:17 a.m.

President Krienke recessed the regular Board Meeting at 9:17 a.m. to conduct the public hearing concerning the Application for Exception to District Rules 3.4; 3.7; 5.1.1.; 5.1.4.A.; and 5.1.5, filed by Marvin W. Jones, Esq., on behalf of Prestage Farms of Oklahoma, LLC.

President Krienke closed the public hearing at 10:36 a.m.

President Krienke reconvened the regular Board meeting at 10:36 a.m. and recessed the regular Board meeting at 10:37 a.m.

President Krienke reconvened the regular Board meeting at 10:46 a.m.

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: the review and approval of the Minutes of the regularly scheduled June 11, 2019 Board of Directors Meeting; the review and approval of the Minutes of the Agriculture Committee Meeting held June 28, 2019; the review and approval of the Minutes of the Property Committee Meeting held on June 28, 2019; the review and approval of the Minutes of the Finance Committee Meeting held on June 28, 2019; the review and approval of un-audited District expenditures for June 1, 2019 through June 30, 2019, including the General Manager's expense and activity report; the review and approval of payment to Lemon, Shearer, Phillips & Good, P.C. for professional services and out-of-pocket expenses from June 1, 2019 through June 30, 2019, in the amount of \$9,011.38; the ratification of the Moore County Tax Collection Contract for 2019-2020; the review and consideration of the Texas Municipal League rerate notice for employee health insurance; and consideration of the Hansford County Tax Sale.

Zac Yoder moved to approve the Consent Agenda. Harold Grall seconded the motion and it was approved by the majority vote of the Board, with Gene Born being absent from the room.

Action Agenda 3.a. - Consider action concerning the Prestage Farms of Oklahoma, LLC. application for exception to District Rules 3.4; 3.7; 5.1.1.; 5.1.4.A.; and 5.1.5.

Executive Session - Section 551.071 of the Texas Government Code.

At 10:48 a.m., Vice-President Bob B. Zimmer 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 conflict with Chapter 551. Justin Crownover seconded the motion and it was unanimously approved by the Board.

Executive Session: At 10:48 a.m., the Board went into Executive Session. At 11:06 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.

In public open session, Harold Grall moved that the Board reconvene into regular session. Mark Howard seconded the motion and it was unanimously approved by the Board. The Board reconvened into regular session at 11:07 a.m.

Mark Howard moved to grant Prestage Farms of Oklahoma, LLC an exception to District Rule 3.4 and for the District's general counsel to prepare a draft of an Order for presentation to the Board. Harold Grall seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.b. - Consider action recommended by Amarillo National Bank to change third-party administration of the District's 457 John Hancock Retirement Plan.

The General Manager stated that the Board selected Amarillo National Bank ("ANB") to manage the District's 457 Retirement Plan account in 2005. The District was contacted in January by Amarillo National Bank recommending that the District change its third-party administrator from CRI and John Hancock, to Empower Retirement for the District's 457 retirement plan. Currently the District's plan is with CRI & John Hancock. John Hancock holds the investments and CRI handles compliance. Empower is a bundled provider so it will replace both CRI and John Hancock. This item does not affect the District's overall budget and is offered as an employee benefit for those employees who wish to save additional pretax funds for retirement.

ANB has reported that Empower's Retirements platform works well with ANB's investment services, provides a more user-friendly interface for investing, and will result in lower investment and financial fees for District personnel.

The Finance Committee proposed that the Board authorize the change of the District's third-party administrator from CRI and John Hancock to Empower Retirement for the District's 457 retirement plan.

Harold Grall moved that the Board authorized the change of the District's third-party administrator from CRI and John Hancock to Empower Retirement for the District's 457 retirement plan. Zac Yoder seconded the motion and it was unanimously approved by the Board.

Action Agenda 3c - 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) are in compliance with the Rules of the District, and the Well Permit application, the General Manager shall submit the Well Permit to the Board for final compliance approval.

The General Manager reported that the District staff had processed 27 Water Well Permits which are ready for Board consideration and approval. These permits, listed in the table below, represent completed Wells that have been inspected and are in compliance with District Rules. The inspections verify that the Wells were completed as required by the respective Permits, including proper Well location, Well classification, maximum yield, and proper installations of check valves and flow meters. Copies of the individual permits were presented to the Board.

WELL	CLASS	SEC	BLK	SUR	NS	EW
DA-9491	C	SE/4	2	7	CSS	189 S
DA-10396	C	SE/4	38	5	CSS	38 S
DA-10414	C	NW/4	26	1	BS&F	132 N
DA-10619	C	NE/4	52	4	CSS	407 N
HA-10014	B	NE/4	12	5	GH&H	12 N
HA-10379	C	SE/4	29	11	CSS	82 S
HA-10401	C	NE/4	13	11	CSS	359 N
HA-10406	C	SE/4	1	11	CSS	437 S
HA-10407	C	NW/4	26	11	CSS	450 N
HA-10426	C	NW/4	5	A-2	PSL	127 N
HN-10356	C	NE/4	7	P	H&GN	128 N
HN-10409	D	SE/4	28	1	CIF	305 S
MO-10171	C	SE/4	430	44	H&TC	538 S
SH-10382	C	SE/4	66	3-T	T&NO	314 S
SH-10388	C	SW/4	39	1-C	GH&H	518 S
DA-10442	B	NW/4	45	4	CSS	351 N
DA-10463	B	NE/4	12	48	H&TC	422 N
HA-9848	B	SE/4	5	5	GH&H	114 S
HA-10280	B	NE/4	60	2	B&B	37 N
HA-10507	C	SW/4	14	11	CSS	833 S
HN-10506	C	NW/4	64	4-T	T&NO	784 N
MO-10447	B	SE/4	13	Q	H&GN	357 S
MO-10502	C	NE/4	386	44	H&TC	84 N
SH-5326	B	SE/4	183	1-C	GH&H	104 S
SH-10096	B	NE/4	175	1-T	T&NO	512 N
SH-10456	C	NW/4	1	2	PSL	856 N
SH-10459	C	NE/4	146	1-T	T&NO	870 N

Mark Howard moved to approve the Well Permits on the Well Permit Schedule, noting that the Wells are properly equipped and otherwise comply with District Rules. Zac Yoder seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.d. - Receive preliminary report regarding the North Plains GCD tax valuations for the purposes of developing a budget.

The General Manager reported to the Board that the District had received information regarding potential tax income that should provide the Board some guidance related to potential tax income in developing a budget for 2019-2020.

The eight county appraisers have provided the District preliminary values for 2019 tax valuations across the District. Unless there is a major error in numbers received from an appraisal district, these preliminary valuations will be very close to the certified numbers later this year.

If the District elects to adopt its current tax rate of 0.33136 per \$100 of valuation, income from taxes would be \$2,132,046, or approximately \$136,326 less than anticipated for the 2018-2019 year. If the District elects to adopt the effective tax rate, the tax rate would climb to approximately 0.035156762/\$100 valuation. The table below shows tax values from 2013 through the estimated 2019 values.