

**MINUTES OF THE JANUARY 21, 2020
BOARD OF DIRECTORS MEETING OF
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

The Board of Directors of North Plains Groundwater Conservation District met in regular session January 21, 2020 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 9:02 a.m.:

Daniel L. Krienke, President
Bob B. Zimmer, Vice-President;
Mark Howard, Secretary;
Gene Born, Director;
Harold Grall, 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;
Odell Ward, Program Coordinator — GIS/Monitor Wells;
Curtis Schwertner, Natural Resource Specialist;
Shari Stanford, Permitting & Meter Program Coordinator;
Paige Glazner, Conservation Outreach Assistant; and
Krista Markham, Public Information Officer.

Others present during part or all of the meeting:

Mandi Boychuk, Natural Prairie & Northside Farmland;
Coy Barton, C.P.A., Coy Barton, C.P.A.;
Melissa Martinez, Coy Barton, C.P.A.;
F. Keith Good, General Counsel for the District; and
Ellen Orr, Paralegal.

President, Daniel L. Krienke declared a quorum present and called the meeting to order at 9:02 a.m. Director, Bob Zimmer, gave the invocation and President Krienke 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: the review and approval of the Minutes of the regularly scheduled November 12, 2019 Meeting of the Board of Directors; the Minutes of the District Christmas party, held on December 10, 2019 and the Minutes of the Agriculture Committee held on January 2, 2020; the review and approval of un-audited District expenditures for November 1, 2019 through December 31, 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 November 1, 2019 through December 31,

2020, in the amount of \$8,330.73; Consider approval of Sherman County Appraisal District's 2019 ad valorem tax calculation for North Plains Groundwater Conservation District based on the North Plains Groundwater Conservation District's 2019 ad valorem tax rate and on the Appraisal District's 2019 tax roll for the District; and consider approval of tax sale of Lot 38, Unit 8, Double Diamond and Lot 77, Unit 1, Double Diamond in Moore County, Texas to Jarrod & LaTrina Gerstberger of Fritch, Texas.

Mark Howard moved to approve the Consent Agent. Bob B. Zimmer seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.a. - Receive report and consider action regarding the District's agriculture conservation programs.

Kirk Welch, Assistant General Manager — Outreach presented the following report to the Board:

WCC Demonstrations

Nich Kenny presented results from the 2019 demonstrations to the Agriculture Committee on January 2. His presentation was based on the presentation he made at the Pioneer Crop Production meetings January 13-16 in Dalhart, Dumas, Stratford and Spearman, respectively.

Mr. Welch presented a copy of the 2019 WCC Corn and Cotton Demonstrations report prepared by Mr. Kenny to the Board.

Agricultural Equipment Loan Program

The Agriculture Committee performed a final review of the loan description and application at the January 2 committee meeting. The revised documents approved by the Agriculture Committee were presented to the Board.

Promotion of the Ag Equipment Loan Program has included a news release, ongoing social media postings, an e-mail blast and presentations at events including the Amarillo Farm and Ranch Show and the Pioneer Crop Production meetings. District staff have been responding to questions from interested parties, though no applications have yet been received.

Ag Water Minute Radio

Ag Water minute radio production was discontinued after harvest to allow time for demonstration results to be analyzed. New spots highlighting important demonstration findings will begin toward the end of January.

Cotton and Conservation Video Series

Since early June the District and Texas A&M AgriLife have completed 31 Cotton and Conservation videos along with some bonus segments. The video series can be found on the District's website at northplainsgcd.org/cotton. Below, are the numbers of views for each segment in the Cotton and Conservation Series.

Cotton & Conservation Video Views

Video Title	YouTube Views	Facebook Views
Introduction	150	174

06-04-19 NPWCC	54	93
06-05-19 Sherman County	37	95
06-11-19 Dallam County	33	106
06-12-19 Moore County Dryland	24	61
06-19-19 Sherman County	37	103
06-25-19 NPWCC	73	329
06-26-19 Moore County Dryland	28	296
06-26-19 Dallam County	35	63
How to do Stand Counts	45	191
07-02-19 NPWCC	21	2700
07-08-19 Sherman County	14	111
07-09-19 Dallam County	20	83
07-19-19 NPWCC	73	176
07-24-19 Sherman County	13	68
07-30-19 Dallam	34	141
07-31-19 NPWCC	11	60
08-05-19 NPWCC	24	96
08-09-19 Sherman County	20	115
08-13-19 Dallam County	25	98
08-20-19 NPWCC	24	118
08-20-19 Sherman County	62	91
08-27-19 Dallam County	22	39
09-05-19 NPWCC	15	183
09-10-19 Dallam County	27	182
09-19-19 Bell & Kenny	25 (30 minutes)	86
09-24-19 Dallam County	20	203
09-27-19 NPWCC	17	88
09-30-19 Sherman County	12	78
10-09-19 Dallam County	117	301
11-18-19 Sherman County	4	73

Master Irrigator Funding

As presented at the October Board meeting, three graduates of the 2019 Master Irrigator class applied for funding from the North Plains Environmental Quality Incentives Program but were deferred to the regular EQIP program because the entire \$400,000 allotted for 2019 had already been used by other graduates. This was the result of graduates taking more than the \$20,000 maximum that they agreed to in the contracts signed by all participants in the Master Irrigator program.

Of the three applications that were deferred, one met all requirements, but was not able to get funded because of lack of funding availability. The amount of the project would total not more than \$20,000 based on the contractually agreed upon limit. Another 2019 graduate was not able to get funded because he installed the equipment without a contract with NRCS. The other application was funded through the regular EQIP process.

The Agriculture Committee recommended the money be used to fund the one applicant who was denied funding and followed the correct procedures, up to the \$20,000 limit. This applicant would receive priority consideration over 2020 applicants and be eligible for funding on the project originally submitted to NRCS. Additionally, District staff recommended priority access up to \$20,000 on a new project for the other applicant that did not get funded. The new project must be submitted and approved in advance based on the new set of MI criteria to be approved by the Board of Directors. The Ag Committee

recommends no action on the application that was deferred but received regular EQIP funding.

If these recommendations of the Ag Committee are approved by the Board, the funding remaining for the MI Class of 2020 will be approximately \$240,000. The original funding distribution was based on 20 participants using \$20,000 to total \$400,000 annually. The numbers will have to be adjusted to allow for the reduced funding level.

The Ag Committee recommended offering a minimum amount based on the amount of funding available divided by 25 participants. If fewer participants request funding for projects in a timely manner, the balance could be distributed to the 2020 class (not to exceed \$20,000 and 50-percent of the project) or carried over for 2021.

In regard to evaluating future Master Irrigator projects for funding, the Agriculture Committee recommended that the list of eligible equipment and criteria developed for the ICI Program be adapted for application to the Master Irrigator Program. See ICI eligible equipment list below:

1. Soil moisture probes;
2. Pivot monitoring and control systems;
3. Well cut-off systems;
4. On-farm weather stations;
5. Plant stress monitoring systems;
6. Telemetry equipment; and
7. Pivot conversion equipment.

Other equipment may be approved by the District for cost share on a case-by-case basis. The ICI Rules and Processes were presented to the Board for review.

Zac Yoder moved that the Board ratify the Agriculture Committee's approval of revised application and description of the Agriculture Equipment Loan Program. Mark Howard seconded the motion and it was unanimously approved by the Board.

Zac Yoder moved that the Board approve the Agriculture Committee's recommendation regarding funding the 2019 Master Irrigator projects that did not receive NRCS funding. Harold Grall seconded the motion and it was unanimously approved by the Board.

Zac Yoder moved that the Board ratify the Agriculture Committee's direction for developing Master Irrigator funding policy. Harold Grall seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.c. - Review and consider approval of the District's annual financial report for the year ended September 30, 2019, from Coy Barton, CPA.

Coy Barton, CPA presented the District's Annual Financial Report, which included a Report on Internal Control, Compliance and Other Matters, for the year ended September 30, 2019, and discussed the same with the Board.

Bob B. Zimmer moved that the Board approve the North Plains Groundwater Conservation District Annual Financial Report for the year ended September 30, 2019. Harold Grall seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.d. - Review and consider approval of payment to Coy Barton, CPA for auditing services and preparation of the North Plains Groundwater Conservation District Annual Financial Report for the year ended September 30, 2019.

Coy Barton, C.P.A. had submitted one invoice for auditing services and preparation of the North Plains Groundwater Conservation District's Annual Financial Report for the year ended September 30, 2019, totaling \$22,000.00.

The General Manager had reviewed this invoice for the District's audit for the year ended September 30, 2019, preparation of financial statements, and SAS fraud requirements. The General Manager has determined that the invoice is consistent with the services Coy Barton, C.P.A. has performed for the District audit and has paid the invoice. A copy of the invoice was provided to the Board at the meeting.

Bob B. Zimmer moved that the Board ratify the payment to Coy Barton, C.P.A. in the amount of \$22,000.00 for auditing services and preparation of the North Plains Groundwater Conservation District's Annual Financial Report for the year ended September 30, 2019. Zac Yoder seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.e. - Review and consider approval of letter of engagement for audit and non-audit services to be performed by Coy Barton, CPA for the District's fiscal year ending September 30, 2019.

Coy Barton, C.P.A. submitted a letter to the District, dated December 17, 2019, confirming his firm's understanding of the audit and non-audit services to be provided to the District for the year ended September 30, 2020. The letter provides:

- Coy Barton will be in charge of all work performed by Coy Barton, C.P.A.
- Coy Barton, C.P.A. will report on the audit of basic financial statements.
- Coy Barton, CPA will perform additional procedures enabling his firm to issue a second report in which it will test and report on the District's internal controls over financial reporting and the District's compliance with laws and regulations and other matters as required by Government Auditing Standards.

The letter also outlined the responsibilities of the District's management in the auditing process for fiscal year 2020.

A copy of the letter from Coy Barton, C.P.A., dated December 17, 2019, was provided to the Board at the meeting.

Harold Grall moved to approve the letter of engagement for Audit and Non-Audit Services to be performed for the District by Coy Barton, C.P.A. for fiscal year 2020. Mark Howard seconded the motion and it was unanimously approved by the Board.

The Board recessed at 10:14 a.m. and reconvened at 10:24 a.m.