

**MINUTES OF THE JANUARY 15, 2021
BOARD OF DIRECTORS MEETING OF
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

The Board of Directors of North Plains Groundwater Conservation District met in regular session on January 15, 2021, at 9:00 a.m. at the offices of North Plains Groundwater Conservation District, 603 East First Street, Dumas, Texas 79029. Due to the restrictions of COVID-19, the meeting was held through Zoom Meeting in Dumas, Texas. The following persons participated in the Meeting:

Members Present at 9:03 a.m.:

Bob B. Zimmer;
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 — Outreach;
Kristen Blackwell, Finance/Administration Manager;
Odell Ward, Field Supervisor;
Dusty Holt, Permitting Specialist;
Dale Hallmark, Hydrologist; and,
Curtis Schwertner, Natural Resource Specialist.

Others present during part or all of the meeting:

Coy Barton;
Melissa Martinez;
Mandi Boychuk, Natural Prairie & Northside Farmland;
Tom Forbes, Esq.
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 9:03 a.m. Harold Grall gave the invocation and President 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: the review and approval of the Minutes of the regularly scheduled Board of Directors Meeting held on November 10, 2020; the review and approval of un-audited District expenditures for November 1, 2020 through December 31, 2020, including the General Manager's expense and activity report; and the review and approval of payment to Lemon, Shearer, Phillips & Good, P.C. for professional services and out-of-pocket expenses incurred from November 1, 2020 through December 31, 2020, in the amount of \$20,916.94.

Harold Grall moved to approve the Consent Agenda. Mark Howard seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.a. - Recognize Dale Hallmark for 25 years of Service to the District.

The General Manager recognized Dale Hallmark for 25 years of service to the District.

Action Agenda 3.b. - Review and consider approval of District's annual financial report for the year ended September 30, 2020, from Coy Barton, CPA.

Coy Barton, C.P.A. presented the District's Annual Financial Report, which included a report on internal controls, compliance and other matters, for the year ended September 30, 2020 and discussed the same with the Board. Mark Howard moved that the Board approve the North Plains Groundwater Conservation District Annual Financial Report for the year ended September 30, 2020. Daniel L. Krienke seconded the motion and it was unanimously approved by the Board.

Justin Crownover joined the meeting via ZOOM at 9:22 a.m.

Action Agenda 3.c. - 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, 2020.

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 fiscal year ended September 30, 2020, totaling \$22,000.00.

The General Manager had reviewed this invoice for the District's audit for the year ended September 30, 2020, 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's audit and recommended payment of the invoice. A copy of the invoice was provided to the Board at the meeting.

Daniel L. Krienke moved that the Board pay the invoice from 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 fiscal year ended September 30, 2020. Zac Yoder seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.d. - Review and consider approval of letter of engagement for audit and non-audit services to be performed by Coy Barton, CPA for the fiscal year ending September 30, 2021.

Coy Barton, C.P.A. submitted a letter to the District, dated December 17, 2020, confirming his firm's understanding of the audit and non-audit services to be provided to the District for the year ended September 30, 2021.

The letter also outlined the responsibilities of the District's management in the auditing process for 2021.

A copy of the letter from Coy Barton, C.P.A., dated December 17, 2020, was provided to the Board at the meeting.

Harold Grall moved that the Board 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 2020-2021. Daniel L. Krienke seconded the motion and it was unanimously approved by the Board.

Action Agenda 3.e. - 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.

The General Manager reported that the District staff had processed 28 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	Permit Status	Well Class	Quarter	Section	Block	Survey	Yards N S	Yards E W
DA-11025	Board	C	NW/4	44	8	CSS	629 N	500W
DA-11169	Board	B	SW/4	0	0	EA REEVES	125 S	380 E
DA-11209	Board	C	SE/4	2	B	S Clarke	1594 S	147 E
HA-11430	Board	D	NW/4	6	14	CSS	558 N	843 W
HA-11431	Board	D	NE/4	6	14	CSS	728 N	392 E
HA-11432	Board	D	SW/4	6	14	CSS	708 S	782 W
HA-11433	Board	D	SW/4	6	14	CSS	103 S	583 W
HA-11436	Board	D	NW/4	14	14	CSS	421 N	58 W
HA-11440	Board	D	NE/4	15	14	CSS	780 N	336 E
HA-11491	Board	D	SE/4	17	14	CSS	361 S	186 E
HA-11497	Board	D	SE/4	17	14	CSS	588 S	689 E
HA-11500	Board	D	NE/4	17	14	CSS	819 N	44 E
HA-11524	Board	D	NW/4	23	14	CSS	128 N	647 W
HA-11525	Board	D	NW/4	23	14	CSS	65 N	129 W
HA-11526	Board	D	SW/4	23	14	CSS	680 S	437 W
HA-11612	Board	C	SW/4	18	14	CSS	487 S	826 W
HA-11613	Board	C	NW/4	18	14	CSS	800 N	383 W
HA-11614	Board	C	SW/4	14	14	CSS	50 S	801 W
HN-11222	Board	D	NE/4	3	2	SA&MG	470 N	28 E
HU-11230	Board	C	SE/4	35	5-T	T&NO	114 S	442 E
LI-11240	Board	D	SW/4	60	10	HT&B	311 S	126 W
LI-11241	Board	D	SE/4	60	10	HT&B	888 S	386 E
SH-0092	Board	D	NW	5	1-C	GH&H	847 N	18 W
SH-10965	Board	C	SE/4	156	1-C	GH&H	297 S	340 E
SH-11049	Board	C	SW/4	9	2	GH&H	335 S	29 W
SH-11056	Board	D	NW/4	5	1-C	GH&H	221 N	302 W
SH-11178	Board	A	NE/4	244	1-T	T&NO	620 N	216 E
SH-11397	Board	C	SW/4	4	2-T	T&NO	885 S	134 W

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.f. - Consider General Manager's proposal to allow non-exempt wells to be fitted with an additional smaller pump sized with the appropriate meter for domestic or livestock use and maintain the well's Classification.

The General Manager stated that in November, a representative of a well owner within the District requested that the well owner be allowed to put a secondary pump for domestic and livestock use in a well that the owner wished to continue to use as a non-exempt permitted well for irrigation. The General Manager reported that he contemplated that the District may experience this type of request in the future with the increased submersible pump use. The District Rules do not contemplate wells that may contain multiple pumps. In the District, wells are permitted, or registered, based on the well capacity and the type of use. Small domestic and livestock wells normally are non-exempt and are not required to comply with the same rules as non-exempt wells, such as measuring discharge with a flow meter or alternative measuring device. The General Manager interpreted the District rules that a well that is capable of producing more than 25,000 gallons of groundwater per day is required to be permitted and a water flow meter must be installed to capture all of the water that could flow through the meter annually based on the well classification. Installing a meter based on the well classification for a small secondary well pump for domestic or livestock use creates a technical problem regarding the meter size related to the small pump discharge and measurement accuracy. Mr. Walthour reported that normally, he used the District's well classification system to determine the appropriate size of a meter.

The General Manager recommended that the Board allow a well owner the ability to put a secondary pump for domestic and livestock use in a well and meter the discharge to appropriately measure the water that can be produced by the pump consistent with continuous operation for a year, as long as all other production from the well is appropriately sized consistently with the well's classification.

The Board discussed Mr. Walthour's recommendation.

Gene Born moved that the Board authorize to install a small secondary pump for domestic and livestock use in a well and meter the discharge to appropriately measure the water that can be produced by the pump consistent with continuous operation for a year, as long as all other production from the well is appropriately sized consistently with the well's classification. Harold Grall seconded the motion.

The Board recessed at 10:05 a.m. and reconvened at 10:11. President Zimmer called for a vote on the motion and it passed by the majority vote of the Board with Mark Howard and Zac Yoder opposing the motion.

Action Agenda 3.g. - Consider District's role in developing future water resources.

Drafter's Note: The following is a general discourse between the General Manager and each of the Board members regarding Agenda Item 3.g.

Steve Walthour

The General Manager stated that this item has been on the Board Agenda for a couple of different times. At our last meeting, Director Krienke, provided his opinion on maybe not doing some of this, and then the rest of the Board asked for some additional information. The General Manager reported that he had provided links to all of the information he had as far as doing something like the interstate transfer, or potentially, working with playa lakes. Mr. Walthour reported that one of the things, if we were to do the interstate transfer project, would require federal dollars to do this type of study. Mr. Walthour stated that the District really can't afford to do the study itself because of the cost. It would, in fact, have to be a federal project.

The original 1982 study was done to consider bringing water to Kansas and some of the other states, including Texas. I have provided that information in the materials in the