

**MINUTES OF THE NOVEMBER 14, 2023
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 November 14, 2023, 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 9:08 a.m.:

Mark Howard, President;
Daniel L. Krienke, Vice President;
Bob B. Zimmer, Secretary;
Justin Crownover, Director;
Harold Grall, Director; and,
Allan Frerich, Director.

Staff present during part or all the meeting:

Janet Guthrie, General Manager;
Kirk Welch, Assistant Manager;
Kristen Blackwell, Administration Manager;
Odell Ward, Aquifer Science Manager; and,
Krystal Donley, Administrative Assistant.

Others present during part or all the meeting:

Lindsay Corbin, Court Reporter;
Sabrina Leven;
Nicole Spencer;
Brantley Jones, Esq;
Franz Wiebe;
Johan Knelsen;
F. Keith Good, Esq.; and,
Ellen Orr, Paralegal.

President Howard declared a quorum present and called the meeting to order at 9:08 a.m.

Harold Grall gave the invocation and led the pledge.

At 9:10 a.m., President Howard recessed the regular Board meeting to conduction a public hearing concerning the North Plains Groundwater Conservation District's intent to adopt District Rule 1.4 Petition to Adopt or Change District Rules.

President Howard opened the hearing by informing those present of the procedures regarding a public hearing and the proposed adoption of rules.

President Howard asked the attendees if anyone wished to make a public comment regarding the proposed Rule change. No oral or written public comments were made to the Board and no written public comments were received by District staff. The hearing was recorded by Court Reporter, Lindsay Corbin.

President Howard adjourned the public hearing at 9:15 a.m. and reconvened the regular Board meeting.

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: (a) the review and approval of the Minutes of the regular Board of Directors Meeting held on October 10, 2023; (b) the review and approval of un-audited District expenditures for October 1, 2023 through October 31, 2023, including the General Manager's expense and activity reports; (c) the review and approval of payment to Lemon, Shearer, Phillips & Good, P.C. for professional services and out-of-pocket expenses incurred from October 1, 2023 through October 31, 2023 in the amount of \$38,159.56; and, (d) the review and approval of the Sherman County Appraisal District's request to approve the 2023 tax amount for the tax roll in Sherman County.

Daniel L. Krienke moved to approve the Consent Agenda. Bob B. Zimmer seconded the motion, and it was unanimously approved by the Board.

Action Agenda 3.a. - Consider action to approve North Plains Groundwater Conservation District's Intent to Adopt District Rule 1.4 Petition to adopt or change District Rules.

1.4. PETITION TO ADOPT OR CHANGE DISTRICT RULES

1. A person with a real property interest in groundwater in the District may file a petition with the District to request the adoption of a rule or to request a change to an existing District rule.

2. Petitions must be submitted in writing to the District office and must comply with the following requirements:

- A. each rule, or rule revision, requested must be submitted by a separate petition;
- B. each petition must be signed and state the name and address of each person signing the petition;
- C. each petition must include:
 - (1) a brief description of petitioner's real property interest in groundwater in the District;
 - (2) a brief explanation of the proposed rule or proposed rule revision;
 - (3) the text of the proposed rule prepared in a manner to indicate the words to be added or deleted from the text of the current District rule, if any;
 - (4) an allegation of injury or inequity that could result from the failure to adopt the proposed rule.

3. The General Manager may reject any petition for failure to comply with the requirements of Subparagraph 2. of this Paragraph 1.4. and shall provide notice to the petitioner about the reason for the rejection.

4. Within 90 days after submission of a petition that complies with Subparagraph 2. of this Paragraph 1.4., the Board shall either deny the petition, stating its reason for denial in the minutes of the board meeting and in a letter providing a written explanation to the petitioner, or initiate rulemaking proceedings as provided by Texas Water Code, Section 36.101, and these Rules.

Daniel L. Krienke moved that the Board adopt District Rule 1.4. Petition to Adopt or Change District Rules and authorize the general manager to take any and all action necessary to implement the adopted rules. Bob Zimmer seconded the motion, and it was

unanimously approved by the Board.

At 10:10 a.m. President Howard recessed the regular Board meeting to conduct formal show cause hearing NPGCD 023-002, regarding Franz Wiebe, in apparent violation of District Rule 2.1, formal show cause hearing NPGCD 023-003, regarding Hay K Farms LLC, in apparent violation of District Rule 2.1, and NPGCD 023-004, regarding Sealy and Smith Foundation, in apparent violation of District Rule 2.1. The hearings were recorded by Court Reporter, Lindsay Corbin.

At 10:49 a.m. President Howard recessed the Show Cause Hearings NPGCD 023-002, NPGCD 023-003 and NPGCD 023-004 and immediately reconvened the regular Board meeting.

Action Agenda 3.b. - Consider action regarding formal show cause hearing NPGCD 023-002, regarding Franz Wiebe, in apparent violation of District Rule 2.1.

Bob B. Zimmer moved to set a civil penalty of \$4,300.00 for 43 days of violation at \$100 per day with a proposed settlement agreement of \$1,500.00 payable within thirty days and the balance to be deferred for three years provided Franz Wiebe stays in compliance with the District's Rules. Justin Crownover seconded the motion, and it was approved unanimously.

Action Agenda 3.c. - Consider action regarding formal show cause hearing NPGCD 023-003, regarding Hay K Farms LLC, in apparent violation of District Rule 2.1.

Bob B. Zimmer moved to set a civil penalty of \$4,300.00 for 43 days of violation at \$100 per day with a proposed settlement agreement of \$1,500.00 payable within thirty days and the balance to be deferred for three years provided Hay K Farms LLC, stays in compliance with the District Rules. Justin Crownover seconded the motion, and it was approved unanimously.

Action Agenda 3.d. - Consider action regarding formal show cause hearing NPGCD 023-004, regarding Sealy and Smith Foundation, in apparent violation of District Rule 2.1.

Justin Crownover moved to set a civil penalty of \$19,700.00 for 197 days of violation at \$100 per day with a proposed settlement agreement of \$1,500.00 payable within thirty days and the balance to be deferred for three years provided Sealy and Smith Foundation stays in compliance with the District Rules. Harold Grall seconded the motion, and it was approved unanimously.

Action Agenda 3.e. - Consider final compliance approval of water well permits as active and complete wells.

The General Manager reported that the District staff had processed 30 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.

It was noted that 294 non-exempt Well Permits had been issued by the District since January 1, 2023; that 88 Exempt Wells had been Registered since January 1, 2023; and that 298 non-exempt Well Permits had been approved by the Board since January 1, 2023.

Number	Class	Quarter	Section	Block	Survey	Yards N S	Yards E W
DA-12396	B	NE	40	2	CSS	332 N	111 E
DA-12642	D	SE	28	2	CSS	130 S	60 E
DA-12652	B	NE	16	2	CSS	882 S	106 E
DA-12653	B	NE	16	2	CSS	33 N	232 E
DA-12742	B	NE	72	8	CSS	329 N	271 E
DA-12750	B	SE	8	2	B&B	467 S	127 E
DA-12791	C	NW	22	1	FDW	577 N	349 W
DA-12792	D	NE	22	1	FDW	409 N	702 E
DA-12858	C	SW/4	27	2	CSS	817 S	282 W
HA-12712	B	NW	48	48	H&TC	435 N	433 W
HA-12721	B	NE	141	48	H&TC	853 N	439 E
HA-12815	B	SE	130	44	H&TC	38 S	360 E
HA-12816	B	NW	130	44	H&TC	101 N	282 W
HA-12852	B	NW	14	2	BS&F	607 N	855 W
HA-12853	B	NW	62	21	CSS	161 N	120 W
HA-12854	B	SW	F Sanders			423 N	443 E
HA-12864	C	NE	0	0	JP MCCLAIN	106 N	185 E
HA-13255	B	NW	2	A-3	PFS	742 N	532 W
HA-13256	B	NW	WD Brogden			483 N	226 W
HA-13257	B	NE	WD Brogden			351 N	305 W
HA-13258	B	SE	WD Brogden			340 S	361 E
SH-12412	B	SE	301	1-T	T&NO	582 S	728 E
SH-12413	B	SE	301	1-T	T&NO	837 S	23 E
SH-12414	B	NE	301	1-T	T&NO	104 N	46 E
SH-12415	B	SW	302	1-T	T&NO	490 S	177 W
SH-12793	B	NE	58	1-T	T&NO	436 N	438 E
SH-12809	C	SW	240	1-T	T&NO	769 S	740 W
SH-12817	B	NE	208	1-T	T&NO	133 N	424 E
SH-12825	B	NE/4	6	2	PSL	18 N	120 E
SH-12896	C	NW	46	3-B	GH&H	346 N	23 W

Bob B. Zimmer moved to approve all the Well Permits on the Well Permit Schedule, noting that the Wells are properly equipped and otherwise comply with District Rules. Harold Grall seconded the motion, and it was unanimously approved by the Board.

Action Agenda 3.f. - Receive report and consider action as needed regarding agriculture water conservation demonstration programs and the North Plains Water Conservation Center.

Assistant General Manager Kirk Welch provided an update to the Board.

WCC

Report from Stan Spain 11/7/23. Corn harvest may start at the WCC as early as Wednesday 11/12 with the possibility that cotton stripping could begin on Friday 11/14.

Electrical issues surfaced toward the end of the season with the East well. Stan Spain is having diagnostics performed on the pump which has had a history of throwing ground faults. The well was not operable toward the end of the irrigation season, but the North and West wells were sufficient to take all crops through to completion.

MyLand

All sites have been winterized. Eric Burton has been doing some soil sampling of the treated fields and control fields, but no results were available at the time of the report.

Project 328

The District's RCCP application based on Practice 328 Crop Rotation to Dryland was not approved at this time. Feedback has been requested from the District's contact regarding how the District can improve its chances for approval of future applications. Assistant General Manager Welch reported receiving a copy of the practice scenario for Practice 328 "Irrigate to Dryland Rotation Organic and Non-Organic" that is currently available for qualifying irrigators in Texas. While the District will not receive the RCCP grant which would designate funds for producers in the District, District irrigators are free to apply for this program through NRCS Conservation Practice Standard (CPS) Conservation Crop Rotation (328).

Master Irrigator

The staff is preparing to begin promotion for the Master Irrigator Class of 2024. The dates are set for Thursday 2/15, Wednesday 2/21, Thursday 2/28, and Wednesday 3/6.

Review of 2023 and 2024 Agenda

Steve Amosson will present the 2024 Master Irrigator Agenda.

Changes for 2024

With the Board approving the inclusion of producers outside the District in the TWDB cost-share funds, there are a few questions to consider. The main question is what kind of operational and fiscal procedures should be in place to assure the program continues to run smoothly? Preliminary discussions have begun with surrounding districts to gauge interest and get feedback. The information from those ongoing discussions, combined with meetings between staff, PAC members and Program Lead, Steve Amosson, have led to the following recommendations:

- 1) Keeping the class size limited to 25 for this year. We can evaluate this year's response and build the waiting list for next year's class if we have more applicants.
- 2) Keep the meeting at the WCC for efficiency and convenience. The WCC Bowers Center is adequate for that number of participants.
- 3) Continue discussions with interested districts to determine a financial support structure and operational procedures.
- 4) Collect applications from all qualified applicants and reserve positions for NPGCD participants until February 1, 2024. After the deadline, all qualifying applicants will receive the remaining available positions until they are filled.

Neal Kinsey Additional Availability

During the Master Irrigator PAC meeting, members of the PAC expressed interest in additional access to Neal Kinsey for a Q&A session. Staff recommends this session be held in the WCC barn and follow his presentation to the Master Irrigator Class of 2024, to be considerate of Mr. Kinsey's time and allow more flexibility in his travel scheduling.

Recommendations for Demonstration Lead at the WCC

Preliminary conversations are underway to find a Lead Investigator for the District's agricultural water conservation programs, however the position remains unfilled. Management requests that you please submit suggestions to help create a formal list of candidates. The Board may choose to create a hiring committee to administer the process.

Allan Frerich moved that the Board collect applications for TWDB cost-share funds from all qualified applicants and reserve positions for NPGCD participants until February 1, 2024. After the deadline, all qualifying applicants will receive the remaining available positions until they are filled. Harold Grall seconded the motion, and it was approved unanimously by the Board.

Action Agenda 3.g. - Consider approval of the revised independent contractor service agreement between North Plains Groundwater Conservation District and Steve Amosson for professional services.

At the June 20, 2023, Board Meeting, the Board unanimously approved extending the Independent Contractor Service Agreement between North Plains Groundwater Conservation District and Steve Amosson for a two-year period for professional services. A contract extending the services had not yet been signed by Mr. Amosson and after discussion with the General Manager (Guthrie), the dates of the contract have been altered from a two-year period to May 1, 2023, through September 30, 2025, to allow Mr. Amosson sufficient time to complete the final report which according to Mr. Amosson is typically delivered in July or August. The District has been operating under the terms of this most recent contract. The key terms of the contract include:

1. \$125/hr. inclusive of travel time;
2. Mileage reimbursed at IRS business rate; and
3. Total value of the contract of \$30,000 per fiscal year.

Dr Amosson's scope of work has not changed and includes:

1. Provide leadership to the Project Advisory committee in the reviewing training evaluation results, revising the training agenda and overall direction of the project.
2. Revise, administer and analyze the participant baseline surveys on current conservation practices employed.
3. Revise, administer and analyze the participant surveys on the effectiveness of topics speakers and training.
4. Serve as the moderator for all four sessions of the training.
5. Conduct and present economic analysis of selected conservation/strategies being discussed at the trainings.
6. Design a methodology and hopefully analyze data concerning the costs and benefits of conservation strategies employed by participants receiving NRCS cost-share funding.
7. Provide input/coordinate with District staff in the development and implementation of all project related materials such as registration brochures, presentations, etc.

The General Manager requested that the Board approve the proposed contract with one revision. Because the contract encompassed two and one-half years, the General Manager requested that the present contract include all the funds that would be committed over the life of the contract. That amount totals \$72,500.00.

Harold Grall moved that the Board approve the revised Independent Contractor Service Agreement between North Plains Groundwater Conservation District and Steve Amosson for the period of May 1, 2023, through September 30, 2025. Justin Crownover seconded the motion, and it was approved unanimously by the Board.

Action Agenda 3.h. - Consider approval of engagement letter between the District and Butler Snow beginning October 1, 2023, for public and governmental affairs.

Butler Snow has submitted a letter confirming their understanding of the public and governmental affairs representation which the District has engaged them to perform. The letter outlines the following requirements to be fulfilled by their agency:

- Thomas A Forbes will represent the District regarding its public and government affairs needs in a manner consistent with the ethical standards of the State Bar of

Texas and in accordance with the requirements of the law at the cost of \$5,000.00 for the months when the Texas Legislature is not in session and \$7,500.00 per month for months when the Texas Legislature is in session.

- Additional expenditure of up to \$20,000, plus out of pocket expenses to organize the multistate partnership- and begin efforts to secure approval and funding to update the 1982 Corp of Engineers Study.
- The engagement letter begins October 1, 2023, and may be terminated by either party subject to 30 days' notice of termination.

Bob B. Zimmer moved that the Board approve the letter of engagement between North Plains Groundwater Conservation District and Butler Snow. Justin Crownover seconded the motion, and it was approved unanimously by the Board.

Action Agenda 3.i. - Receive report and consider action regarding District Meter Reimbursement Program for 2023-2024.

For 2023-2024, the District budgeted \$175,140.00. Since October 1, 2023, the District has paid \$7,773.40 applications and currently has 67 administratively complete applications by 4 owners which have been inspected for compliance to be reimbursed in the amount of \$72,024.85. This leaves \$95,341.75 available to reimburse for the remainder of the current fiscal year. The remaining applications by one owner awaiting District inspection total \$125,551.97. The remaining applications exceed the District's budget by \$30,210.22.

The General Manager requested the Board:

1. Authorize the payment of the administratively complete and inspected meters in the amount of \$79,798.25 to the 4 owners.
2. Authorize the payment of the remaining funds to 1 owner, not to exceed \$95,341.75, after they have been inspected by District staff and have been determined to be in compliance with District Rules and in accordance with current criteria.
3. Pause the Meter Reimbursement Program through the end of the fiscal year and with the guidance of the Agriculture Committee, develop updated policies and procedures before the beginning of the next fiscal year.

Daniel L. Krienke moved that the Board authorize the payment of the administratively complete and inspected meters in the amount of \$79,798.25 to the 4 owners, authorize the payment of the remaining funds to 1 owner, not to exceed \$95,341.75, after they have been inspected as being in compliance with District Rules by District staff and in accordance with current criteria, and pause the Meter Reimbursement Program through the end of the fiscal year and, with the guidance of the Agriculture Committee, develop updated policies and procedures before the beginning of the next fiscal year. Harold Grall seconded the motion, and it was approved unanimously by the Board.

Action Agenda 3.j. - Receive quarterly investment report for the period ending September 30, 2023.

This quarterly investment report for the period from July 1, 2023, through September 30, 2023, reflects the North Plains Groundwater Conservation District investment transactions for all District funds subject to the district's Public Funds Investment Policy.

The report describes in detail the District's investment position as of September 30, 2023; states the maturity date of each separately invested asset that has a maturity date; and states the compliance of the investment portfolio of the District with the investment strategy expressed in the District's investment policy; and relevant provisions of Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act").

Standard of Care

The Board directs that public funds investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. The order of investment priorities is as follows:

- Preservation and safety of principal;
- Liquidity; and
- Yield.

In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds, or funds under the District's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and whether the investment decision was consistent with the District's written investment policy.

Investments

The District may invest in obligations of, or guaranteed by, governmental entities as provided in Section 2256.009(a) of the Act. The District's Board has authorized Perryton National Bank (PNB) as its primary depository and First State Bank as secondary depository as follows:

Bank Accounts	Account Name	Account Number	September 30, 2023	Interest Rate
Perryton National Bank	Main Account	337	\$ 868,817.15	0.01%
Perryton National Bank	Default Reserve	116	\$ 11,225.00	Non-Interest Bearing
Perryton National Bank	Interest & Sinking	256	\$ 100.00	Non-Interest Bearing
First State Bank	Late Filer Fees	9005805	\$ 11,900.00	Non-Interest Bearing

The Perryton National Bank Default Reserve Account and the Interest & Sinking Account, as well as the First State Bank Late Filer Fees Account are non-interest-bearing accounts and are not included in analyzing maturity and interest rate.

Perryton National Bank is the District's primary financial institution that provides the District's main operating account. The main operating account and CDs at Perryton National Bank exceeds the FDIC insurance coverage so the bank pledges funds that are secured by securities more than FDIC insurance for all District funds deposited with the bank. The District is currently holding 3 pledged securities with an original face value of \$3,985,000.00. The Perryton National Bank Default Reserve Account and the Interest & Sinking Account are non-interest-bearing accounts by contract used to service Texas Water Development Board Loan for Water Conservation Center agriculture equipment construction. The First State Bank Account is used by the District to secure funds of well owners that filed their production reports late. Afterward, all remaining funds are swept from the account and are deposited in the District's operating account at Perryton National Bank. The District holds \$926.97 in petty cash at its offices.

The District's Board has approved a list of depositories for the District to purchase certificate of deposits (CDs). The District primarily secures its funds in CDs issued by a state or national bank domiciled in Texas, a savings and loan association domiciled in Texas and is guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or its successor. The maximum allowable maturity of any authorized investment is two (2) years.

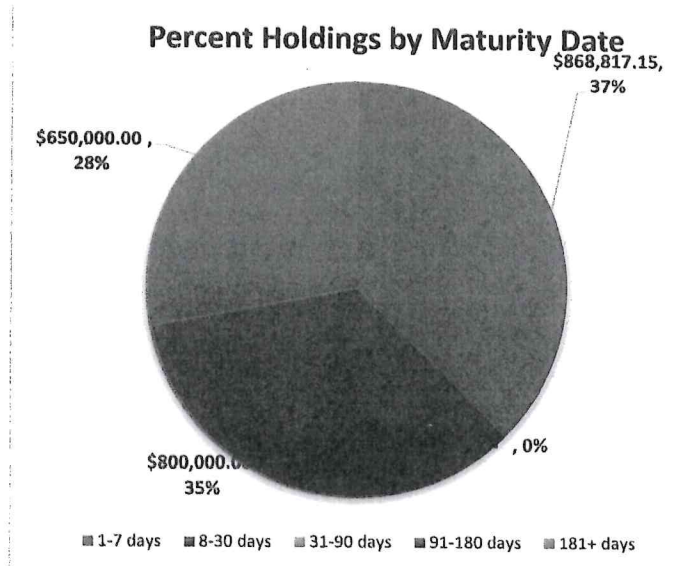
All interest from the CDs is paid by check to the District and deposited into the District's Perryton National Bank main operating account. On September 30, 2023, the District has funds in its Perryton National Bank Main Account which renews daily (1-7 day), five CDs between 91-180 days, and six CDs set to mature after 180 days.

A summary of District funds by dollar amount, number of days until maturity, and weighted average maturity (WAM) is as follows:

Security Description	Investment Amount	Mat. in Days (DTM)	WAM
Perryton National Bank Main Account	\$868,817.15	1	0.37
First National Bank CD 83033	\$100,000.00	108	4.66
First State Bank - Spearman CD 45152	\$150,000.00	115	7.44
Happy State Bank/Centennial Bank CD 11297	\$150,000.00	138	8.93
Dalhart Federal Savings & Loan CD 602-609183-3	\$150,000.00	139	8.99
Western State Bank CD 20855	\$250,000.00	141	15.20
First State Bank CD 21046	\$100,000.00	185	7.98
Dalhart Federal Savings & Loan CD 602 608808 8	\$100,000.00	216	9.32
First Bank Southwest CD 10000222	\$100,000.00	258	11.13
Happy State Bank/Centennial Bank CD 12046	\$100,000.00	311	13.41
Perryton National Bank CD 21457	\$100,000.00	328	14.15
Interstate Bank SSB CD 9361-13004190	\$150,000.00	544	35.19
Total	\$2,318,817.15		136.76

The Interest & Sinking Account, the Default Reserve Account, and the First State Bank Late Filer Fees Account are non-interest-bearing accounts and are not included in this analysis. The WAM is used to illustrate the average number of days it takes District investments to mature. The Perryton National Bank Account is the main operating account used by the District. Funds within this account are available within one day and are shown in the 1-7-day maturity date in the pie chart below. The District is currently operating on a 136.76-day WAM.

The following pie chart shows a snapshot of what percent of District's money is being held in longer investments versus money on hand. Thirty-seven percent of the District's investments are held in the main operating account and currently none of the District's CDs have less than ninety days maturity, whereas twenty-eight percent of the District's investments are held in CDs with a maturity date of over 180 days. The final three pieces of the pie are investments that are held for a period of 31-90 days, and 91-180 days. The highest interest rates the District receives on CD's is 5.00 percent. The pie chart representing the percent of holdings in investments based on the days to maturity is as follows:



District Yield Rates compared to US Department of Treasury Par Yield Curve Rates

The District compares the yield rates on its investments to the Par yield curve rates from the U.S. Department of the Treasury website on the last trading day of the month. As of September 29, 2023 (last trading day of month), the US Department of Treasury Par Yield Curve Rates for one month are 5.55 percent and the one year are 5.46 percent. This par yield curve, which relates the par yield on a security to its time to maturity, is based on the closing market bid prices on the most recently auctioned Treasury securities in the over-the-counter market. The par yields are derived from input market prices, which are indicative quotations obtained by the Federal Reserve Bank of New York at approximately 3:30 p.m. each business day.

District Loan Obligations

The District has one loan agreement with the Texas Water Development Board. The original loan agreement (TWDB Account# 21743) was executed in October 2014 for \$620,000.00 to equip the North Plains Water Conservation Center. The loan is for ten years with an 0.11 percent annual fixed interest rate. The remaining loan amount as of September 30, 2023, is \$62,000 with a \$68 interest payment due in 2024.

The General Manager, Janet Guthrie, believes that the investment portfolio of the North Plains Groundwater Conservation District follows the District's Board-approved Public Funds Investment Policy and state law.

Action Agenda 3.k. - Consider General Manager's request to amend the Districts 2023-2024 budget.

The General Manager reviewed the budget and requested that the Board amend the 2023-2024 budget as follows:

Budget Item description	Current Budget Amount	Increase or (Decrease)	Proposed Budget Amount	Explanation
Capital Outlay	\$210,000.00	\$24,630.00	\$234,630.00	Increase to cover a Capital Expense for telemetry equipment previously budgeted in Aquifer Science.

Aquifer Science	\$80,000.00	(\$24,630.00)	\$55,370.00	Decreased to fund telemetry equipment that exceeded \$5,000.00 and that should be accounted for as a Capital Expense.
Total overall 2023-2024 budget change		0		

The budget amendments reflect no change in the District's overall budget.

Harold Grall moved that the Board amend the 2023-2024 budget as follows:

- Increase Capital Outlay budget from \$210,000.00 to \$234,630.
- Decrease Aquifer Science budget from \$80,000 to \$55,370.

Justin Crownover seconded the motion, and it was approved unanimously by the Board.

Action Agenda 3.l. - Consider approval of consolidating remaining balances of Perryton National Bank accounts 116 and 256 into Perryton National Bank account 337 and closing those accounts.

At the September 12, 2023, Board meeting, the Board approved the 2023-2024 debt service budgets for the final Texas Water Development Board loan payment. The remaining balance due February 1, 2024, is \$62,000 in Principal and \$68.00 in Interest.

The General Manager approved making the payment early in October and the final payment of \$62,000 in Principal and \$49.10 in Interest was wired to the Texas Water Development Board. The interest payment was slightly less than budgeted due to paying off the loan four months earlier.

The Texas Water Development Board required the District to have a Default Reserve account maintaining a balance of \$11,225.00. The District's Auditor required the District to pay the annual payment from an Interest and Sinking account and a balance of \$100.00 was maintained to keep the account open. Now that the loan is paid in full there is no reason to continue maintaining these funds or these accounts open.

Daniel L. Krienke moved that the Board consolidate the \$11,225.00 balance of the Default Reserve account #116 and \$118.90 balance of the Interest and Sinking account #256 into the District's main account #337 and close the Perryton National Bank account numbers 116 and 256. Justin Crownover seconded the motion, and it was approved unanimously by the Board.

Action Agenda 3.m. - Receive report regarding Ogallala Project to Mitigate Flooding and Protect the Six-State Ogallala-High Plains Regional Socio-Economic Viability.

Steve Walthour provided an update to the Board regarding the Ogallala Project. He reported receiving a notice from Senator Jackson's office that they are looking for North Plains to file a Water Resources Development Act (WRDA) request. Senator Jackson has been pushing to help North Plains find people, but North Plains has not yet found anyone interested in writing a check. Walthour stated there is no guarantee this water will ever reach the Panhandle, but he said he can guarantee it will not happen unless someone tries. At this point, the District is in a feasibility study but after that, Mr. Walthour stated someone bigger than North Plains will need to step in to move the project forward.

Proposition 6 passed which means there is potentially financial backing from the State to at least get through the feasibility study before someone decides on building the project.

Mr. Walthour stated that he had committed to the Board to pursue the Project after December 2023 with what he could afford to do because he believes in the Project. He does not believe producers in the District will be able to continue irrigated agriculture in the future as is done now and that the Project is the only study out there that might lead to a possible benefit for the community.

Action Agenda 3.n - Receive report and consider action regarding compliance and contested matters including but not limited to BLF Land LLC, Braiden Cartrite, Russell Fangman and Erny Rempel.

Kristen Blackwell provided a report to the Board regarding compliance matters that have been unresolved.

HN-12708 – Braiden Cartrite has stepped in on behalf of Marshal Cator to correct the non-functional meter on HN-12708 from September 2023, but as of the Board meeting, Mr. Cartrite had not corrected the issue. Justin Crownover stated he would get in contact with Mr. Cartrite and see if he could find out what is going on.

DA-2325 and DA-2798 - Erny Rempel. DA-2325 found during a Pre-Drill Inspection having a nonfunctional flow meter and sub plate offset from casing causing a contamination issue and DA-2798 had a buried low pressure drain making it nonfunctioning on an operating well. Mr. Rempel was required to have the items completed by October 31, 2023. As of the Board meeting, there was no change and staff requested a demand letter.

Justin Crownover moved to direct legal counsel to send Erny Rempel a demand letter to correct the compliance issues for DA-2325 and DA-2798. Allan Frerich seconded the motion, and it was approved unanimously by the Board.

Action Agenda 3.o. - Closed Session

Executive Session - Section 551.071 of the Texas Government Code and Section 551.074 of the Texas Government Code

At 11:03 a.m., 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 attorneys to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflicts with Chapter 551, Texas Government Code. Justin Crownover seconded the motion, and it was unanimously approved by the Board. The Board commenced the Executive Session at 11:06 a.m.

At 12:27 p.m., Justin Crownover moved that the Board reconvene into regular session. Daniel L. Krienke seconded the motion, and it was unanimously approved by the Board. The Board reconvened into regular session at 12:41 p.m.

At 1:33 p.m., Mark Howard 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 attorneys to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflicts with Chapter 551, Texas Government Code. Harold Grall seconded the motion, and it was unanimously approved by the Board. The Board commenced the Executive Session at 1:33 p.m.

At 2:12 p.m. Harold Grall moved that the Board reconvene into regular session. Bob B. Zimmer seconded the motion, and it was unanimously approved by the Board.

The Board reconvened into regular session at 2:14 p.m.

Action Agenda 3.p. - Consider recommendations(s) regarding matters discussed in Closed Session.

Discussion Agenda 4.c. - General Manager's Report.

The General Manager presented her report to the Board in the Board Packet which included the upcoming meetings and conferences, the General Manager's activity summary, the District's Administrative activity summary, permits issued in October 2023, Conservation Outreach activities, Aquifer Science activities, and Well Inspections activities.

Discussion Agenda 4.a. - Director Reports regarding meetings and/or seminars attended, weather conditions and economic development in each Director's precinct.

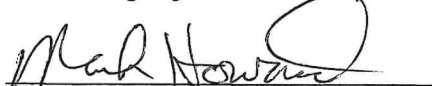
District Director reports were presented to the Board regarding meeting and/or seminars attended, weather conditions, and economic development in each Director's precinct.

Set Next Meeting Date and Time

The November regular meeting of the Board was scheduled for January 9, 2024, at 9:00 a.m.

Adjournment.

There being no further business to come before the meeting, President Howard declared the meeting adjourned at 2:19 p.m.


Mark Howard, President


Bob B. Zimmer, Secretary

January 16, 2024

Public Hearing to Adopt 2024 Management Plan and Board of Directors Meeting Attendance Sheet

[illegible]