

**MINUTES OF THE JUNE 4, 2018
BOARD OF DIRECTORS MEETING OF
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

The Board of Directors of North Plains Groundwater Conservation District met in regular session June 4, 2018, at 10:00 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 10:00 a.m.:

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

Staff Present during part or all of the meeting:

Steve Walthour, General Manager;
Kirk Welch, Assistant General Manager – Outreach;
Kristen Blackwell, Executive Assistant;
Odell Ward, Program Coordinator – GIS/Monitor Wells; and
Dale Hallmark, Assistant General Manager – Hydrologist/Producer Services

Others present during part or all of the meeting:

F. Keith Good, Attorney

Vice-President, Daniel L. Krienke, declared a quorum present and called the meeting to order at 10:01 a.m. Director, Gene Born, gave the invocation and Vice-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 March 13, 2018 Board Meeting; the review and approval of un-audited District expenditures for March 1, 2018 through April 30, 2018, 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 March 1, 2018 through April 30, 2018, in the amount of \$7,892.26; the review and approval of Moore County and Hansford County tax collection contracts for 2018-2019; and the review and approval of the order allowing discounts from the Lipscomb County 2018 Ad Valorem tax due if paid before January.

Gene Born moved to approve the Consent Agenda. Zac Yoder seconded the motion and it was unanimously approved by the Board.

Action Agenda 3a - Consider General Manager's Proposal to Implement Fees for Transport of Groundwater out of the District.

Texas Water Code Section. 36.122 allows a district to promulgate rules for the transfer of groundwater out of the district to:

- (1) increase, on or after March 2, 1997, the amount of groundwater to be transferred under a continuing arrangement in effect before that date; or
- (2) transfer groundwater out of the district on or after March 2, 1997, under a new arrangement.

North Plains GCD's current district rules are sufficient to address all the criteria required for a well owner to construct a well for the transferring groundwater out of the District. In addition to permitting wells used for transferring groundwater out of the District, District Rule 10.7 (Export Fees) imposes a fee for groundwater produced within the District and exported to an area outside of the District boundaries. Export fees are non-refundable and the rule states that the annual fee shall be: A rate equivalent to the District's tax rate per \$100 of valuation multiplied by each 1000 gallons of water exported out of the District. The rate is adjusted each year based on the adopted tax rate of the District for the previous year. The rate is calculated using the sum of the production amount from the meters on located on each well. The fee may be paid on a monthly or an annual basis as determined by the board.

For 2017, the District's tax rate is \$0.033714 per \$100. The fee would be \$0.033714 per 1000 gallons of groundwater. There are 325,851 gallons of water in an acre-foot, therefore the cost per acre-foot would be \$0.033714 multiplied by 325,851 gallons divided by 1000 gallons or about \$10.98 per acre-foot.

After consultation with the District's general counsel, the general manager proposes to charge the fee as outline above on all wells constructed after 1997 that transport water out of the District pursuant to District Rule 10.7 (Export Fees) beginning in 2019 for 2018 annual production. The invoice will be forwarded to the well owners transporting groundwater out of the district by May 1 of each year and due September 1 of the same year.

The general manager believes that by starting next year to collect the fees instead of this year will provide the transporters and the district to correctly identify all wells that would be subject to the fees and provide the transporters time to incorporate their fees into their budgets.

Bob Zimmer moved the District begin charging an Export Fee on all wells constructed after 1997 that transport water out of the District pursuant to District Rule 10.7 (Export Fees) beginning in 2019 for 2018 annual production. The invoice will be forwarded to the well owners transporting groundwater out of the district by May 1 of each year and due September 1 of the same year. Gene Born seconded the motion and it was unanimously approved by the Board.

Action Agenda 3b - Consider approval of Contractor to Pump District Observation Well Network for Water Quality Sampling Purposes.

As a part of the district's water quality program, the district bi-annually pumps and collects water samples for analysis from District-owned wells. The district pumps 15 wells from the east side of the district and 15 on the west side of the district in alternating years.

During the past three years, Dumas Pumping Service has provided the pumping services. The general manager has directed staff to solicit multiple proposals regarding the required services and this year staff has solicited Canadian Well Service and Dumas Pumping Services. Canadian Well Service owns Etter Water Well Service.

District staff informed the Board the cost of the project would be approximately \$19,000 regardless of who was chosen and recommended Canadian Water Well be given the contract due to their proximity to the wells and ability to work around the district's schedule.

Zac Yoder moved to contract with Canadian Water Well to provide pumping services for the 16 water wells in the amount of \$19,000. Gene Born seconded the motion and it was approved unanimously by the Board.

Action Agenda 3c - Consider 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 18 Water Well Permits which are ready for board consideration and approval. These permits, listed in the attached table, represent completed Wells that have been inspected and in compliance with District Rules. The inspections verify that the Wells were completed as required by their 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

The General Manager noted that Director, Zac Yoder, has Well Permit numbers DA-10125 and DA-10126 and Justin Crownover has OC-9712 on the permit schedule.

<u>Well</u>	<u>Class</u>	<u>Qtr</u>	<u>Sec</u>	<u>Blk</u>	<u>Sur</u>	<u>NS</u>	<u>EW</u>
DA-9759	B	SW/4	5	1	MC CHAMBERLAIN	604 S	844 W
DA-10125	B	NE/4	17	6	CSS	423 N	437 E
DA-10126	B	NE/4	17	6	CSS	853 N	237 E
HA-8545	D	NW/4	126	48	H&TC	631 N	25 W
HA-8759	C	SW/4	125	48	H&TC	223 S	289 W
HA-9855	D	SE/4	57	LE	G&M	701 S	1 E
HN- 10087	B	SW/4	8	1	WCRR	875 S	600W
LI-9200	C	SW/4	66	10	HT&B	867 S	851 W
MO-8204	B	SW/4	34	44	H&TC	206S	319W
MO-9689	B	SW/4	263	44	H&TC	103 S	727 W
MO-9690	B	SE/4	263	44	H&TC	105 S	761 E
MO-9769	C	NE/4	22	M-2	-	412 N	112 E
MO-9929	C	SE/4	410	44	H&TC	638 S	101 E
MO- 10072	D	NE/4	6	Q	H&GN	74 N	598 E
OC-9532	C	NW/4	835	43	H&TC	469 N	110 W
OC-9584	D	NW/4	21	12	H&GN	635 N	846 W
OC-9712	D	NW/4	110	4-T	T&NO	136 N	310 W
SH-0796	B	SW/4	2	1-T	T&NO	732 S	440 W
SH-10042	D	SE/4	4	1-T	T&NO	303 S	114 E

Bob Zimmer moved to approve Well Permits DA-10125 and DA-10126, noting that the Wells are properly equipped and otherwise comply with District Rules. Gene Born seconded the motion and it passed by majority vote of the Board with Zac Yoder abstaining from the vote.

Bob Zimmer moved to approve the remainder of the Well Permits on the Well Permit Schedule, noting that the Wells are properly equipped and otherwise comply with District Rules. In addition, Justin Crownover was absent from the meeting, so his Well was

included with the remainder. Mark Howard seconded the motion and it was unanimously approved by the Board.

Action Agenda 3d- Review the District's Texas County and District Retirement System Retirement Plan.

The District joined the Texas County and District Retirement System (TCDRS) to provide a retirement benefit to its employees in January 2013. TCDRS is a savings-based plan. Employees save for their own retirement over the length of their careers. At retirement, TCDRS benefits are based on an employee's final savings balance and employer matching. This unique design makes costs more predictable for the District. The TCDRS benefit is based on mandatory employee deposits of 7 percent from their salaries, which earn 7 percent compound interest each year, and employer matching at retirement. TCDRS invests the employees and district matching funds to grow the retirement. The investments generally grow faster than the 7 percent compound interest rate. Since joining TCDRS, the District's board has elected to match the employee's 7% contribution annually into the fund. The District's contributions to retirement costs are based on two factors - Normal Cost or the employer and employee contributions to pay for the long-term costs of the plan and 2) Actuarial Accrued Liability or costs on an amortization basis with primary emphasis given to anticipated earnings on investments. For 2019, the District's required rate of matching is 4.02 percent of employee salaries. By electing to fully match the employees' 7 percent salary contributions, the district required amounts to provide a buffer against future adverse experience in the fund and address unfunded actuarial accrued liability (UAAL). The UAAL is an actuarial term that refers to the difference between the actuarial values of assets (AVA) and the actuarial accrued liabilities (AAL) of a plan. Essentially, the UAAL is the amount of retirement that is owed to an employee in future years that exceed current assets and their projected growth.

The General Manager presented the District's Plan Assessment for Plan Year 2019 to the Board.

Zac Yoder moved the Board continue to match the employee contributions to TCDRS at 7 percent for 2019. Gene Born seconded the motion and it was unanimously approved by the Board.

Action Agenda 3e - Receive Report Regarding District Elections.

On November 6, 2018, the District's Board of Directors Precinct 1 – Dallam County; Precinct 2 – Hartley County; Precinct 3 – Sherman County and Precinct 4 – Moore County are scheduled for election. The election calendar is as follows:

November 6, 2018 - Uniform Election Date

Authority Conducting Elections	County Election Officers and Local Political Subdivisions
Deadline to Post Notice of Candidate Filing Deadline (Local Political Subdivisions Only) ¹	Thursday, June 21, 2018 for local political subdivisions that have a first day to file for their candidates ¹
First Day to Apply for Ballot by Mail	Monday, January 1, 2018* *First day to file does not move because of New Year's Day holiday. An "Annual ABBM" or FPCA for a January or February 2018 election may be filed earlier, but not earlier than the 60th day before the date of the January or February election.

First Day to File for a Place on the General Election Ballot (Local Political Subdivisions Only) ¹	Saturday, July 21, 2018
Last Day to Order General Election or Special Election on a Measure	Monday, August 20, 2018
Last Day to File for a Place on the General Election Ballot (Local Political Subdivisions Only) ²	Monday, August 20, 2018 at 5:00 p.m. See note below relating to four-year terms ³
Last Day to File a Declaration of Write-in Candidacy (Local Political Subdivisions Only)	Friday, August 24, 2018
Last Day to Register to Vote	Tuesday, October 9, 2018* <i>*First business day after Columbus Day</i>
First Day of Early Voting by Personal Appearance	Monday, October 22, 2018
Last Day to Apply for Ballot by Mail (Received, not Postmarked)	Friday, October 26, 2018
Last Day of Early Voting by Personal Appearance	Friday, November 2, 2018
Last day to Receive Ballot by Mail	Tuesday, November 6, 2018 (Election Day) at 7:00 p.m. if carrier envelope is not postmarked, OR Wednesday, November 7, 2018 (next business day after Election Day) at 5:00 p.m. if carrier envelope is postmarked by 7:00 p.m. at the location of the election on Election Day (unless overseas or military voter deadlines apply) ⁴

The District will post the Notice of Election by June 21, 2018, and the General Manager will report to the board regarding the progress of the elections. District staff is contacting the county election officials to see if the district can contract with them to hold the elections if there are two or more candidates file for a position in any particular precinct. If only one candidate files for a position, the board has canceled the election in the past. The General Manager anticipates the board will order the election at its August Meeting. General Counsel provided additional information related to the elections.

Action Agenda 3f- Receive Hydrology and Groundwater Resources Report 2017-2018.

The District's hydrologist, Dale Hallmark provided a short review of the District's annual report, "Hydrology and Groundwater Resources 2017-2018".

County	2012	2013	2014	2015	2016	2017	5 year average 2013 - 2017
Dallam	372,000	399,300	393,700	297,000	339,200	312,300	348,300
Hartley	458,700	459,000	442,100	332,700	391,600	376,000	400,280
Moore	234,700	228,300	210,000	156,700	185,700	173,100	190,760
Sherman	348,100	346,700	361,400	251,700	285,300	265,100	302,040
Hansford	218,800	202,000	211,700	148,800	170,400	146,700	175,920
Hutchinson	72,300	69,800	74,000	57,700	67,600	63,600	66,540
Lipscomb	55,600	42,600	48,800	39,400	42,300	44,200	43,460
Ochiltree	109,300	98,300	106,300	77,400	81,400	77,300	88,140
West	1,413,500	1,433,300	1,407,200	1,038,100	1,201,800	1,126,600	1,241,400
East	456,000	412,700	440,800	323,300	361,700	331,900	374,080
Total	1,869,500	1,846,000	1,848,000	1,361,400	1,563,500	1,458,500	1,615,480

Note: Values are rounded to the nearest one hundred.

Action Agenda 3g - Receive Report Regarding District Agriculture Irrigation Demonstration Conservation Programs and other Water Conservation Initiatives.

3-4-5 Demonstration

Steve Walthour reported since the March Board Meeting the cotton has been ginned, however staff does not have results at this time.

Master Irrigator Program 2018

The third year of the Master Irrigator was a successful one for many reasons not the least of which is the program being awarded the 2018 Texas Environmental Excellence Award. Representatives from the District received the award at a banquet in Austin on May 16. In addition to the award, Board President, Harold Grall and Vice President, Danny Krienke met with Governor, Greg Abbot at a photo reception prior to the banquet. Also, Representative Four Price presented the District with a resolution commemorating the achievement. The last time the District won the prestigious award was in 2012 in recognition of the "200-12 Project."

The Master Irrigator Class of 2018 saw 20 participants complete 24 hours of training and receive certificates.

Master Irrigator 2018 Graduates:

Dustin Borden, Clinton Born, Paul Breland, Ann Burton, Dorland Burton, Glen Green, Dennis Holubec, Mark Howard, Ridgel Koehn, Kenton Laubhan, Janet Reinart, Colt Reynolds, Eddy Riggins, Justin Ritchey, Dustin Sargent Everett Timmons, Nathan Webb, Willie Wieck, Linda Williams and Misty Williams.

The Project Advisory Committee will meet on June 28 to plan for the Master Irrigator Class of 2019. Funding for the NRCS cost share runs through the 2019 Class year.

Irrigation Conservation Initiative

Six ICI qualifiers have submitted their registrations and we are awaiting invoices to begin making reimbursements for irrigation management related equipment. Application for an additional grant was not approved, however the original \$300,000 is still available.

The ICI is made possible by grants from the Texas Water Development Board (TWDB) for the purchase of irrigation efficiency equipment. The 29 qualified growers are each

qualified to apply for up to a 50% cost share on equipment. Eligible equipment includes, soil moisture probes, plant stress monitors, on-farm weather stations, well cut-off systems, telemetry, and pivot monitoring and control systems. Other items not on this list may be cost shared at the District's discretion while funds are available.

The program is funded by two recent grants from the TWDB, totaling \$300,000. To be eligible for funding through the ICI, producers are required to attend a District approved educational program and then report certain crop and usage information pertaining to the cost-shared equipment. Attendance at one of the District's two field days qualified producers to apply for funds. Additional opportunities to qualify for the funding may be announced in the future.

NPWCC Update

Cotton stalks were shredded on the South SDI Zones. The West Pivot was ripped, the cotton stalks were not shredded. Oat seed was spread on the West Pivot and the South SDI Zones as a cover crop; seed was spread by a dry spreader, then lightly disked in. No rainfall was received to sprout the oats, so Stan irrigated the cover crop in late February and early March. The oat cover crop in the South SDI field sprouted in early May after rain and pre-water. The oat cover crop did well on the West Pivot, but not as well on the South SDI Zones due to lack of moisture. WCC has received about 0.80" of rain as of 5/17/18. Stan Spain disked the East Pivot to prepare for cotton planting. The East Pivot was strip-tilled and fertilized. The North SDI Zones were strip-tilled and fertilized, the South SDI Zones have not been strip-tilled. The East Pivot was planted to a cotton demonstration on May 7. The North SDI zones were planted to cotton on May 8. The cotton is emerging on both fields. The West Pivot and the South SDI fields have been pre-watered.

Weather Stations Demonstrations

Steve Walthour reported Metos weather stations have been installed at the WCC, and at Harold Grall's section 416. Metos soil probes will be installed after corn is planted and established. I do not know the planned dates to plant corn at WCC or at Harold 416, but probably the end of May.

Action Agenda 3h- Receive Report Regarding Groundwater Production Reporting for 2017 and Conservation Reserve Savings.

Steve Walthour reported 2885 Annual Production Reports for 2017 have been turned in, entered or accounted for. Some of the Conservation Reserves were not calculated by the system correctly and are being corrected by the database tech. Updated Preliminary Conservation Reserve letters are being second checked and re-sent to producers as they are being re-calculated.

The general manager provided a status report regarding the conservation reserve at the meeting.

Action Agenda 3i- House Natural Resources Committee Field Trip

At 12:06 pm the meeting was continued by Vice President, Daniel Krienke in order for the attending District Directors and Staff to proceed to Amarillo to meet with the Texas