

**MINUTES OF THE JUNE 10, 2014
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 10, 2014, at 9:00 a.m. in the Conference Room of the Hampton Inn, 2010 South Dumas Avenue, Dumas, Texas 79029. The following persons were present:

Members Present:

Bob Zimmer; President
Danny Krienke, Secretary;
Harold Grall, Vice-President;
Gene Born, Director;
Mark Howard, Director; and,
Zachary Yoder, Director.

Staff Present during part or all of the meeting:

Steve Walthour, General Manager;
Dale Hallmark, Assistant General Manager and Hydrologist;
Kirk Welch, Assistant General Manager/Outreach
Kristen Lane, Executive Assistant;
Casey Tice, Compliance Coordinator;
Laura West, Production Monitoring Coordinator;
Odell Ward, GIS and Natural Resource Tech Lead;
Paul Sigle, Agricultural Engineer;
Vanessa Ladesma, Summer Intern;
David Wolf, Summer Intern; and
Carrie Bryant, 200-12 Conservation Coordinator.

Others present during part or all of the meeting:

Sabrina Leven;
Ashley Handy;
Scott Clawson;
C. C. Sysmobath;
Dee Vaughn;
Len Sheets;
Sheldon Snyder;
Dillon Pool;
Emmett Autrey;
F. Keith Good, Attorney;
Haley Rader, Attorney; and,
Ellen Orr, Paralegal.

President Zimmer declared a quorum present and called the meeting to order at 9:11 a.m.

Director Zachary Yoder gave the invocation and President Zimmer led the pledge.

President Zimmer asked if there were persons present who desired to make public comment. No public comment was made.

The General Manager introduced Vanessa Ledesma, David Wolf and Carrie Bryant, who are new employees of the District.

Gene Born moved to approve items 2a through 2c of the Consent Agenda consisting of the review and approval of the Minutes of the regular Board of Directors Meeting of May 21, 2014; the review and approval of District expenditures for May 1, 2014 through May 31, 2014, including the General Manager's Expense and Activity Report; and the approval of payment of professional services and out-of-pocket expenses to Lemon, Shearer, Phillips & Good, P.C. in the amount of \$9,667.35 for May 1, 2014, through May 31, 2014. Harold Grall seconded the motion and it was passed unanimously by the Board.

Farris Hightower of Lindsay Corporation and Aaron Floyd of Floyd Irrigation; Joe O'Bryant of Reinke and Chuck Harbour of Texas Electric Stratford; Lynn Sheets of T-L Irrigation Company; and Murry Johnson of Valmont Valley and Tommy Armstrong from T & R Valley Services made presentations to the Board regarding proposals submitted for the District's Irrigation Systems for the North Plains Water Conservation Center. The proposals of all of the parties are available in the files of the District. The presentations to the Board were closed at 10:03 a.m.

Justin Crownover arrived to participate in the meeting at 9:21 a.m.

The General Manager presented a report regarding 2013 Annual Production Reported. Mr. Walthour stated that District staff has finished processing the 2747 production reports through June 2nd. Laura and Casey continue to work on the properties that have overages. Conservation Reserve letters were mailed out the end of last week, so producers should be calling about Conservation Reserve questions. As of June 1st, Laura has started pooling properties for the 2014 production season. As of May 31, 2014, provisional groundwater production for the District is shown as follows:

County	2008	2009	2010	2011	2012	2013
Dallam	313,451	317,441	302,561	374,733	371,965	399,272
Hartley	364,560	387,305	401,506	519,684	458,696	458,998
Sherman	275,128	285,571	261,608	407,265	348,012	346,685
Moore	191,409	200,220	178,336	271,684	234,688	228,297
GMA-1 West	1,144,548	1,190,537	1,144,011	1,573,366	1,413,361	1,433,252
Hansford	142,694	152,686	129,984	234,903	218,793	201,914
Hutchinson	52,846	53,869	42,023	73,747	72,230	69,716
Ochiltree	75,527	65,840	62,269	114,392	109,213	98,280
Lipscomb	30,832	30,242	33,826	52,003	55,572	42,519
GMA-1 East	301,899	302,637	268,102	475,045	455,808	412,429
Total	1,446,447	1,493,174	1,412,113	2,048,411	1,869,169	1,845,681

The General Manager stated that total groundwater production for 2013 was 24,000 acre-feet lower for 2013 than it was in 2012. Mr. Walthour said that Dallam County groundwater production was coming in higher in 2013 probably because of the PGMAs reporting for the first time. Mr. Walthour commented that Hartley County was pretty much level on 2012 and 2013 groundwater production. Mr. Walthour indicated that District staff had run production numbers for the Dallam County PGMA for 2013 and production was 68,000 acre feet in the old PGMA area. Mr. Walthour said that this surprised him and that the number was higher than what he expected. Mr. Krienke stated that groundwater withdrawal projections used by the District for the current DFC

calculation was based upon withdrawal of 70,000 acre feet for the old Dallam PGMA. Mr. Walthour also stated that new production on pivots appears to be dropping off.

The Schedule of Well Permits set forth below was presented to the Board for its review. Harold Grall moved to remove DA-5746 and HA-5158 from the Well Permits to be considered by the Board and to approve the remaining Wells listed on the Schedule of Well Permits because the Wells are properly equipped and otherwise comply with District Rules. Justin Crownover seconded the motion and it was unanimously approved by the Board.

The	Class	MaxYield	Quarter	Section	Block	Survey	NS	EW
DA-5736	C	800	SW	18	4	CSS	410S	436W
DA-5746	C	800	SW	68	7	CSS	449S	478W
HA-5158	C	800	NW	27	A-1	PSL	71N	1414W
HA-5727	C	800	SE	42	11	CSS	423S	340E
HA-5728	C	800	SW	42	11	CSS	423S	445W
HA-5797	C	800	SE	22	A-1	PSL	795S	599E
HA-5818	C	800	NW	35	11	CSS	448N	433W
HA-6192	C	800	NE	5	16	CSS	726N	866E
HA-6193	C	800	NW	8	16	CSS	463N	20W
HA-6280	C	800	SW	25	A-1	PSL	267S	32W
HA-6286	C	800	NW	19	A-1	PSL	725N	1125W
HA-6321	C	800	NE	35	11	CSS	228N	807E
HA-6322	C	800	NW	24	A-1	PSL	928N	64W
HA-6523	C	800	SE	42	11	CSS	18S	122E
HA-6524	C	800	SE	42	11	CSS	204S	746E
HA-6525	C	800	SE	42	11	CSS	658S	739E
HA-626	C	800	SE	43	11	CSS	428S	433E
HA-6553	C	800	NW	110	4	CSS	268N	830W
HA-6559	C	800	NW	111	4	CSS	883N	644W
HA-6564	C	800	NW	111	4	CSS	262N	832W
HA-6650	C	800	NE	41	11	CSS	749N	248E
HA-7150	C	800	SE	60	13	CSS	155S	106W
HN-6930	D	1800	NW	25	2	WCRR	779N	43W
HN-6963	D	1800	NE	120	4-T	T&NO	423N	288E
HN-7082	C	800	NE	3	1	WCRR	875N	143E
HN-7083	C	800	SW	3	1	WCRR	131S	110W
HU-6734	D	1800	SE	Thos Ross	NONE	NONE	1644 S	1508 E
HU-6881	D	1800	NE	Thos Ross	NONE	NONE	610N	102E
LI-5267	D	1200	SW	271	43	H&TC	842S	875W
SH-4253	C	800	SW	93	1-C	GH&H	104S	573W
SH-5768	B	400	NE	242	1-T	T&NO	107N	263E

The General Manager presented a draft of proposed Rules to the Board and stated that at the May Board meeting, the Board elected to go forward in proposing new Chapter 8 (Amendments to Allowable Annual Production to Achieve Desired Future Conditions) and proposing Rule 6.3.8 amending the Conservation Reserve to be transferable with the land. Both of these proposed rules have been incorporated into the current set of rules. The Board was presented an excerpt from the current Rules where these proposed rules will be incorporated if adopted. The District's general counsel discussed placing proposed Rule 6.3.8 into current Rule 3.4 and adding Chapter 8 as Rule 4 in the current Rules if adopted by the District. A Board discussion ensued as follows:

Mark Howard inquired what was magical about the five-year length of the Conservation Reserve. Danny Krienke stated that from his viewpoint, it was important for planning purposes that the Conservation Reserve coincide with the DFC and management plan process which are on five-year intervals. Bob Zimmer stated that every year that the MAG will be smaller than the previous year. Mark Howard inquired what would be wrong having the Conservation Reserve term for a 10-year period to permit a drought cushion for producers. Danny Krienke stated that in developing the current Rules the initial discussion of the Board was that under normal

circumstances, you generally have a climate cycle with one wet year, one dry year and three average years and that is one factor in arriving at a five-year term for the Conservation Reserve. Zachary Yoder stated that in 2010 almost everyone put water into the Conservation Reserve. Mr. Yoder stated that he would hate for someone to feel that that needed to pre-water in 2015 before seeing any snowfall, just because the five-year term was concluding and the person would lose the water if the person didn't use it. Mr. Howard and Mr. Yoder asked the General Manager what percentage of the 2010, 2011 and 2012 Conservation Reserve remains for producers in the District. Justin Crownover stated that he wants the transfer of the Conservation Reserve to a new owner of the property to happen. Mark Howard stated that he wanted the Conservation Reserve transfer to a new owner of the property to be retroactive to 2010. Danny Krienke stated that he was ok with the transfer of the Conservation Reserve to a new owner of the property going forward. Gene Born stated that you could not go backward with the Conservation Reserve transferring to a new owner of the property.

Danny Krienke moved to propose the drafted rules, as amended by the Board in May, to the public for review and commentary. Justin Crownover seconded the motion and it was unanimously approved by the Board.

The Board recessed and 11:00 a.m. and reconvened at 11:17 a.m.

Justin Crownover moved that the District set a public hearing date for the rules proposed by the Board for July 14, 2014 at 9:00 a.m in the Hampton Inn Conference Room, 2010 South Dumas Avenue, Dumas Texas. Harold Grall seconded the motion and it was unanimously approved by the Board.

The Board discussed the February 7, 2014 draft of the rules presented to the Board which was tabled at its May meeting except for Chapter 8 and Rule 6.3.8 until Board members have an opportunity to review those rules. Well spacing was discussed and Zachary Yoder stated that he would like to see the divide by two rule be brought back into the current rules. Replacement Well spacing was discussed by the Board. By consensus, the Board elected to table the discussion of the remaining rules in the February 7, 2014 draft presented to the Board until its regular meeting in August.

Danny Krienke, Steve Walthour and Bob Zimmer presented reports to the Board regarding the Panhandle Regional Water Planning Group and Groundwater Management Area 1 Joint Planning. Bob Zimmer stated that High Plains Groundwater Conservation District gave a presentation on its proposed rules which are going out to the public for commentary. Mr. Zimmer also stated that there was a unanimous vote by the members of the GMA-1 joint planning group to propose the same DFC for the next five-year period as GMA-1 has today. Mr. Zimmer also stated that there was one aquifer in the Panhandle District, the Blaine aquifer, which the Panhandle District wanted to review before anything is officially done to propose the DFC for the next five-year period. The next GMA-1 meeting will be at the end of July.

The General Manager discussed the development of the District's 2014 – 2015 Budget. The General Manager stated that the District needed to begin development of the budget and that an Ag Committee Meeting and a Finance Committee Meeting needed to occur before the next regular Board meeting in July. By consensus of the Board, July 7, 2014 at 6:30 p.m. was set for the Ag Committee Meeting and July 8, 2014 at 6:30 p.m. was set for the Finance Committee Meeting.

The General Manager, Paul Sigle and Leon New presented the following report regarding the District's Agriculture Conservation Programs and the North Plains Water Conservation Center: