MINUTES OF THE JUNE 19, 2012
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 19, 2012, at 9:00 a.m. in the Board Room of the District office at 603 East First Street in Dumas, Texas 79029. The following persons were present:

Members Present:

Daniel L. Krienke;
Bob Zimmer;
Gene Born;
Wesley Spurlock;
Phil Haaland;
Brian Bezner; and,
Harold Grall.

Staff Present during part or all of the meeting:

Steve Walthour, General Manager;
Dale Hallmark, Assistant General Manager/District Hydrologist;
Kirk Welch, Assistant General Manager;
Pauletta Rhoades, Finance and Administration Coordinator;
Kristen Alwan, Executive Assistant; and,
Laura West, Natural Resource Specialist.

Others present during part or all of the meeting:

Sabrina Leven;
Doug Lathem;
Brent Hamilton;
Shasta Dickey;
Grant Monte;
Doug Lathem;
Khris Winings;
Kirk Carson;
Greg Foster;
C. C. Sysombath;
Greg Howard
Dwayne Thompson;
F. Keith Good, Attorney;
Claire Y. Walsh, Attorney; and
Ellen Orr, Paralegal.

President Born declared a quorum present and called the meeting to order at 9:05 a.m.

Bob Zimmer gave the invocation and Harold Grall led the pledge.

At 9:07 a.m. the regular Board meeting was recessed and Show Cause Hearing No. 012-002 in re: Sam and Jill Watson – Failure to timely file 2011 Annual Production Reports was called. The General Manager recommended that the Board dismiss this hearing because the District and the violators had settled this matter. Danny Krienke moved to dismiss Show Cause Hearing No.012-002. Wesley Spurlock seconded the motion and it was unanimously approved by the Board.

Show Cause Hearing No. 012-003 in re: Clarence T. Yanke – Failure to Timely File 2008, 2009, and 2010 Annual Production Reports was called. General Counsel, Keith Good, addressed the Board and stated that he had been contacted by John Irwin, counsel for Mr. Yanke, and that Mr. Irwin had a conflict and could not attend the hearing scheduled for June 19, 2012, and had requested that the hearing be continued. Danny Krienke moved to continue Show Cause Hearing No. 012-003 until the Board's regular August meeting. Brian Bezner seconded the motion and the motion passed by a majority vote of the Board with Bob Zimmer abstaining from the vote.

At 9:08 a.m. President Born closed the Show Cause Hearings and reconvened the regular Board meeting.

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

Wesley Spurlock moved to approve items 2a through 2f of the Consent Agenda, consisting of the approval of the Minutes of the May 22, 2012, Board of Directors Meeting and the Certified Agenda for the May 22, 2012, Board of Directors Executive Session; the approval of un-audited District expenditures from May 1, 2012, through May 31, 2012, including the General Manager's Expense and Activity Report; the approval of payment of professional services and out-of-pocket expenses to Lemon, Shearer, Phillips & Good, P.C. in the amount of $10,858.95 for May 1, 2012, through May 31, 2012; the approval of Hansford County Tax Assessor-Collector collections contract effective October 1, 2012 through September 30, 2013; denying waiving interest and penalties on past due Moore County tax accounts of DCP; and authorizing the Moore County Tax Assessor-Collector to accept the offer from Mr. Miguel Rivera on property at 712 Binkley, Dumas, Texas.

Steve Walthour introduced new employees of the District.

Paul Sigle is working with the District this summer as an intern. His hometown is Deer Park, Texas. He is pursuing a degree in Biological and Agricultural Engineering with an emphasis on environmental and natural resources engineering and expects to graduate this December.

Jerry Green is working with the District as a Natural Resources Specialist. He has been a Dumas resident for most of his life. He graduated from Dumas High School in 1972 and currently has a class C groundwater and C wastewater license from TCEQ.

Billy Brown is working with the District as a Natural Resources Specialist. Billy has been a Dumas resident most of his life. He went to Clarendon College and achieved an Associate Degree in Ranch and Feedlot Management; he also holds a license as an Emergency Medical Technician I.

Brian Downs is working with the District this summer as an intern through the second week of August. He is originally from Crowley, Texas, and is going into his 5th year at Texas A&M University with a major in Agricultural Systems Management and a minor in business. Brian has been taking many courses involving water resources, agricultural machinery and operations, as well as safety standards.

Nora Pauletta Rhoades was recognized by the District for her fifteen years of service. Since 1997, she has served the District's board and staff by coordinating all the support activities required of the District by ensuring the District has the supplies, equipment, facilities and technology available to perform its duties. Pauletta provides human resources and financial services required to keep the District organization operating efficiently. Mr. Walthour stated that he and the District rely heavily on Pauletta and greatly appreciate her professionalism and expertise regarding administrative matters and public relations.

The General Manager presented petitions by owners, acting pursuant to the provisions of the Texas Water Code Section 36.321 et seq., together with all the amendments and additions thereto, to add the following property in the City of Texline, Dallam County, Texas, into the District:

- Property ID 16933, Block 68, Lots 9-12;
- Property ID 17045, Block 103, Lot 18-20;
- Property ID 17046, Block 103 Lot 21-22;
- Property ID 17047, Block 103, Lot 23-24;
- Property ID 17033, Block 101, Lot 1-5;
- Property ID 19251, Block 101, Lot 6-9;
- Property ID 17034, Block 101, Lot 10-12;
- Property ID 16946, Block 71, Lot 6;
- Property ID 16960, Block 75, Lot 1-2;
- Property ID 16961, Block 75, Lot 3-6;
- Property ID 16962, Block 75, Lot 7-9;
- Property ID 17134, Block 133, Lot 4-10;
- Property ID 17135, Block 133, Lot 11-12; and
- Property ID 17136, Block 133, Lot 13-24.

The land above-described is contiguous with the District, and is in Groundwater Management Area No. 1 ("GMA 1"), which encompasses the District (Texas Water Code Sections 36.321 and 36.331).

The proposed addition is to the advantage of the District in that the land above described abuts lands in the District and is within GMA 1. Wells for production of underground water can now be drilled in the land described above without any requirements as to spacing, prevention of waste, or groundwater contamination. If the territory described is added to the area of the District, then the territory added will be subject to the same rules and regulations that govern the property presently within the boundary of the District, and thereby the District will be benefited.

It will be to the advantage of the petitioners to become a part of the District because if such land becomes a part of the District, then the land will be subject to the spacing, prevention of waste, and groundwater quality rules of the District which will protect the land from: drainage of water; an undue increase in the drawdown of the water table; and pollution.

Bob Zimmer moved that it is in the best interest of the District and in the best interest of the petitioners for the following-described property in the City of Texline, Dallam County, Texas, to become a part of the District:

- Property ID 16933, Block 68, Lots 9-12;
- Property ID 17045, Block 103, Lot 18-20;
- Property ID 17046, Block 103 Lot 21-22;
- Property ID 17047, Block 103, Lot 23-24;
- Property ID 17033, Block 101, Lot 1-5;
- Property ID 19251, Block 101, Lot 6-9;
- Property ID 17034, Block 101, Lot 10-12;
- Property ID 16946, Block 71, Lot 6;
- Property ID 16960, Block 75, Lot 1-2;
- Property ID 16961, Block 75, Lot 3-6;
- Property ID 16962, Block 75, Lot 7-9;
- Property ID 17134, Block 133, Lot 4-10;
- Property ID 17135, Block 133, Lot 11-12; and
- Property ID 17136, Block 133, Lot 13-24.

Harold Grall seconded the motion and it was unanimously approved by the Board.

The General Manager presented petitions by owners, acting pursuant to the provisions of the Texas Water Code Section 36.321 et seq., together with all the amendments and additions thereto, to add the following property in Dallam County, Texas, into the District:

- The South one-half (S/2) of Section 362, Block 1-T, T&NO RR Survey, Dallam County, Texas, containing 318 acres, more or less;
- The Northwest Quarter (NW/4) of Section 362, Block 1-T, T&NO RR Survey, Dallam County, Texas, containing 156 acres, more or less;
- The West one-half (W/2) of Section 354, Block 1-T, T&NO RR Survey, Dallam County, Texas, containing 233 acres, more or less; and
- The Northeast Quarter (NE/4) of Section 362, Block 1-T, T&NO RR Survey, Dallam County, Texas, containing 161 acres, more or less.

The land above-described is contiguous with the District, and is in Groundwater Management Area No. 1 ("GMA 1"), which encompasses the District (Texas Water Code Sections 36.321 and 36.331).

The proposed addition is to the advantage of the District in that the land above described abuts lands in the District and is within GMA 1. Wells for production of underground water can now be drilled in the land described above without any requirements as to spacing, prevention of waste, or groundwater contamination. If the territory described is added to the area of the District, then the territory added will be subject to the same rules and regulations that govern the property presently within the boundary of the District, and thereby the District will be benefited.

It will be to the advantage of the petitioners to become a part of the District because if such land becomes a part of the District, then the land will be subject to the spacing, prevention of waste, and groundwater quality rules of the District which will protect the land from: drainage of water; an undue increase in the drawdown of the water table; and pollution.

Wesley Spurlock moved that it is in the best interest of the District and in the best interest of the petitioners for the following-described property in Dallam County, Texas, to become a part of the District:

- The South one-half (S/2) of Section 362, Block 1-T, T&NO RR Survey, Dallam County, Texas, containing 318 acres, more or less;
- The Northwest Quarter (NW/4) of Section 362, Block 1-T, T&NO RR Survey, Dallam County, Texas, containing 156 acres, more or less;
- The West one-half (W/2) of Section 354, Block 1-T, T&NO RR Survey, Dallam County, Texas, containing 233 acres, more or less; and
- The Northeast Quarter (NE/4) of Section 362, Block 1-T, T&NO RR Survey, Dallam County, Texas, containing 161 acres, more or less.

Phil Haaland seconded the motion and it was unanimously approved by the Board.

The following Schedule of Well Permits was presented to the Board for its review. Wesley Spurlock moved to approve all of the following permits as active and complete wells because the wells are properly equipped and otherwise comply with District Rules:

COUNTY	OWNER	WELL	C L	MAX	QTR	SEC	BLK	SUR	YARDS N S	YARDS E W

DALLAM	DON SLAUGHTER	DA-3200	C	800	NE	12	6	CSS	244N	874E
DALLAM	HILMAR CHEESE	DA-3666	C	800	NE	5	48	H&TC	91N	735E
DALLAM	G & G OPERATORS LTD FARMS	DA-3828	C	800	NE	26	1	CSS	451N	432E
DALLAM	BRENT BRADLEY	DA-4126	C	800	SW	433	1-T	T&NO	103S	114W
DALLAM	LARSEN FARMS LLC	DA-4224	C	800	SW	52	5	CSS	797S	152W
DALLAM	LARSEN FARMS LLC	DA-4226	C	800	SE	52	5	CSS	780S	744E
DALLAM	LARSEN FARMS LLC	DA-4227	C	800	SW	53	5	CSS	127S	119W
DALLAM	DAVE SPINAR	DA-4426	D	1200	NW	2	4	FDW	556N	503W
DALLAM	LARSEN FARMS LLC	DA-4446	C	800	NE	43	5	CSS	864S	708E
DALLAM	LARSEN FARMS LLC	DA-4447	C	800	SW	44	5	CSS	866S	543W
DALLAM	ROBERT SPIELMAN	DA-4907	C	800	SW	5	1	MC CHAMBERLAIN	140S	135W
DALLAM	KENQUINT LLC	DA-4942	C	800	SE	72	8	CSS	217S	320E
HARTLEY	EDWARD CARSON	HA-3020	B	400	NW	86	48	H&TC	404N	26W
HARTLEY	EDWARD CARSON	HA-3827	B	400	SW	80	2	B&B	437S	731W
HARTLEY	GUSTIN MITCHELL BOWERS TENANTS IN COMMON	HA-3934	D	1200	NW	4	1	SA&MG	62N	429W
HARTLEY	LARSEN FARMS LLC	HA-4035	C	800	NW	18	5	CSS	473N	340W
HARTLEY	FOUR STAR MIDDLEWATER	HA-4040	C	800	SW	21	12	CSS	566S	12W
HARTLEY	LARSEN FARMS LLC	HA-4065	C	800	NW	18	5	CSS	68N	534W
HARTLEY	DON OPPLIGER FARMS	HA-4257	C	800	NW	64	13	CSS	795N	727W
HARTLEY	DON OPPLIGER FARMS	HA-4258	C	800	SW	64	13	CSS	502S	499W
HARTLEY	DON OPPLIGER FARMS	HA-4259	C	800	NW	64	13	CSS	851N	148W
HARTLEY	FOUR STAR MIDDLEWATER	HA-4271	C	800	NE	28	12	CSS	74N	124E
HARTLEY	LARSEN FARMS LLC	HA-4331	C	800	SW	17	5	CSS	861S	455W
HARTLEY	DON OPPLIGER FARMS	HA-4367	C	800	NE	20	12	CSS	860N	828E
HARTLEY	DON OPPLIGER FARMS	HA-4370	C	800	NW	20	12	CSS	165N	256W
HARTLEY	DON OPPLIGER FARMS	HA-4394	C	800	SE	13	12	CSS	59S	748E
HARTLEY	DON OPPLIGER FARMS	HA-4407	C	800	NE	8	12	CSS	581N	4E
HARTLEY	DON OPPLIGER FARMS	HA-4411	C	800	NE	8	12	CSS	248N	368E
HARTLEY	DON OPPLIGER FARMS	HA-4413	C	800	NW	7	12	CSS	23N	706W
HARTLEY	DENNIS UNRUH	HA-4427	B	400	SW	136	48	H&TC	872S	830W
HARTLEY	DON OPPLIGER FARMS	HA-4490	C	800	SW	111	4	CSS	570S	131W
HARTLEY	DON OPPLIGER FARMS	HA-4497	C	800	NW	8	12	CSS	497N	287W
HARTLEY	MARK SCHNIEDERJAN	HA-4725	C	800	SE	419	44	H&TC	155S	410E
HARTLEY	KIRK CARSON	HA-4734	C	800	NE	58	48	H&TC	108N	758E
HARTLEY	CANADIAN RIVER FARMS LTD	HA-4809	C	800	SW	28	3	B&B	662S	155W
HARTLEY	TRUMAN WOODY	HA-4810	C	800	NE	24	3	B&B	431N	139E
HANSFORD	MARY J HUGHES REVOCABLE TRUST	HN-3911	D	1200	SE	42	R	AB&M	765S	114E
HANSFORD	DOUG BROWN	HN-4124	C	800	SE	85	4-T	T&NO	810S	101E
HANSFORD	MIKE MCLAIN	HN-4755	D	1000	NW	53	P	H&GN	140N	818W
HANSFORD	USA FEEDYARD LLC	HN-4772	C	800	NE	119	2	GH&H	261N	132E
HANSFORD	W E "BILLY" BROWN JR	HN-4889	D	1200	SW	44	R	AB&M	734S	107W
HANSFORD	CS&J OL LTD	HN-4950	D	1200	NE	28	4-T	T&NO	5N	808E
HUTCHINSON	MICHAEL MCCLOY	HU-4358	A	100	NW	0	0	JAMES RUSSELL	230N	855W
HUTCHINSON	CHARLES & KARL JOHNSON	HU-4784	C	800	SW	22	M-16	AB&M	104S	417W
HUTCHINSON	CLAY C REID	HU-4827	D	1200	NW	70	5-T	T&NO	32N	533W
MOORE	CASEY & ANNIE KIMBRELL	MO-2413	B	400	SE	205	3-T	T&NO	103S	592E
MOORE	CASEY & ANNIE KIMBRELL	MO-2414	B	400	SE	205	3-T	T&NO	520S	744E
MOORE	CITY OF CACTUS	MO-3700	C	800	SE	21	2-T	T&NO	36S	840E
MOORE	THERON CULWELL	MO-3703	B	400	SW	228	3-T	T&NO	778N	0W
MOORE	HARRIS FARMS INC	MO-3740	C	800	SE	39	2-T	T&NO	194S	391E
MOORE	CASEY & ANNIE KIMBRELL	MO-4516	C	800	SE	202	3-T	T&NO	630S	12E
MOORE	KEENEY FARMS INC	MO-4617	C	800	SE	14	Q	H&GN	127S	434E
MOORE	CASEY & ANNIE KIMBRELL	MO-4637	C	800	SW	150	3-T	T&NO	687S	146W
OCHILTREE	TEXAS FARMS INC	OC-1264	A	100	SE	212	43	H&TC	338S	447E

OCHILTREE	MCGARRAUGH FAMILY TRUST	OC-4921	D	1200	NW	135	13	T&NO	109N	815W
OCHILTREE	MCGARRAUGH FAMILY TRUST	OC-4922	D	1200	SW	135	13	T&NO	870S	647W
OCHILTREE	KEVIN L MCGARRAUGH TRUST	OC-4923	D	1200	NE	0	0	JJ BALLENTINE	883N	231E
SHERMAN	B A DONELSON	SH-3537	C	800	NE	168	1-T	T&NO	876N	276E
SHERMAN	DETTLE FEEDYARD LP	SH-3922	D	1200	NE	228	1-T	T&NO	103N	502E
SHERMAN	B A DONELSON	SH-4177	C	800	SE	142	1-T	T&NO	494S	876E
SHERMAN	CHANSFORD PROPERTIES	SH-4641	C	800	NE	6	2-T	T&NO	103N	390E
SHERMAN	DONELSON LAND & CATTLE CO	SH-4648	C	800	NW	143	1-T	T&NO	103N	417W
SHERMAN	DONELSON LAND & CATTLE CO	SH-4650	C	800	NW	142	1-T	T&NO	102N	768W
SHERMAN	MOORE BROTHERS	SH-4690	B	400	SW	31	3-B	GH&H	255S	790W
SHERMAN	MOORE BROTHERS	SH-4691	D	1200	NE	59	3-B	GH&H	101N	785E
SHERMAN	MOORE BROTHERS	SH-4700	B	400	SE	8	2-B	GH&H	837S	588E

Danny Krienke seconded the motion and it was unanimously approved by the Board.

The General Manager presented a report regarding 2011 Annual Production Reporting. Mr. Walthour stated that, to-date, 2600 out of 2602 reports have been entered. There are nine (9) reports that are still considered incomplete because of missing documentation. Those nine (9) property owners or agents have been sent letters via certified mail. Two (2) of the nine (9) have turned in the missing documentation. Staff has begun receiving and entering pooling documents from the properties that exceeded their 2011 production limit.

Steve Walthour discussed the District Retirement Plan Services with the Board. Mr. Walthour informed the Board that every year the Board must review the annual contract for the plan year regarding the District's retirement account investment options, investment policy, fund performance, participant demographics, fund managers, and asset charges through John Hancock Life Insurance Company for the plan year. For plan year 2012, the Board reviewed the following:

> Contract statistics, participant details, asset allocation by investment category and by age group, plan services review, fiduciary warranty review, top ten investment options, allocation of contract assets by investment option, return and risk relative to peer group, investment returns and standard deviations, lifestyle performance, and asset charges and sub-account fees.

The General Manager recommended that the Board accept the investment options, investment policy, fund performance, participant demographics, fund managers, and asset charges for plan year 2012 from John Hancock Life Insurance Company for Retirement Plan Services.

Bob Zimmer moved that the Board accept the investment options, investment policy, fund performance, participant demographics, fund managers, and asset charges for plan year 2012 from John Hancock Life Insurance Company for the District's Retirement Plan Services. Phil Haaland seconded the motion and it was unanimously approved by the Board.

The General Manager reported to the Board that on May 31, 2012 the General Manager and Hydrologist attended a Regional Planning Ag Committee meeting in Amarillo. There was considerable discussion on how to project Ag use into the future, and everyone recognized that relying totally on FSA acres will soon no longer be adequate to calculate Ag water use. Mr. Walthour also stated that it was also recognized that the Groundwater Conservation District will need to work to provide guidance in calculating and

monitoring non-FSA acres. There was concern and discussion on the increased production in Dallam County and the likelihood that potentially over 200 new wells will be drilled in the near future. There is a concern that all the new production will likely impact the accomplishment of the DFC for that area.

Steve Walthour stated that, in May, an updated Groundwater Availability Model (GAM) for the Ogallala aquifer (northern portion), developed by INTERA, Inc. (Kelley and others, 2010) was approved by the Texas Water Development Board (TWDB). Accordingly, the TWDB conducted a GAM model run and is issuing updated modeled available groundwater numbers as requested by members of Groundwater Management Area 1. This model run supersedes model run 09-026 (Oliver, 2011), with respect to results extracted from the groundwater availability model for the northern portion of the Ogallala aquifer. Estimates of modeled available groundwater extracted from the groundwater availability model for the southern portion of the Ogallala aquifer remain unchanged.

In addition, legislation that became effective September 1, 2011, changed the definition and meaning of "Managed Available Groundwater" to "Modeled Available Groundwater." Modeled available groundwater represents estimates of total pumping as presented in the former "Managed Available Groundwater" report 09-026 (Oliver, 2011). The modeled available groundwater for the Ogallala aquifer, as a result of the desired future conditions adopted by Groundwater Management Area 1, declines from 3,666,259 acre-feet per year in 2010 to 2,151,403 acre-feet per year in 2060. This report summarizes modeled available groundwater by county, groundwater conservation district, river basin, and geographic area for each decade between 2010 and 2060. The pumping estimates were extracted from the Groundwater Availability Model Run performed by INTERA, Inc. (Kelley and others, 2010) as part of the recalibration process.

A copy of the report was presented to the Board for its review.

The General Manager presented possible management concepts to the Board to be considered before drafting a new set of proposed rules.

The General Manager discussed compliance matters with the Board. Mr. Walthour stated that the District sent fourteen notices and invoices for producers filing their 2011 Production Reports late. All but one late filer have paid or cleared late filing fees.

Mr. Walthour also stated that the District sent 130 Notices of exceeding production limitations for 2011 Production to Producers. Some overproduction reports have cleared by recalculating numbers on the report, by utilizing available Conservation Reserve, or by re-pooling as requested by producers. Some overproduction fees have been paid. The General Manager stated that District staff has designed a way for Groundwater Conservation Reserve to be carried over during pooling. It was mentioned that Tommy Parker, a representative for Castleberry Ranch, had requested an extension from March, 2012 to a later date. Brent Hamilton, attorney for Castleberry Ranch, and Doug Latham addressed the Board regarding Castleberry's overproduction and the obstacles the Castleberry Ranch had incurred in attempting to fulfill its Compliance Agreement with the District.

Danny Krienke moved to table 3d until the regular August meeting of the Board. Phil Haaland seconded the motion and it was unanimously approved by the Board.

At 11:03 a.m. the Board recessed and at 11:23 a.m. the Board reconvened.

The General Manager reported that the 200/12 Crop Project is in full swing for the 2012 growing season, with 12 cooperators and all of the fields having been planted. Aquaspy has been installed in about half of the fields, and the remainder has been flagged for installation. Cropmetrics has delivered their product. All 200/12 fields have gypsum blocks installed and three control sites have been installed. The remaining nine control sites are scheduled for installation once the fields have dried up from the rain. Weekly readings are being collected and the District is awaiting login information from Aquaspy. A training session for Aquaspy is being scheduled for the cooperators in the program.

Mr. Walthour stated that, in June, the staff began developing a proposed 2012-2013 budget for the Property Committee, the Agriculture Committee and Budget and Finance Committee review. The General Manager requested that the committees meet in June to provide input into the proposed budget that will be presented to the Board in late July or early August.

General Counsel for the District and the General Manager stated that in April, the Executive Director of the Texas Commission on Environmental Quality (TCEQ) prepared and filed a report with the Chief Clerk of TCEQ recommending that the three areas of the Dallam County PGMA not currently in a groundwater conservation district be added to the North Plains Groundwater Conservation District. A copy of the report and recommendation was presented to the Board for review.

In May, the board reviewed the District's Director Policies and directed the General Manager to return a proposed amendment to incorporate the use of stakeholder committees by Directors. The general manager proposed amending the District's Directors Policies as follows:

County Committees:

Each County in the District has a County Committee consisting of no less than three (3) persons or more than seven (7) persons. Each area of the County is to be represented, if practicable. The Board of Directors appoints the County Committee members to serve a four (4) year term of office provided, however, each County Committee member shall serve until the member is reappointed, or a successor is appointed. The term of office corresponds with the term of office of the Director elected to represent the County the Director represents.

County Committee members are appointed at the Regular Board Meeting held in July of each even numbered year and the appointment of County Committee members shall be an item on the agenda of that meeting. Directors present to the Board a recommendation of prospective County Committee Members they have asked to serve on their respective County Committee(s). The Board will act on the recommendations.

If any County Committee member shall resign, become incapacitated or in the judgment of the Director of the County has failed to fulfill the duties of the Committee, the Director may declare a vacancy and recommend a successor be appointed to complete the unexpired term. The recommendation shall be presented to the Board at any regular or special meeting of the Board and shall be an item on the agenda of that meeting.

Stakeholder Committees:

A Director, the Board, or the General Manager may appoint Stakeholder Committees of persons, groups, organizations, members or systems who affect, or can be affected by the District's actions. The purpose of a Stakeholder Committee is to provide a structured and organized process to supplement public input regarding specific or broad issues relating to the District. A stakeholder's committee membership information and the purpose of

the committee must be registered at the District offices. Stakeholder Committees can be of any manageable size and are advisory to the Director, the Board, or the General Manager.

Danny Krienke moved that the Board adopt the recommended modifications to the District Director Policies. Bob Zimmer seconded the motion and it was unanimously approved by the Board.

At 11:50 a.m. the meeting was adjourned and the meeting was reconvened at 12:05 p.m.

Brian Bezner moved to go into Executive Session in compliance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, §551.074, to deliberate the purchase, exchange, lease or value of real property with a third party, and under Texas Government Code §551.071 to obtain legal advice from its attorney regarding the April, 2012 recommendation of the Executive Director of TCEQ. Phil Haaland seconded the motion and it was unanimously approved by the Board.

Executive Session: At 12:07 p.m., the Board went into Executive Session to deliberate the purchase, exchange, lease or value of real property with a third party, and to obtain legal advice from its attorney regarding the regarding the April, 2012 recommendation of the Executive Director of TCEQ. At 12:44 p.m., Director Harold Grall moved that the Board reconvene into regular session. Brian Bezner seconded the motion and it was unanimously approved by the Board.

At 1:45 p.m. the Board reconvened into regular session.

Wesley Spurlock moved to authorize the Property Committee to continue with its project. Phil Haaland seconded the motion and it was unanimously approved by the Board.

District Directors reported to the Board regarding meetings and/or seminars attended, weather conditions, and economic development in each Director's precinct.

Steve Walthour presented the General Manager's Report, including information concerning upcoming meetings and conferences; the General Manager's activity summary; and the District activity summary.

By consensus, the Board set its next regular Board meeting for August 7, 2012 at 9:00 a.m. in the District office.

Phil Haaland moved to adjourn the meeting. Wesley Spurlock seconded the motion and it was unanimously approved by the Board. President Born declared the meeting adjourned at 1:05 p.m.

Gene Born, President

Bob B. Zimmer, Secretary

CERTIFIED AGENDA OF
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT
BOARD OF DIRECTORS' EXECUTIVE SESSION

Under penalty of perjury, the undersigned presiding officer certifies the following facts are true and correct and the following topics, and none other, were deliberated, discussed or reviewed in an Executive Session of the North Plains Groundwater Conservation District Directors which was convened on June 19, 2012:

Persons Present:

Gene Born, President
Bob Zimmer, Secretary
Brian Bezner, Director
Danny Krienke, Director
Phil Haaland, Director
Wesley Spurlock, Director
Harold Grall, Director
Steven D. Walthour, General Manager of the District
Kirk Welch, Assistant General Manager of the District
F. Keith Good, Attorney
Claire Y. Walsh, Attorney
Ellen Orr, Paralegal

Beginning Time: 12:07 p.m.

Ending Time: 12: 44 p.m.

Topics Deliberated and Applicable Exception to the Texas Open Meetings Act:

1. Deliberation by the Board regarding the purchase, exchange, lease, or value of real property, because deliberation in an open meeting would have a detrimental effect on the position of the District in negotiations with a third person.

   Exempt from the Open Meetings Act pursuant to Texas Government Code Section 551.074.

Gene Born, Presiding Officer