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 December 18, 2012:

Persons Present:

Gene Born, President;
Bob Zimmer, Secretary;
Brian Bezner, Vice-President;
Danny Krienke, Director;
Phil Haaland, Director;
Wesley Spurlock, Director;
Harold Grall, Director;
Steve Walthour, General Manager – departing the Executive Session at 11:46 a.m.;
Kirk Welch; Assistant General Manager- departing the Executive Session at 11:46 a.m.;
F. Keith Good, Attorney; and,
Ellen Orr, Paralegal.

Beginning Time: 11:21 a.m.

11:21 a.m. through 11:45 a.m. consultation with attorney to seek legal advice regarding compliance matters; and,

11:46 a.m. through 12: 26 p.m. deliberation regarding personnel matters.

Ending Time: 12:26 p.m.

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

1. Seeking legal advice from General Counsel regarding compliance matters;

   Exempt from the Open Meetings Act pursuant to Texas Government Code Section 551.071.

2. Deliberation by the Board regarding personnel matters.

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

Gene Born, President and Presiding Officer

MINUTES OF THE DECEMBER 18, 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 November 18, 2012, at 9:00 a.m. in the Community Room of the First State Bank at 500 East First Street in Dumas, Texas 79029. The following persons were present:

Members Present:

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

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/District Outreach; and,
Kristen Alwan, Executive Assistant.

Others present during part or all of the meeting:

Bob Davis;
Sabrina Leven;
Mark Howard;
Marty Jones, Esq.;
Amy Haschke;
Eric Rodriquez;
Jose Ramos;
Coy Barton;
Doug Latham;
Kirk Fly;
Jason Scheibel;
F. Keith Good, District General Counsel; and,
Ellen Orr, Paralegal.

President Born declared a quorum present and called the meeting to order at 9:09 a.m.

Director Phil Haaland gave the invocation.

President Born asked if there were persons present who desired to make public comment. Bob Davis addressed the Board and requested that the Board consider adopting a Rule which would provide more spacing protection for Class A Wells.

Bob Zimmer moved to approve the Consent Agenda consisting of the approval of the Minutes of the November 14, 2012 Board Meeting; the un-audited District expenses presented to the Board from November 1, 2012 through November 30, 2012, 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 $6,754.64 for November 1, 2012, through November 30, 2012. Wesley Spurlock seconded the motion and it was unanimously approved by the Board.

Steve Walthour addressed the Board regarding the District proposed Management Plan. Mr. Walthour stated that in October, the District proposed to adopt a new management plan that among other things, would update the requirement to address Desired Future Conditions. The District conducted Stakeholders' Meetings for public comment and questions on the proposed Management Plan in Perryton, Texas at 7 pm on November 19th and in Dalhart Texas at 7 pm on November 20th. The District conducted a public hearing concerning the District's intent to adopt a revised Management Plan on November 29, 2012. The purpose of these meetings was to provide interested members of the public the opportunity to appear and provide oral or written comments on the proposed revisions to the Management Plan. Written comments that indicated whether the comments are general and directed at all of the proposed revisions of the Management Plan, or whether they are directed at specific items in the proposed Management Plan were accepted in District offices. Written comments were provided to the Board.

Mr. Walthour stated that Texas Water Code 36.1071 requires that following notice and hearing, the district shall, in coordination with surface water management entities on a regional basis, develop a management plan that addresses the following management goals, as applicable:

(1) providing the most efficient use of groundwater;
(2) controlling and preventing waste of groundwater;
(3) controlling and preventing subsidence;
(4) addressing conjunctive surface water management issues;
(5) addressing natural resource issues;
(6) addressing drought conditions;
(7) addressing conservation, recharge enhancement, rainwater harvesting, precipitation enhancement, or brush control, where appropriate and cost-effective; and
(8) addressing the desired future conditions adopted by the district.

On December 11th, the District forwarded a copy of the proposed management plan to the Canadian River Municipal Water Authority and to the Palo Duro River Authority. The District invited both entities to provide comment regarding the proposed plan.

Mr. Walthour recommended that the Board defer approving the Amended Proposed Management Plan as presented until a subsequent meeting so that the District could submit the Amended Proposed Management Plan to the Texas Water Development Board to ascertain whether the proposed Revised Management Plan was administratively complete before the Board deliberates on whether to adopt the Revised Management Plan.

Danny Krienke moved that the District submit the Amended Proposed Management Plan to the Texas Water Development Board to ascertain whether the Proposed Plan is administratively complete and that the Board re-visit whether to adopt the Amended Proposed Management Plan as presented at a subsequent Board meeting Brian Bezner seconded the motion and it was unanimously approved by the Board.

Mr. Walthour stated that in October, the District proposed to adopt a new District Rule 3.5 E and District Rule 3.5 F. The proposed rules are as follows:

- **Proposed District Rule 3.5E.** Effective January 1, 2013, an Owner may use an Alternative Metering System or a central collection point to report groundwater withdrawals from a Property until the Owner applies for a Permit to construct a Well or amend an existing Well Permit on the Property. At that time, the Owner must install meters at the pump on all Wells on the Property within 150 days after the Permit or amended Permit approval.

- **District Rule 3.5F.** After January 1, 2013, an Owner may use an Alternative Metering System or a central collection point to report groundwater withdrawals from a Property until the owner Pools the Property. Before the Owner can complete the Pooling, the Owner must install meters at the pump on all Wells on the Property to be Pooled.

The District conducted Stakeholders' Meetings for public comment and questions on the proposed rules in Perryton, Texas at 7 p.m. on November 19th and in Dalhart Texas at 7 pm on November 20th. The District conducted a public hearing concerning the District's intent to adopt these proposed rules on November 29, 2012 and a transcript of the hearing was made, which has not yet been received by the District.

Mr. Walthour recommended that the Board defer taking action on the adoption of proposed Rules 3.5E and 3.5 F until the District has received the official transcript from the November 29, 2012 hearing and the Board has an opportunity to review and analyze the transcript.

Brian Bezner moved to table action Agenda item 3B until the January meeting of the Board of Directors. Phil Haaland seconded the motion and it was unanimously approved by the Board.

President Born presented Director, Daniel Krienke a certificate of appreciation for his representation of the District in GMA-1.

At 10:16 a.m. the Board recessed and reconvened at 10:30 a.m.

Keeney, Hembree & Company has completed its auditing services and preparation of the North Plains Groundwater Conservation District Annual Financial Report for the year ended September 30, 2012. Coy Barton representing Keeney, Hembree & Company presented the audit report of the District for the year ended September 30, 2012 to the Board.

Brian Bezner moved that the board approve the North Plains Groundwater Conservation District Annual Financial Report for the year ended September 30, 2012. Harold Grall seconded the motion and it was unanimously approved by the Board.

Phil Haaland moved that the Board approve payment to Keeney, Hembree & Company in the amount of $20,550.00 for auditing services and preparation of the North Plains Groundwater Conservation District Annual Financial Report for the year ended September 30, 2012. Brian Bezner seconded the motion and it was unanimously approved by the Board.

Mr. Walthour reported that Keeney, Hembree & Company has submitted a letter of engagement confirming its understanding of the scope of the audit and non-audit services which the District may desire for the agency to perform for the district during its fiscal year 2013. The letter outlines the following requirements to be fulfilled by the agency:

- Coy Barton will be the partner in charge of all work performed by Keeney, Hembree & Company.

- Keeney, Hembree & Company will report on the audit of basic financial statements.

- Keeney, Hembree & Company will perform additional procedures enabling them to issue a second report in which they will test and report on the district's internal controls over financial reporting and the district's compliance with laws and regulations and other matters as required by *Government Auditing Standards.*

Mr. Walthour stated that the letter additionally outlines the responsibilities of the North Plains Groundwater Conservation District's management in the auditing process for 2013. A copy of the Keeney, Hembree letter was provided to the Board.

Wesley Spurlock moved that the Board approve the letter of engagement for Audit and Non-Audit Services to be performed by Keeney, Hembree & Company for 2012-2013.

A Schedule of Well Permits was presented to the Board for its review. Brian Bezner moved to remove DA-5170 from the Schedule of Well Permits so that it could be considered separately by the Board and to approve all of the remaining Well Permits as active and complete Wells because the Wells are properly equipped and otherwise comply with District Rules:

COUNTY	OWNER	WELL	METER LOCAT ION	CL	MAX	QTR	SEC	BLK	SUR	YARDS N S	YARDS E W
DALLAM	BOER DAIRY	DA-4883	WELL	B	400	SE	2	2	B&B	23S	537E
DALLAM	LOREN BECKER	DA-5023	WELL	C	800	SW	6	2	FDW	306S	289W
DALLAM	L & R BEZNER	DA-5170	WELL	D	1200	SW	80	4	CSS	487S	290W
DALLAM	97 FARMS	DA-5226	WELL	C	800	SE	59	5	CSS	698S	169E
DALLAM	97 FARMS	DA-5255	WELL	C	800	NW	59	5	CSS	491N	778W
DALLAM	97 FARMS	DA-5256	WELL	C	800	NW	59	5	CSS	101N	779W
HARTLEY	SV LAND & CATTLE	HA-3003	SHED	A	100	SW	22	49	H&TC	815S	382W
HARTLEY	A J SIEBERT	HA-3511	PIVOT	D	1200	SW	0	0	J BEATY	102S	38W
HARTLEY	LARSEN FARMS	HA-4090	WELL	C	800	NW	39	12	CSS	429N	431W
HARTLEY	RONALD BYWATER	HA-4292	WELL	C	800	SW	9	2	BS&F	446S	426W
HARTLEY	JONATHAN GRADY	HA-4960	PIVOT	D	1200	NW	139	48	H&TC	896S	330W
HARTLEY	H BAR H FARMS LLP	HA-4963	PIVOT	C	800	NW	252	44	H&TC	433N	273W
HARTLEY	KIRK CARSON	HA-4988	WELL	C	800	NE	85	2	B&B	448N	557E
HARTLEY	CLIFTON RUSSELL	HA-5041	WELL	D	1200	NE	1	1	J POTEVENT	848N	120E
HANSFORD	MIKE MCLAIN	HN-4756	PIVOT	C	800	NW	54	P	H&GN	448N	33W
HANSFORD	BROOKS BECK	HN-4808	WELL	D	1200	NE	28	R	B&B	798N	101E
MOORE	RIO REAL ESTATE	MO-3900	WELL	D	1200	SW	288	44	H&TC	101S	114W
MOORE	G & J BRILLHART INC	MO-4347	WELL	B	400	NE	222	3-T	T&NO	669N	374E
MOORE	ANTELOPE FARMS	MO-4726	PIVOT	C	800	NE	289	44	H&TC	169N	267E
MOORE	OCHILTREE FARMS	MO-4787	WELL	B	400	SE	138	3-T	T&NO	280S	213E
MOORE	WESTERN FARMLAND LLC	MO-5125	WELL	C	800	NW	149	3-T	T&NO	867N	276W
SHERMAN	MCBRYDE FARM LTD	SH-1105	WELL	D	1200	SW	246	1-T	T&NO	704S	34W
SHERMAN	JOHNNY J & LAURI EWERS	SH-4481	WELL	B	400	SE	245	1-T	T&NO	487S	739E
SHERMAN	MARK & DIANE ROARK	SH-4954	WELL	C	800	SW	16	1	PSL	163S	738W
SHERMAN	CLIFT FARMS	SH-4961	WELL	B	400	SE	220	1-C	GH&H	406S	106E
SHERMAN	0408 TXUS OCHILTREE LLC	SH-5017	WELL	C	800	SE	173	1-C	GH&H	242S	701E
SHERMAN	0408 TXUS OCHILTREE LLC	SH-5018	WELL	C	800	SW	173	1-C	GH&H	188S	448W
SHERMAN	FRONTIER FARMS	SH-5040	WELL	D	1200	SE	26	Q	H&GN	167S	453E
SHERMAN	SANGSTER FARM	SH-5108	WELL	C	800	SE	130	1-C	GH&H	108S	103E
SHERMAN	MARGARET DALE TRUST	SH-5172	WELL	D	1200	NE	457	1-T	T&NO	739N	843E

Bob Zimmer seconded the motion and it was unanimously approved by the Board.

Phil Haaland moved to approve Well Permit DA-5170 of L & R Bezner because the Well is properly equipped and otherwise complies with District Rules. Bob Zimmer seconded the motion and it was approved by the majority vote of the Board with Brian Bezner abstaining from the vote.

Mr. Walthour presented a report regarding the District's 200-12 Demonstration program and the High Plains Initiative. Mr. Walthour stated that all of the cooperators have harvested their fields and most of the cooperators have turned in their yield data to the District's conservationist and the District staff. In December, the District mailed checks to cooperators on the project.

By December 31st, the final data for this year's "200-12 Project" will be compiled into the annual report for presentation to the public. The District is scheduled to participate in the Amarillo Farm and Ranch show and will highlight the "200-12 Project." The District will pursue any other appropriate opportunities to present the findings of the Project including, but not limited to, this year's High Plains Irrigation Conference in Amarillo in January 2013. The District will coordinate with the South Plains participants in the Texas

High Plains Initiative in cooperative opportunities to promote the conservation strategies involved in the projects.

Preparation for the 2013 season of the Project will begin in January 2013.

Mr. Walthour also reported that the District has not yet received a proposal from Hydro-Bio for services that the District might like to engage them to perform, but that any subproject with Hydro-Bio would be outside of the scope of funding of the Texas Water Development Board.

The General Manager reported to the Board that the District mailed production reports on December 6th to all producers in the District. Mr. Walthour stated that District staff has been working on getting all of the meters in the correct properties. A few reports were handed out early, but the majority were mailed out on December 6th.

Mr. Walthour addressed the Board regarding his recommendation to join the Texas County and District Retirement System for the District's Employee Retirement Program. Mr. Walthour stated that in November, the Board charged the finance committee to review the District's retirement policy and to determine whether to join the Texas County and District Retirement System for its employee retirement program. The finance committee met with a TCDRS representative on December 13, 2012 to review the potential plan.

The finance committee's recommendation to the Board is as follows:

- Employee deposit rate 7%;
- Initial employer matching rate 120% level;
- Vesting 8 years;
- Rule of 80 retirement eligibility option;
- 30 years retirement at any age;
- Unfunded accrued actuarial liability (UAAL) funded through a twenty year payout; and
- The District elects to pay into TCDRS the full 7% rate.

The Board currently has budgeted 7% matching rate for each full time employee. Though the cost of the projected retirement plan is currently less than budgeted, the committee recommends the board elect to pay the full 7% into the program. By paying the higher elected rate the board can mitigate year to year changes in costs that can and will occur with TCDRS program. The General Manager provided spreadsheets for participating districts, participating employers north of the Canadian River, and the TCDRS Presentation to the Committee. A packet was provided to each Board member at the meeting.

Brian Bezner moved to adopt the finance committee's recommendation set forth above regarding joining the Texas County and District Retirement System for the District's Employee Retirement Program. Phil Haaland seconded the motion and it was unanimously approved by the Board.

The General Manager addressed the Board regarding the District's representation in Austin during the 83rd Legislative Session. Mr. Walthour stated that the District began working with Tom Forbes to represent the District in Austin in 2009. The General Manager believes that Mr. Forbes has provided excellent expertise, advice and contact with our legislators without disrupting District operations and conservation programs.

The General Manager recommended that the Board continue to retain Tom Forbes for representation before the Legislature during the 83rd Legislative Session through the next interim session.

Phil Haaland moved that the Board continue to retain Tom Forbes for representation before the Legislature during the 83rd Legislative Session through the next interim session. Wesley Spurlock seconded the motion and it was unanimously approved by the Board.

Brian Bezner 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 from its attorney regarding pending compliance matters and under Texas Government Code §551.074, for deliberation regarding personnel matters. . Bob Zimmer seconded the motion and it was unanimously approved by the Board.

Executive Session: At 11:21 a.m., the Board went into Executive Session to seek legal advice from its attorney and to deliberate regarding personnel matters. At 12:26 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 12:31 p.m. the Board reconvened into regular session.

Phil Haaland moved to grant a $12,000.00 salary increase for the District's General Manager beginning January 1, 2013. Brian Bezner seconded the motion and it was unanimously approved by the Board.

Brian Bezner moved that each Board member perform an anonymous evaluation of the General Manager to be returned to the office of the District's general counsel for preparation of a report to be provided to the Board; and that District staff perform an anonymous evaluation of the General Manager and of each employee's immediate supervisor to be returned to the office of the District's general counsel for preparation of a report to be provided to the Board. Wesley Spurlock 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 and the General Manager's activity summary.

By consensus, the Board set its next regular Board meeting for January 15, 2012 at 9:00 a.m. in the District office.

Phil Haaland moved to adjourn the meeting. Brian Bezner seconded the motion and it was unanimously approved by the Board. President Born declared the meeting adjourned at 12:46 p.m.

Gene Born, President

Bob Zimmer, Secretary

MINUTES OF THE NOVEMBER 14, 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 November 14, 2012, at 9:30 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:

Gene Born; President
Daniel L. Krienke, Director;
Bob Zimmer, Secretary;
Phil Haaland, Director;
Harold Grall, Director ; and,
Brian Bezner, Vice President.

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/District Outreach; and,
Kristen Alwan, Executive Assistant.

Others present during part or all of the meeting:

Sabrina Leven;
Kimmy Brazell;
C. C. Sysmobath;
Scott Clawson;
Dana Moreland;
John Resnik;
Andy Cover;
Mark Howard;
Brett Howard;
Greg Howard;
Gene Frische;
Cliff A. Skiles;
Myles Frische;
Rob Martin;
Terry Frische;
Amy Haschke;
Andrew McMurry;
Rex Pack;
Jarret Bowers;
Casey Johnson;
F. Keith Good, District General Counsel; and,
Ellen Orr, Paralegal.

President Born declared a quorum present and called the meeting to order at 9:30 a.m.

Harold Grall gave the invocation and President Born led the pledge.

President Born called Show Cause Hearing No. 012-004 In the Matter of Any Cover, doing business as Cover Farms in re: Exceeding 2011 Allowable Annual Groundwater Production as required by District Rule 3.3 on Property Number 584 and Property Number 1385. The Show Cause Hearing was officially recorded by court reporter, Dana

Moreland, of the Amarillo Court Reporting Service. At 9:54 a.m., President Born closed Show Cause Hearing No. 012-004 and the Board reconvened into regular session.

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

Phil Haaland moved to remove the approval of the Minutes of the regular Board Meeting and Certified Agenda from the Executive Session of October 16, 2012 from the Consent Agenda. Bob Zimmer seconded the motion and it was unanimously approved by the Board.

Phil Haaland moved to approve the Minutes of the Property Committee meeting held on October 16, 2012; the approval of payment of professional services and out-of-pocket expenses to Lemon, Shearer, Phillips & Good, P.C. in the amount of $7,231.33 for October 1, 2012, through October 31, 2012; and the un-audited District expenses presented to the Board from October 1, 2012 through October 31, 2012, including the General Manager's Expense and Activity Report. Brian Bezner seconded the motion and it was unanimously approved by the Board.

Harold Grall moved to approve the corrected Minutes of the Board Meeting and the Certified Agenda from the Executive Session held on October 16, 2012 with Brian Bezner's title reflecting Vice President and Bob Zimmer's title reflecting Secretary. Brian Bezner seconded the motion and it was unanimously approved by the Board.

Phil Haaland moved that Andy Cover d/a/a Cover Farms be assessed a civil penalty of $10,669.75 for exceeding the 2011 Allowable Annual Groundwater Production as required by District Rule 3.3 on Property Number 584 and Property Number 1385 and that Cover Farms must install District approved flow meters on all wells on Property Number 584 and Property Number 1385 by January 1, 2013. Harold Grall seconded the motion and it was unanimously approved by the Board.

The Board of Directors canvassed the North Plains Groundwater Conservation District special election held in the Priority Groundwater Management Area in Dallam County, Texas to vote for or against ad valorem taxation in the PGMA as follows:

	Area A	Area B	Area C	Total
Total Number of Early Votes Received	18	0	12	30
Total Number of Election Day Votes	105	1	15	121
Total Votes Cast	123	1	27	151
Number of Votes cast for Ad Valorem Taxation in the PGMA	18	0	7	25
Number of Votes cast against Ad Valorem	105	1	20	126

Taxation in the PGMA				
Total	123	1	27	151

Bob Zimmer moved to adopt the Summary of Returns in Area A, Area B and Area C of the November 6, 2012 special election in the Dallam County Priority Management Area as presented to the Board. Brian Bezner seconded the motion and it was unanimously approved by the Board.

A Schedule of Well Permits was presented to the Board for its review. Danny Krienke moved to approve all of the following permits as active and complete wells, except DA-5024 and HA-4532, because the wells are properly equipped and otherwise comply with District Rules:

COUNTY	OWNER	WELL	METER LOCATION	CL	MAX	QTR	SEC	BLK	SUR	YARDS N S	YARDS E W
DALLAM	BOB PODZEMNY	DA-2924	WELL	C	800	SW	24	7	CSS	612S	376W
DALLAM	H & H FARMS	DA-4311	WELL	B	400	SW	24	6	CSS	122S	811W
DALLAM	SHARON TAYLOR	DA-4463	WELL	C	800	NW	60	5	CSS	618N	869W
DALLAM	B & E MOORE FAMILY LTD	DA-4946	WELL	C	800	NE	1	0	MA WILLIS	124N	704E
DALLAM	FRED AWE	DA-5024	WELL	C	800	SE	28	2	B&B	858S	145E
DALLAM	JODY BEZNER & RONNIE FARRIS	DA-5105	WELL	C	800	SE	3	2	B&B	446S	466E
DALLAM	WILDER FARMS INC	DA-5110	WELL	C	800	SW	27	2	CSS	125S	601W
HARTLEY	RICK VANRYN	HA-4418	WELL	B	400	NW	0	0	JM RAINS	23N	154W
HARTLEY	DON OPPLIGER FARMS	HA-4532	WELL	C	800	NW	19	12	CSS	565N	18W
HARTLEY	EDLIN FAMILY TRUST 2010	HA-4955	WELL	C	800	NW	127	44	H&TC	805N	101W
HARTLEY	H BAR H FARMS LLP	HA-4966	PIVOT	D	800	SW	295	44	H&TC	387S	140W
HARTLEY	JONATHAN GRADY	HA-4968	PIVOT	C	800	NW	140	48	H&TC	413N	465W
HARTLEY	JTJ FARMS	HA-5013	WELL	C	800	NW	51	2	B&B	433N	468E
HARTLEY	DYKE ROGERS	HA-5039	WELL	D	1200	NW	2	2	M BORST	589N	100W
HARTLEY	SHAW ROGERS LATINI THOMPSON & MOORE	HA-5043	WELL	D	1200	SE	4	A-2	PSL	158S	825E
HARTLEY	EAGLE CREEK TEXAS	HA-5083	PIVOT	C	800	SE	65	LE	G&M	848S	902E
HARTLEY	BRETT TATE	HA-5095	WELL	D	1200	NW	12	Q	H&GN	144N	550W
HARTLEY	ROY CLARK & SONS INC	HA-5103	WELL	B	400	NW	125	44	H&TC	325N	124W
HARTLEY	ALAN BUEBER	HA-5116	WELL	B	400	NE	84	2	B&B	117N	748E
HARTLEY	ALAN BUEBER	HA-5126	WELL	D	1200	SE	6	0	F&A	115S	379E
HANSFORD	HITCH LAND & CATTLE CO	HN-4487	WELL	C	800	NW	36	1	WCRR	702N	31W
HANSFORD	CARL M ARCHER ESTATE PARTNERSHIP	HN-4678	WELL	C	800	NE	38	4-T	T&NO	141N	104E
HANSFORD	LONG GRANDCHILDRENS TRUST	HN-4924	WELL	C	800	SW	230	2	GH&H	145S	102W
HANSFORD	CARPENTER & SON INC	HN-5056	WELL	D	1200	SE	1	1	H&GN	119S	117E
HANSFORD	D & M CARPENTER ENTERPRISES LTD	HN-5057	WELL	D	1200	SW	1	1	H&GN	777S	106W
HUTCHINSON	SHACKELFORD FARMS	HU-4117	WELL	D	1200	SW	0	5	WM HEATH	1958S	1518W
HUTCHINSON	ROGER BUCHANAN REAL ESTATE TRUST	HU-4959	WELL	C	800	NE	88	5-T	T&NO	134S	757E

LIPSCOMB	JL & DELENE IRREVOCABLE CHILDRENS TRUST	LI-0261	PIVOT	D	1200	SE	1148	43	H&TC	435S	441E
LIPSCOMB	GARTH & LAVADA LIVING TR	LI-0624	WELL	B	400	NE	795	43	H&TC	263N	519E
LIPSCOMB	CALEB NINE	LI-4642	PIVOT	C	800	NE	96	10	HT&B	445N	432E
LIPSCOMB	PREFERRED BEEF GROUP	LI-4818	PIVOT	B	400	NW	117	10	HT&B	440	440W
MOORE	KLELUND FARMS	MO-4255	WELL	C	800	SE	413	44	H&TC	688S	18E
MOORE	KLELUND FARMS	MO-4256	WELL	C	800	SE	430	44	H&TC	847S	117E
MOORE	DON KIMBRELL	MO-4469	PIVOT	B	400	SE	124	3-T	T&NO	883S	905E
MOORE	CASEY KIMBRELL	MO-4517	WELL	B	400	SW	205	3-T	T&NO	811S	533W
MOORE	FARIA DAIRY	MO-4681	WELL	C	800	SE	23	M-2		121S	405E
MOORE	ANTELOPE FARMS LLC	MO-4885	PIVOT	B	400	NW	289	44	H&TC	306N	888W
MOORE	ANTELOPE FARMS LLC	MO-4914	PIVOT	B	400	SE	289	44	H&TC	130S	372E
MOORE	T THOMPSON JR GRANDCHILDRENS TRUST	MO-4991	PIVOT	B	400	NW	261	44	H&TC	107N	397W
MOORE	CDF DALHART	MO-5042	WELL	D	1200	SE	22	Q	H&GN	721S	110E
MOORE	JERRY THOMPSON	MO-5054	PIVOT	B	400	SW	315	44	H&TC	256S	145W
MOORE	JERRY THOMPSON	MO-5055	PIVOT	B	400	SW	315	44	H&TC	102S	358W
MOORE	TERRELAND CORP	MO-5089	WELL	B	400	NE	154	3-T	T&NO	848N	770E
MOORE	HASTA FARMS	MO-5091	WELL	D	1200	SE	390	44	H&TC	30S	609E
MOORE	MIDNIGHT SUN INC	MO-5099	WELL	C	800	NE	355	44	H&TC	429N	143E
MOORE	MIDNIGHT SUN INC	MO-5106	WELL	C	800	NW	241	3-T	T&NO	176N	507W
MOORE	CACTUS FEEDYARD	MO-5117	WELL	C	800	SE	35	2-T	T&NO	55S	463E
OCHILTREE	WILLIAM HEXT	OC-3749	WELL	D	1200	SW	110	13	T&NO	3S	420W
SHERMAN	0408 TXUS OCHILTREE LLC	SH-3514	WELL	C	800	SE	189	1-C	GH&H	25S	125E
SHERMAN	JON ENGLEBRECHT	SH-3830	WELL	C	800	SW	108	1-T	T&NO	764S	101W
SHERMAN	JAMES SPURLOCK	SH-3836	WELL	D	1200	NW	24	2-B	GH&H	104N	133W
SHERMAN	FRED LOCKER	SH-3923	WELL	C	800	SE	8	1	PSL	528S	354E
SHERMAN	JAMES HARTMAN	SH-3964	WELL	D	1200	SW	6	1-T	T&NO	440S	431W
SHERMAN	FRED LOCKER	SH-4045	WELL	D	1200	SE	3	1-T	T&NO	123S	183E
SHERMAN	JERRY WILLIAMS	SH-4284	WELL	D	1200	NE	47	3-B	GH&H	511N	629E
SHERMAN	CLAUDE HARLAND	SH-4918	WELL	C	800	NW	37	1-C	GH&H	155N	127W
SHERMAN	BRENT SPURLOCK	SH-4953	WELL	A	100	NW	215	1-T	T&NO	183N	453W
SHERMAN	CARL CLUCK	SH-5077	WELL	C	800	NE	69	1-C	GH&H	874N	750E
SHERMAN	FRANK BERRY & SONS INC	SH-5088	WELL	C	800	NE	219	1-C	GH&H	741N	825E

Brian Bezner seconded the motion and it was unanimously approved by the Board.

Steve Walthour reported The North Plains Groundwater Conservation District ("District") will conduct two Stakeholders meetings on November 19, 2012 in Perryton, Texas and on November 20 in Dalhart, Texas regarding the District's intent to adopt a revised Management Plan and Rule 3.53 and 3.5F. The District will also conduct a public hearing concerning the District's intent to adopt a revised Management Plan and Rule 3.5E and 3.5F. The public hearing is to provide interested members of the public the opportunity to appear and provide oral or written comments on the proposed revisions to the Management Plan and the proposed rules. The Management Plan hearing will be held at 7:00 p.m. on November 29, 2012 at the District offices. The proposed rules hearing will be held at 7:30 pm on the same date and place. All written comments must be filed with the District and date-stamped no later than Monday, November 26, 2012 at 5:00 p.m. Central Standard Time. Written comments must indicate whether the comments are general and directed at all of the proposed revisions of the Management Plan, or

whether they are directed at specific items in the proposed Management Plan. If directed at specific items in the proposed Management Plan, the number of the proposed item must be identified and followed by the comments on the specifically identified item of the Management Plan. The meeting of the District's Board of Directors to consider the adoption of the proposed revised Management Plan and the proposed rules will be on December 18, 2012 at 9:30 a.m. Central Standard Time. Mark Howard, Greg Howard, Sabrina Leven, and Andy Cover presented commentary to the Board regarding proposed Rules 3.5E and 3.5F. Bob Zimmer stated that three large farmers in Hansford County had commented to him that they were 100% in favor of proposed Rules 3.5E and 3.5F

The General Manager updated the Board concerning the District's 200-12 Demonstration Program and the High Plains Initiative. Mr. Walthour reported that all of the cooperators have harvested their fields and most of the cooperators have turned in their yield data to the district's conservationist and the district staff.

By December 31st, the final data for this year's "200-12 Project" will be compiled into the annual report for presentation to the public. The District is scheduled to participate in the Amarillo Farm and Ranch show and will highlight the "200-12 Project." The District will pursue any other appropriate opportunities to present the findings of the Project including, but not limited to, this year's High Plains Irrigation Conference in Amarillo in January 2013. The District will coordinate with the South Plains participants in the Texas High Plains Initiative in cooperative opportunities to promote the conservation strategies involved in the projects.

Preparations for the 2013 season of the project will begin in January 2013.

At 10:48 a.m. the Board recessed and at 11:05 a.m. the Board reconvened.

The General Manager reported that on May 11, 2004, the district adopted the current 457 Plan for retirement. This governmental 457 Plan includes all full time employees. According to the District's financial audit, the 457 Plan replaced a defined benefit plan that the District did not make a contribution for 1999, 2000, 2000, 2001 and 2003. However, in 2002 the district contributed $45,000. When the defined benefit plan was discontinued the District canceled out the defined benefit retirement program for all district employees and rolled the remaining finances into the 457 Plan. In recent years the District has raised its contribution amount from 5% to 7% providing the employee will also contribute up to 7%, The General Manager has reviewed the current 457 Plan against what the District provided to employees before 2004, the General Manager's investments rolled into an IRA account with Edward Jones, the General Manager's assets and contributions into the 457 Plan, and the General Manager's retirement through the Texas County and District Retirement System. The General Manager believes that the current plan is an inferior product and provides no guarantee regarding retirement. In the five years that the General Manager has been a part of the plan, the only time the current plan administrator or a representative from the vendor has met with the manager, staff or the board is to renew the contract. Basically, this is not surprising because unless an employee has enough financial position within a 457 Plan, the representative generally doesn't want to spend the time required to get to know the investing or future needs of the employee. So it is left up to the employee to pick from a broad range of mutual funds that are not well described. For the same money the District invests in employee retirement there is a better plan. The General Manager recommended that the Board join with the Texas County and District Retirement System for its employee retirement program.

Created in 1967 by the Texas Legislature, the Texas County & District Retirement System (TCDRS) works with more than 620 county and district employers to provide retirement, disability and survivor benefits to more than 225,000 Texas public employees and retirees. The system receives no funding from the State of Texas. Each plan is funded independently by the county or district and its employees. TCDRS net assets are $17.6 billion as of Dec. 31, 2011 and paid out $797 million in benefits.

Each county and district that participates in TCDRS maintains its own customized plan of benefits. This gives employers the flexibility and local control to select and pay for benefits based on their needs and budget. Employers review their plans annually and have

the option to raise or lower benefits to control costs. Employees save for their own retirement over the length of their careers. TCDRS benefits are based on an employee's total savings balance, which includes interest and employer matching contributions. This structure prevents benefit manipulation—or "benefit spiking"—sometimes found in plans using final average salary benefit formulas. Benefits are funded by each county or district and its employees. Each employer must pay 100% of its required contribution each year. This ensures the necessary money is saved and avoids pushing retirement costs onto future generations of workers or the board.

A nine-member board of trustees appointed by the Texas Governor and confirmed by the Texas Senate governs TCDRS policies and operations. Trustees must be current members or retirees of the system. The board has oversight of all system operations including annual budget, policy determination, legislative proposals and investment policy.

TCDRS net assets are $17.6 billion as of Dec. 31, 2011. Investment earnings fund almost 80% of the benefits paid to retirees. TCDRS' target return for the fund is 8%. Its 30-year return is 9.9% (period ended Dec. 31, 2011). TCDRS is invested in a broadly diversified portfolio, which reduces total exposure to losses from any single asset class or investment.

A percentage of the employee's paycheck is deposited into his or her TCDRS account. That percentage, ranging from 4% to 7%, is set by the employer. The savings grow at an annual, compounded rate of 7%. Once the employee retires, he or she will receive a lifetime benefit that is based on the final account balance and employer matching. The average TCDRS retiree begins retirement at age 61, after 17 years of service and receives an annual benefit of $18,312.

Harold Grall moved that the District move forward with the TCDRS plan and present the proposed plan to the Budget Committee for its review and commentary. Brian Bezner seconded the motion and it was unanimously approved by the Board.

Mr. Walthour reported that the District is planning to have production reports out by December 12th. District staff has been working on getting all of the meters in the correct properties. Poolings for the 2012 reporting season wrapped up in the middle of October. Reports will be sent to the printer the week before Thanksgiving. A few reports have been handed out early, but the majority will be mailed out in December. If a producer wishes to receive their reporting form before December, the producer can contact the District and District personnel will provide them the report early. In October, the District installed a new computer server that will increase the districts capability of tracking permits and production. Later this month, Texas Tech University will install the first in a series of database enhancements for reporting groundwater use and well permitting. The ultimate goal of these upgrades is to assist stakeholders with permitting and production reporting.

The General Manager reported to the Board that the 2013 Legislative session starts in February. However, if there are any items the Board may desire to consider for legislative action now is the time to discuss them. The Texas Water Development Board has released its priorities and exceptional items for the 83rd Legislative Session. The General Manager presented the Board with a copy of the TWDB Priority Report provided to the agency's board. The District's board may wish to provide its priorities. The general manager provides a list of possible priorities as follows:

- The legislature should refrain from amending Texas Water Code regarding groundwater districts. Reason – In the last legislative session the Code underwent several amendments including modifying the DFC process, clarifying the ownership of groundwater, and administrative cleanups in grammar. The State needs a consistent groundwater code that does not change every two years if the state plans to meet its water supply obligations in the future.

- Funding to restore general revenue previously appropriated for regional water planning grants and groundwater availability models (GAMs) but redirected to cover the increased costs for the Data Center Consolidation contract during the 2012–13 biennium. If general revenue is not restored, GAM development and improvement would be delayed. Previous budget reductions have already greatly hindered TWDB's ability to develop and update GAMs; further reductions will continue to impact the quality of the state's modeling tools.

- Acquire reservoir sites designated by the Legislature as unique for construction of a reservoir, thereby supporting implementation of 50-year water supply strategies included in the 2012 State Water Plan and protecting sites that may be needed beyond the 50-year planning horizon.

- Enact statutory provisions that eliminate unreasonable restrictions on the voluntary transfer of surface water from one basin to another.

- Support the development of alternative water supplies such as desalination and reuse.

- Enact statutory provisions that require the Rail Road Commission to provide notice to local groundwater districts of permit applications for disposal wells under their jurisdiction.

- Develop a uniform code for intergovernmental contracting between state agencies and institutions regarding groundwater conservation projects and demonstrations.

- Support the use of flow meters or alternative measuring methods as a conservation measure to accurately measure groundwater production in the state.

Bob Zimmer moved to support the priorities as presented in the General Manager's report to the Board. Brian Bezner seconded the motion and the motion was opposed by all members of the Board. Harold Grall moved to support items 1-8 as presented in the General Manager's report to the Board. Danny Krienke seconded the motion and it was unanimously approved by the Board.

Mr. Walthour stated that he had nothing new to report regarding Action Agenda item j.

Bob 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 from its attorney regarding pending compliance matters. Brian Bezner seconded the motion and it was unanimously approved by the Board.

Executive Session: At 11:53 a.m., the Board went into Executive Session to seek legal advice from its attorney. At 12:05 p.m., Director Bob Zimmer moved that the Board reconvene into regular session. Brian Bezner seconded the motion and it was unanimously approved by the Board.

At 12:06 p.m. the Board reconvened into regular session.

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. Mr. Walthour also reported that the District Christmas party was scheduled for December 15, 2012.

By consensus, the Board set its next regular Board meeting for December 18, 2012 at 9:30 a.m. in the District office.

Phil Haaland moved to adjourn the meeting. Brian Bezner seconded the motion and it was unanimously approved by the Board. President Born declared the meeting adjourned at 12:25 p.m.

Gene Born, President

Bob Zimmer, Secretary