

**HIGH PLAINS UNDERGROUND WATER CONSERVATION DISTRICT NO. 1
BOARD OF DIRECTORS REGULAR MEETING
FEBRUARY 11, 2014**

The Board of Directors of the High Plains Underground Water Conservation District No. 1 (the Board) convened a regular meeting at the High Plains Underground Water Conservation District office, located at 6500 Canyon Drive, Suite 200, Amarillo, Randall County, Texas, with the following members present:

Lynn Tate, President
James Powell, Vice-President
Mike Beauchamp, Secretary-Treasurer
Ronnie Hopper, Member
Brad Heffington, Member

(Attached to these minutes is the *Notice of Meeting of the Governing Body of the High Plains Underground Water Conservation District No. 1* [District] calling said meeting, which was served upon the directors and publicly posted in accordance with applicable law.)

CALL TO ORDER

President Tate called the regular Board of Directors meeting to order at 10:12 a.m. with the above-referenced directors in attendance.

District staff members in attendance were Jason Coleman, general manager; Kody Bessent, Legislative Affairs; Ray Eads, field technician, and Carmon McCain, Information/Education Group Supervisor.

Others signing in for today's meeting were J. Collier Adams Jr.; Charles Allison; Kathy Cornett; J.O. Dawdy; Joy Shadid; Gaylen Stuke; Leland Stuke; and Ben Weinheimer.

President Tate welcomed the Board members, staff, and members of the public to today's meeting.

CONSENT AGENDA

President Tate called on the Board to approve the consent agenda for today's meeting as follows:

- Approval of minutes of the January 14, 2014 regular meeting at Lubbock.
- Adoption of report on the financial status of the District from the General Manager for the month of January 2014.
- Approval of the bills incurred by the District for the month of January 2014 and travel vouchers for the Board members and eligible staff.

Based upon discussion at the earlier work session, a motion was made by Mr. Heffington and seconded by Mr. Hopper to approve the consent agenda for today's meeting. All members voted in the affirmative as expressed by a show of hands. The motion was unanimously approved.

No items were removed from the Consent Agenda.

APPLICATIONS FOR WATER WELL PERMITS

President Tate called on the Board to discuss and take possible action on approval of applications for water well permits received during the month of January 2014 and ratify requests for additional time for completion. In Mr. Peña's absence, Mr. Coleman reported that 173 applications for water well permits in the Ogallala Aquifer were received during the period of Jan. 1-31, 2014. There were 57 well completions in the Ogallala Aquifer, one completion in the Dockum Aquifer, and two completions in the Edwards-Trinity Aquifer.

The following water well completions were received for the Ogallala Aquifer: five for Bailey County; 10 for Castro County; 43 for Cochran County; five for Crosby County; five for Deaf Smith County; six for Floyd County; 18 for Hale County; 28 for Hockley County; 21 for Lamb County; 11 for Lubbock County; nine for Lynn County; eight for Parmer County; and four for Swisher County.

All permit applications comply with the rules of the District. There being no questions or comments on the report, Mr. Heffington moved the Board approve the applications for water well permits for the month of January 2014 as presented. Mr. Beauchamp seconded the motion. All members voted in the affirmative as expressed by a show of hands. The motion was unanimously approved.

AMEND ARTICLE 7 OF THE HPWD BY-LAWS

President Tate called upon the Board to discuss and take possible action to amend Article 7 of the HPWD By-Laws. Article 7 currently states that the fiscal year for the district shall be the calendar year. Based upon discussion at the earlier work session, the HPWD Board believes that changing the fiscal year of the district will be beneficial for several reasons—including better matching of HPWD income/expenditures, easier setting of the annual tax rate, and allowing the annual audit report to be completed in November or December—60 days past the end of the proposed fiscal year. A motion to amend Article 7 of the HPWD By-Laws to read "The fiscal year for the district shall be October 1 to September 30" was made by Mr. Beauchamp and seconded by Mr. Hopper. All members voted in the affirmative as expressed by a show of hands. The motion was unanimously approved. The 2014 audit will be conducted for the period Jan. 1-Oct. 30.

APPROVE HPWD CAPITALIZATION POLICY

President Tate called upon the Board to discuss and take possible action to approve a letter to Davis, Ray, and Co. PC, (HPWD auditors) which outlines the district's current capitalization and depreciation policies as well as the property addition authorization policy. Mr. Coleman explained that beginning Jan. 1, 2013; it has been the district's policy to capitalize fixed assets with costs exceeding \$5,000.00 and with a life expectancy of greater than one year. The district's policy is depreciate these assets in equal installments over the following expected lives. For example, buildings would be 40 years; central heating/air conditioning, plumbing, and electrical work would be 20 years; office furniture, appliances, and carpet would be seven years; and computers/fax machines would be five years. Based upon discussion at the earlier work session, Mr. Hopper moved that the Board approve the letter to Davis, Ray, and Co. PC, as presented. Mr. Beauchamp seconded the motion. All members voted in the affirmative as expressed by a show of hands. The motion was unanimously approved.

RETAIN LEGAL COUNSEL FOR LEGISLATIVE MATTERS/RULE REVIEW

President Tate called on the Board to discuss and take possible action to retain legal counsel for legislative matters and rule review. Based upon discussion at the earlier work session, Mr. Heffington made a motion that the district retains Hance Scarborough, LLP to provide legal services and representation and consultation to HPWD for matters before the regular session of the 84th Texas Legislature (Jan. 13-June 1, 2015). Mr. Hopper seconded the motion. All members voted in the affirmative as expressed by a show of hands. The motion was unanimously approved.

Based upon discussion at the earlier work session, Mr. Heffington made a motion that the district retains Gregory M. Ellis, attorney at law, for rules review and other legal services as needed. Mr. Hopper seconded the motion. All members voted in the affirmative as expressed by a show of hands. The motion was unanimously approved.

COUNTY ADVISORY COMMITTEE MEMBERS

President Tate called on the Board to discuss and take possible action on County Advisory Committee members. Mr. Hopper recommended that Gaylen Stukey be appointed to the Hale County Advisory Committee. Mr. Heffington recommended that Bryan Patterson be appointed to the Lamb County Advisory Committee. Mr. Tate recommended that Jason Avent and Ryan Wieck be appointed to the Randall County Advisory Committee. A motion was made by Mr. Hopper to appoint these individuals to the respective County Advisory Committees. Mr. Beauchamp seconded the motion. All members voted in the affirmative as expressed by a show of hands. The motion was unanimously approved.

DISCUSS AND CONSIDER COMMENTS REGARDING PROPOSED RULE AMENDMENTS

President Tate called on the Board to discuss and consider comments regarding proposed rule amendments received during the Feb. 3, 2014 County Advisory Committee meeting at Lubbock. President Tate stated that the current set of proposed rules in the directors' packets is a working draft subject to change. During the earlier work session, the HPWD Board of Directors discussed feedback received at the Feb. 3, 2014 County Advisory Committee meeting. President Tate told those in attendance that the HPWD Board welcomes comments/feedback from all residents of the district regarding the proposed rule revisions. No action was taken on this agenda item.

REPORTS ON STATUS OF DISTRICT PROGRAMS

President Tate called on Mr. Coleman to report on the status of district programs and other items of possible interest.

Mr. Coleman encouraged the Board to read the staff activity reports contained in the Board notebooks.

Mr. Coleman asked Mr. Bessent to report on the Texas Water Conservation Association's Brackish Groundwater Meeting held Feb. 18 in Austin. HB 2578, relating to the development of brackish groundwater and use of brackish water and seawater, was introduced during the 83rd Texas Legislature. However, it died in committee. It is hoped that groups can work together to gain a consensus for a starting point for similar legislation during the upcoming session. The TWCA did not take a position on this.

PUBLIC COMMENT

President Tate invited those present to offer public comment. (*Only persons that completed a registration form indicating their desire to comment were recognized.*) J. Collier Adams Jr., J. O. Dawdy, Gaylen Stukey, Leland Stukey, and Ben Weinheimer offered comments to the Board of Directors. Gaylen Stukey asked for a written response to a list of questions he presented to President Tate regarding water banking. For the record, President Tate noted that no other audience members submitted a completed comment registration form. All persons were given an opportunity to provide comment, if desired, and the agenda item concluded.

CLOSED EXECUTIVE SESSION

President Tate then announced that the High Plains Underground Water Conservation District Board of Directors would begin a closed Executive Session at 11:22 a.m. to discuss personnel matters as authorized by Chapter 551.074 of the Texas Government Code (Open Meetings Act).

President Tate adjourned the closed Executive Session at 11:27 a.m. and reconvened the regular Board of Directors meeting at 11:28 a.m.

ACTION FOLLOWING EXECUTIVE SESSION

President Tate called upon the Board to consider any action needed following the Executive Session. None was needed.

ADDITIONAL DISCUSSION REGARDING PROPOSED RULE AMENDMENTS

Mr. Beauchamp asked the Board to revisit discussion regarding proposed rule amendments relating to the one crop certification and water banking. No action was taken.

ADJOURNMENT

There being no other business, Mr. Beauchamp made a motion to adjourn the meeting. Mr. Heffington seconded the motion. All members voted in the affirmative as expressed by a show of hands. The motion was approved. The meeting adjourned at 1:03 p.m.

Respectfully submitted,

/s/ Mike Beauchamp

Mike Beauchamp, Secretary-Treasurer