

**HIGH PLAINS UNDERGROUND WATER CONSERVATION DISTRICT NO. 1  
BOARD OF DIRECTORS REGULAR MEETING  
JUNE 10, 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 Texas, Randall County, 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 2:40 p.m. with the above-referenced directors in attendance. A quorum was present.

Visitors signing in for today's meeting were Charles Allison, Steve Barrett; Derek Ray with Davis Ray & Co. P.C.; Kathy Cornett and Joy Shadid, McCormick Company; Dr. Jackie Rudd and Dr. Charles Rush, Texas A&M AgriLife Research, Ben Weinheimer and Ross Wilson, Texas Cattle Feeders Association;

District staff members in attendance were Jason Coleman, General Manager; Ray Eads, Field Technician (*Amarillo office*); Adeline Fox, Outreach and Education; and Carmon McCain, Information/Education Group Supervisor. (*Legislative Affairs Director Kody Bessent and Permit Supervisor Juan Peña attended the earlier work session—but did not attend the Board Meeting.*)

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 May 13, 2014 Board of Directors regular meeting at Lubbock.
- Adoption of report on the financial status of the District from the General Manager for the month of May 2014.
- Approval of the bills incurred by the District for the month of May 2014 and travel vouchers for the Board members and eligible staff.

Mr. Beauchamp made a motion to approve the consent agenda. Mr. Heffington seconded the motion. All members voted in the affirmative as expressed by a show of hands. The motion was unanimously approved.

### **ITEMS REMOVED FROM CONSENT AGENDA**

No items were removed from the Consent Agenda. No action was taken.

### **PRESENTATION OF THE ANNUAL AUDIT OF THE DISTRICT'S FINANCIAL RECORDS OF FISCAL YEAR 2013**

President Tate introduced Derek Ray with Davis, Ray and Co., P.C. of Seminole, TX to discuss the annual audit of the district's financial records of fiscal year 2013.

Mr. Ray thanked the HPWD Board of Directors for the opportunity to conduct the audit. This CPA firm conducts the annual audit for three other groundwater conservation districts.

During his discussion of the audit report, Mr. Ray noted the following:

- In his unqualified opinion, there were no exceptions or fraud noted during FY 2013.
- Expenses were \$293,763 less than the \$3,145,323 generated in review.
- There is an unrestricted net position of \$6,869,357. He said this is a very healthy fund balance which is double the expenditure budget for FY 2014.
- Cash and cash equivalents have increased by \$470,000.
- The expenses were roughly \$500,000 less than the previous year.
- There is a positive budget variance on the revenue side of \$369,376 and \$539,578 on the expense side for FY 2013.

In his opinion, HPWD is in a very good financial position with a strong fund balance with ample cash to cover operating expenses.

There being no discussion, Mr. Hopper made a motion to accept the independent auditor's report for the year ended December 31, 2013. Mr. Powell seconded the motion. All members voted in the affirmative as expressed by a show of hands. The motion was unanimously approved.

President Tate expressed the Board's appreciation to Mr. Ray and the CPA firm for their work in conducting the audit of district financial records for FY 2013.

Mr. Ray left the meeting at this time.

### **REQUEST FROM TX A&M AGRILIFE RESEARCH AT AMARILLO FOR FINANCIAL ASSISTANCE IN UPGRADING FROM FURROW IRRIGATION TO SPRINKLER/DRIP IRRIGATION AT TWO RESEARCH PROPERTIES IN POTTER COUNTY TX**

President Tate called on the Board to consider Agenda Item 8 at this time to accommodate the presenters' schedules.

Dr. Jackie Rudd, leader of the hard winter wheat breeding program for the High Plains/Rolling Plains region, and Dr. Charles Rush, director of the plant pathology program, gave a brief overview of Texas A&M AgriLife Extension's request for funding to assist in the conversion from furrow irrigation to sprinkler/drip irrigation at two research properties in Potter County.

The request is as follows:

- New linear-move irrigation system for Texas AgriLife wheat breeding plots at the USDA-ARS Conservation and Production Laboratory at Bushland, TX. The new linear move systems will replace previously furrow irrigation on wheat breeding plots along IH-40, which are highly visible to the public. The total cost of the system is expected to be \$125,000. Funding in hand equals \$75,000 and they are seeking the projected difference of \$50,000.
- Completion of Phase II of the irrigation system upgrade at the James Bush Research Farm at Bushland. In 2012, Texas A&M AgriLife Research invested \$75,000 to convert 10-acres of furrow irrigated cropland to subsurface irrigation for wheat and vegetable production research. They wish to complete Phase II of the project by installed 10-acres of already designed drip irrigation to expand the research plots. They are seeking possible grant funding of \$37,000, which represents 50 percent of the expansion.
- Adding an irrigation nozzle package to an existing 1,200 foot half-circle center pivot on the south section of the USDA-ARS Conservation and Research Production Laboratory at Bushland. The system is 15 years old and they plan to add a Valmont designed variable-rate irrigation nozzle package. The total expected cost is projected to be \$30,000. They are asking for \$15,126 from HPWD and can match this with TX A&M AgriLife funds.

President Tate thanked Dr. Rudd and Dr. Rush for the overview of their request. Dr. Rudd and Dr. Rush left the meeting at this time.

After discussion, it was the decision of the HPWD Board of Directors to reconsider this request at a future Board of Directors meeting.

President Tate returned to the order of the regular 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 May 2014.

Mr. Peña reported the following during the earlier work session:

There was one application from Castro County and five applications from Deaf Smith County received in May 2014 for wells to be completed into the Dockum Aquifer.

There were 78 applications for wells to be completed into the Ogallala Aquifer during May 2014. They include 14 from Castro County; six from Cochran County; five from Deaf Smith County; one from Floyd County; 18 from Hale County; 14 from Hockley County; 11 from Lamb County; three from Lubbock County; one from Lynn County; three from Parmer County; and two from Randall County.

There were a total of 84 water well applications and 106 water well completions during May 2014.

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

There have been 403 wells completed within the district during the period Jan. 1-May 31, 2014. This includes one well in the Dockum Aquifer, three wells in the Edwards-Trinity Aquifer, and 399 wells in the Ogallala Aquifer.

### **REQUEST FOR EXCEPTION TO WATER WELL SPACING REQUIREMENTS**

President Tate called on the Board to consider and take possible action on a request by Roger Kitten of Slaton for an exception to the District's water well spacing requirements from property lines.

Mr. Peña reported the following during the earlier work session:

- Mr. Kitten desires an exception to the district's water well spacing requirements for Permit 9661 to be drilled in the SW ¼, Section 52, Block S of Lubbock County. The well is expected to have a maximum pumping capacity of 70 gallons per minute.
- The well location is 113 measured yards from the nearest well, 125 yards from the second nearest well, and 185 yards from the third nearest well. HPWD rules require a minimum 100 yard distance from the nearest well or proposed well site.
- Mr. Kitten provided the district with a signed, notarized waiver from his brother, James Kitten, who is giving him the right to drill wells as close to his boundary lines as needed.

There being no discussion, Mr. Hopper made a motion to approve Roger Kitten's request for an exception to the District's water well spacing requirements. Mr. Powell seconded the motion. All members voted in the affirmative as expressed by a show of hands. The motion was unanimously approved.

### **2014-2015 TML MULTISTATE IEBP RERATE/RENEWAL**

President Tate called on the Board to discuss and take possible action on the 2014-2015 TML Multistate Intergovernmental Employee Benefits Pool rerate/renewal.

Mr. Coleman reported that TMLIEBP consists of political subdivisions that join together through interlocal agreements to provide health benefits to eligible employees, officials, retirees, and dependents.

The Pool is a non-profit organization and is consistently less expensive than insurance companies with comparable coverage.

Currently, HPWD pays \$683.64 per month per employee for health insurance. Premiums for 2014-2015 will decrease by 20.9 percent to \$540.08 per month per employee. A prescription drug plan is included in the health plan and has \$0.00, no cost generic prescriptions (up to a 34-day supply).

Employee paid family coverage currently is \$992.44 per month per employee. Family coverage will decrease to \$784.04 per month per employee. This covers from 1 to several dependents for the same price.

Mr. Coleman said he is pleased that the district is fortunate to have a reduced rate for plan year 2014-2015.

There being no discussion, Mr. Heffington made a motion to approve the TML Multistate IEBP re-rate and renewal 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.

#### **APPROVAL OF THE 2013 HPWD ANNUAL REPORT**

President Tate called on the Board to consider the 2013 HPWD Annual Report. A copy of the draft report had been provided to the Directors for review in advance of today's meeting. There being no discussion, Mr. Beauchamp made a motion to approve the 2013 HPWD Annual Report as printed. Mr. Powell 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. No new appointments were suggested and no action was taken on this agenda item.

#### **DISCUSSION ON POSSIBLE REVISIONS TO THE HPWD 10-YEAR AMENDED MANAGEMENT PLAN**

President Tate called on the Board to discuss possible revisions to the HPWD 10-Year Amended Management Plan. There was no discussion and no action taken on this agenda item.

#### **DISCUSSION ON POSSIBLE REVISIONS TO THE RULES OF THE HIGH PLAINS UNDERGROUND WATER CONSERVATION DISTRICT NO. 1—INCLUDING WATER USER REPORTING PROVISIONS CURRENTLY IN RULE 5.**

President Tate called on the Board to discuss possible revisions to the Rules of the High Plains Underground Water Conservation District No. 1—including water user reporting provisions currently in Rule 5.

The Board of Directors discussed the possibility of scheduling public hearings during the last week of July 2014 and the first week of August 2014 to allow comments on the revised HPWD 10-Year

Management Plan and Rules of the District. Staff members will check availability of appropriate meeting locations in Levelland and Canyon during that time period.

The Board of Directors also discussed having their August 12 regular meeting at the Bailey County Electric Cooperative Office in Muleshoe.

No action was taken on this agenda item.

### **REPORTS ON STATUS OF DISTRICT PROGRAMS FROM THE MANAGER**

Mr. Coleman asked Ms. Fox to provide an update on the activities of Ms. Ragen Reding, the district's Education/Outreach summer intern. Ms. Fox said Ms. Reding is assisting with the district's social media efforts, producing water conservation commercials for airing online on YouTube, and is attending various meetings to get a feel for water issues. This allows Ms. Fox to focus on other Education/Outreach projects, such as redesign of the HPWD web site and other outreach opportunities.

Mr. Powell commended Ms. Fox on her use of PREZI presentation software during the district's May 20 program to the Lubbock Lions Club. He has had several positive comments about the presentation.

Mr. Coleman reported that the 2014 water level measurement report is completed and printed copies are being mailed out to more than 6,900 subscribers on *The Cross Section* mailing list. The report is available online and Ms. Fox has mentioned it on the district's Twitter feed. Mr. Coleman hopes the information contained in the new report is well received by the public. He noted that there was a considerable cost in printing—but that these data are the most requested by constituents and others. It is important to present these data in a professional manner.

Mr. Heffington congratulated the staff for their efforts in producing the water level measurement report: Jason Coleman and Keith Whitworth for data review; Jed Leibbrandt for GIS work; Adeline Fox for layout and design; and Carmon McCain for printing requirements.

Mr. Coleman also reported that he and Mr. Bessent are meeting with the USDA-Natural Resources Conservationist to discuss incentives for a regional conservation partnership program that would provide incentives to pay producers for a given percentage decrease in acre-inches of water applied during a growing season.

### **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.*) Steve Barrett offered public comment. 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 4:20 p.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 4:30 p.m. and immediately reconvened the regular Board of Directors meeting.

**ACTION FOLLOWING EXECUTIVE SESSION**

President Tate called upon the Board to consider any action needed following the Executive Session. There being none, no action was taken on this agenda item.

**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 4:35 p.m.

Respectfully submitted,

*/S/ Mike Beauchamp*

---

Mike Beauchamp, Secretary-Treasurer