

**MINUTES OF THE MAY 5, 2009
BOARD OF DIRECTORS MEETING OF
NORTH PLAINS GROUNDWATER CONSERVATION DISTRICT**

The Board of Directors of North Plains Groundwater Conservation District met in regular session May 5, 2009 at 9:00 a.m. in the Board Room of the District office at 603 East First, Dumas, Texas. The following persons were present:

Members Present:

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

Staff Present during part or all of the meeting:

Steve Walthour, General Manager;
Dale Hallmark, Assistant Manager/District Hydrologist; and
Rhonda Artho, Education & Public Relations Coordinator.

Others present during part or all of the meeting:

Sabrina Leven;
Marty Jones;
Steve Stevens;
Keith Good, Attorney for the District; and
Ellen Orr, Paralegal.

President Krienke declared a quorum present and called the meeting to order at 9:08 a.m.

At 9:12 a.m. the Board then adjourned into the scheduled Show Cause Hearing for Glen Heiskell for failure to report 2007 Annual Groundwater Production. President Krienke called Show Cause Order No. 008-002 for Hearing. At 9:33 a.m. President Krienke closed the Show Cause Hearing on Show Cause Order No. 08-002.

Bob Zimmer gave the opening prayer and Harold Grall led the pledge.

President Krienke then asked if there were persons present who desired to make Public Comments. No Public Comment was presented to the Board.

Bob Zimmer moved to remove the approval of the Minutes of the Board of Directors Meetings from the Consent Agenda. Wesley Spurlock seconded the motion and it was unanimously approved by the Board. The March 9, 2009 Minutes of the Board of Directors Meeting were discussed by the Board. Wesley Spurlock moved to approve the March 9, 2009 Minutes of the Board of Directors Meeting. Phil Haaland seconded the motion and it was approved by a majority vote with Bob Zimmer opposing the motion. Phil Haaland moved to approve the April 6, 2009 Minutes of the Board of Directors Meeting. Harold Grall seconded the motion and it was unanimously approved by the Board.

Wesley Spurlock moved to approve the remaining items on the Consent Agenda consisting of the approval of District expenditures for April 1 through April 27, 2009; the approval of payment to Lemon, Shearer, Phillips & Good, P. C. in the amount of \$5,473.30 for legal services for the period beginning March 1, 2009 and ending March 31, 2009; the approval of payment of Kemp Smith, P. C. in the amount of \$8,260.05 for legal and professional services; approval of the 2009-2010 Sherman County Budget; and

the approval of a contract with Moore County Tax Assessor/Collector for the period beginning July 1, 2009 and ending June 30, 2010. Phil Haaland seconded the motion and it was unanimously approved by the Board.

The Board discussed Show Cause Order 08-002 issued to Glen Heiskell for failure to report 2007 annual groundwater production to the District. Brian Bezner moved to assess a civil penalty in the amount of \$9,150.00 against Glen Heiskell for failure to report 2007 annual groundwater Production to the District on Section 21, Block 1, BS & F Survey, Dallam County, Texas, plus attorneys fees of \$2,500.00 and costs in the amount of \$305.40; that the attorney for the District make demand upon Mr. Heiskell to pay the civil penalty and costs by June 15, 2009, or the District file Suit in Moore County Texas and seek all relief available to it under its Rules and the Statutes of the State of Texas. Harold Grall seconded the motion and it was unanimously approved by the Board.

Phil Haaland moved to accept the proposed Settlement Agreement between the District and Wilder Farms for failure to report 2007 Annual Production. Wesley Spurlock seconded the motion and it was unanimously approved by the Board.

Wesley Spurlock moved to accept the proposed Settlement Agreement between the District and Dalhart Butane and Equipment Company for drilling a well without a permit. Bob Zimmer seconded the motion and was unanimously approved by the Board.

The Board recessed at 10:34 a.m. and reconvened at 10:43 a.m.

The General Manager of the District gave a report to the Board concerning 2008 Annual Groundwater Production reports from producers that had been received by the District.

Bob Zimmer moved to approve all of the Water Well Permits listed on Exhibit "A" attached hereto and incorporated herein for all purposes, with the exception of Water Stempede Farms' Well Permit SH-2375. Brian Bezner seconded the motion and it was unanimously approved by the Board.

The General Manager updated the Board on the status of the Joint Planning process in Groundwater Management Area #1. Mr. Walthour stated that the Joint Planning Committee of GMA #1 tabled a proposal setting Desired Future Conditions because there was a 390 acre property that was contested between Hemphill County Underground Water Conservation District and Panhandle Groundwater Conservation District which the two districts are attempting to resolve through negotiations.

Harold Grall moved to accept a \$3,500 Blue Water Project Community Action Grant from the Royal Bank of Canada for the purchase of two (2) colorimeters for the District and to amend the District's 2008-2009 Budget accordingly. Phil Haaland seconded the motion and it was unanimously approved by the Board.

The Board discussed the present agriculture lease contract between North Plains Groundwater Conservation District and the Board of Regents, the Texas A & M University System which will expire on September 1, 2009.

The General Manager discussed a preliminary drafted budget for the District for 2009-2010 with the Board.

The Board recessed at 12:08 p.m. for lunch and reconvened at 1:26 p.m. and continued preliminary 2009-2010 budget discussions.

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 for consultation with Keith Good of Lemon, Shearer, Phillips & Good, P. C. concerning attorney-client privileged matters involving the violation of the District's Rules by producers. Brian Bezner seconded the motion and it was unanimously approved by the Board.

Executive Session: At 1:46 p.m. the Board went into Executive Session to consult with Keith Good regarding attorney-client privileged matters. At 2:34 p.m., Director Bob Zimmer moved that the Board reconvene into regular session. Brian Bezner seconded the motion and the motion was unanimously approved by the Board.

Phil Haaland moved to assess a \$500 penalty per Property for any producer who had filed a 2008 Annual Groundwater Production Report with the District between March 9, 2009 and April 13, 2009. Harold Grall moved to amend the motion made Mr. Haaland: to assess a \$500 penalty per Property for any producer who filed a 2008 Annual Groundwater Production Report with the District between March 9, 2009 and April 13, 2009, or to permit the producer to install a District approved flow meter on the well in lieu of the \$500 penalty. Brian Bezner seconded the motion to amend and it was unanimously approved by the Board. Phil Haaland then moved to approve the amended motion. Bob Zimmer seconded the amended motion and it was unanimously approved by the Board.

Wesley Spurlock moved to assess a penalty of \$1,500 per Property for any producer who did not file a 2008 Annual Groundwater Production Report with the District by April 13, 2009, plus \$50 per day commencing on March 3, 2009 until the date the report is filed; and that the Board issue a Show Cause Order for violating producers to appear on July 10, 2009 at 9:00 a.m.; and that the District offer a settlement to the violating producer for a partial payment of \$1,000 per Property plus the installation of a District approved flow meter(s) to measure all groundwater production at all times when water is being produced from any un-metered Well(s) on the Property; and that the proposed settlement be conditioned so that the remaining balance of the assessed penalty be waived upon the violating producer's payment of the settlement amount and the installation of a District approved flow meter within 30 days from the date of the settlement agreement; provided, however, if the producer breaches the terms of the settlement agreement the deferred sum would then be due and payable immediately with 10 percent interest, compounded annually, from the date of the default until paid-in-full. Provided, further, if the settlement is accepted, no appearance at the July 10, 2009 Show Cause hearing is required. Harold Grall seconded the motion and it was unanimously approved by the Board.

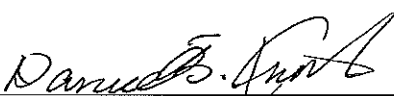
Steve Walthour gave the General Manager's Report including a report on the 2008 Legislative Session; the Dumas Water Festival; and an employee activity summary.

The next regular meeting of the Board of Directors was scheduled for July 20, 2009 at 9:00 a.m.

Each director reported on meetings and/or seminars attended, weather conditions and economic development in each Director's precinct.

President Krienke asked if there was any further business to come before the meeting.

President Krienke declared the meeting adjourned at 4:09 p.m.


Daniel L. Krienke, President


Gene Born, Secretary

