

Southwest Kansas Groundwater Management District No. 3
Minutes of the Regular Meeting of the Board of Directors
April 12, 2018

MEETING CALLED TO ORDER

Vice President Bret Rooney called to order the April 12, 2018 Board of Directors meeting of the Southwest Kansas Groundwater Management District to order at 9:06 a.m. Which was in the Board Room of Southwest Kansas Groundwater Management District NO. 3.

Flag Salute

Directors Present (in person or by phone)

Bret Rooney, Vice President, Haskell County Representative

Mike McNiece, Board Secretary, Industrial Representative

Kent Dunn, Seward County Representative

Douglass Fox, Meade County Representative

Fred Jones, Municipal Representative

Hal Scheuerman, Kearny County Representative

Steve Stone, Finney County Representative

Mike O'Brate, Treasurer, Gray County Representative: by phone

Directors Absent with Notice

Zachary Gale, Hamilton County Representative

Seth Nelson, Stanton County Representative

Kirk Heger, President, Stevens County Representative

Clay Scott, Grant County Representative

Randy Hayzlett, Surface Water Representative

Fred Claassen, Morton County Representative

Dave Casterline, Ford County Representative

District Staff Present

Mark Rude, Executive Director

Jason Norquest, Assistant Manager

Patty Stapleton, Office Administrator

Chris Law, Director, Field Services

Trevor Ahring, Engineer

Brandi Sneath, Office Assistant

Others in Attendance

Mike Meyer, Water Commissioner, Division of Water Resources, Garden City, KS

Dwane Roth, KDF Committee

Randy Richmeier, KFL Committee

Troy Dumler, KFL Committee, Garden City Company

Armando Zarco, Garden City KDA/DWR

Mr. Coutler, Producer

Lexi Kiniston, KDA/DWR

APPROVE AGENDA

Vice President Bret Rooney asked for consideration of the meeting Agenda. Kent Dunn made a motion to approve the agenda as revised. Adding flag salute after call of meeting to order and adding Mike Meyer, Water Commissioner under Presidents Report. Move all business that needs quorum to the beginning. Doug Fox seconded. The motion passed.

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Request to address the Board, Mr. David Batie

Mr. Coulter attended today's meeting to discuss the review of new appropriation 49,863 for David Batie. The Board of Directors reviewed this well spacing waiver back in November and with the recommendation of the Policy and Legal concluded not to recommend well spacing waiver. Mr. Coulter requested to address the board today to show support for Mr. Batie's change.

APPROVAL OF MINUTES & GENERAL MONTHLY FINANCIAL REPORT

Vice President Bret Rooney drew the attention of the Board to consider the **February 7, 2018** draft minutes. Mike McNiece moved to approve the February 7, 2018 minutes, as presented. Hal Scheuerman seconded the motion. The motion passed.

Vice President Rooney drew the attention of the Board to consider the **March 14, 2018** draft minutes. Kent Dunn moved to approve the February 7, 2018 minutes, as presented. Mike McNiece seconded the motion. The motion passed.

Vice President Rooney next drew the attention of the Board to review the **March 2018 financial report** documents. Hal Scheuerman made a motion as follows: Approve the financial reports and payments for the month of December as presented at this meeting and submit them for the annual audit. Fred Jones seconded the motion. The motion passed

Vice President Rooney signed and submitted the financial documents.

A director raised the question what the status is on the next-door property and possible purchase. Mark add that it is still for sale, but not through a realtor.

GMDA Summer Conference, Savannah, Georgia, May 29th- June 1,

Mark Rude asked for travel approval up to possible three staff members and board of directors to attend the GMDA Summer Conference in Savannah, Georgia, May 29th through June 1, 2018. Mark cannot attend this GMDA Summer Conference due to a family conflict. Hal Scheuerman moved to approve travel up to three staff and board of directors to attend the 2018 GMDA Summer Conference in Savannah, Georgia. Mike McNiece seconded. Motion passed.

Monthly Western Water Conservation Projects Fund Business

Mark Rude drew the attention of the board to the March financial documents of the Western Water Conservation Projects Fund and activity of the advisory committee. After some discussion of the Board, Hal Scheuerman moved to accept the March financial report and payments as presented and submit them for annual audit. Mike McNiece seconded. Motion passed.

WCA Review, Garden City Company Farms

Jason Norquest presented the proposed WCA for Garden City Company Farms. GCC (Garden City Company) is consenting to the terms and conditions of the proposed WCA and commit to reducing water use through a reduction in the long-term water use average (2006-2015) by a conservation factor of 15%. Their commitment to the WCA is prior to an initiation of a LEMA and recognize that current water use may not be sustainable for the long term and desire to reduce water use below long-term averages.

Group Annual Quantity acre-feet for the three farms is 13,880.
Historical Average Use (2006-2015) acre-feet is 6,287.127
15% Conservation Allocation, 5,344.058 acre-feet
WCA 5-year Total Allocation, 26,720.290 acre-feet

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- Farm 1: 15% reduction from the historical average use the total 5 year allocation is 6,070.417 acre-feet.
- Farm 2: 15% reduction from the historical average use the total 5 year allocation is 10,814.762 acre-feet.
- Farm 3: 15% reduction from the historical average use the total 5 year allocation is 9,835.111 acre-feet.

No well can exceed current base right annual authorized quantity or rate.

GCC has requested an additional 3,143.560 acre-feet allocation if there is documentation of no river flow. The requested flexibility is due to GCC owning shares in the Great Eastern Irrigation Ditch and Kearny County Farmers Irrigation Association (Amazon Irrigation Ditch). Use of all the WCA allocation, plus the additional allocation will still limit the WCA to 29,863.850 acre-feet for this 5-year WCA period.

Can an agreement bind future GMD LEMA proposal?

Mark added that what the proponents want to work out with DWR is certainly "their" deal. It appears to be a very safe WCA and consistent with prior ones (WCAs) and consistent with everything that was put in the GMD3 Draft Management Plan. The notable thing discussed with Policy and Legal Committee was, if there is a contract or a private agreement, which DWR is adamant that WCA is a private agreement, which the board is not signature to then it does not bind the board. Mike Meyer asked "in the draft management plan are you saying you won't consider credits in a LEMA or past conservation based on this private agreement?" Mark responded that it is not written that way and is not the intentions. Mike Meyer stated he thought it read in there since GMD3 is not party to the plan then what is considered in a LEMA is non-binding to GMD3. The overall question was "Since GMD3 Board of Directors is discussing and possibly making a motion does that bind the GMD3 to a private agreement which the board has no signature on?"

Dwayne Roth stressed his concern about due consideration being considered for WCA's and LEMA's. Agreement across the board was conservation is important. However, producers are not taking their own step in the process of conserving water. A procedure across the board needs to come from GMD3.

Vice President Rooney clarified that a LEMA comes down from a GMD and due consideration should be given to the WCA's if a LEMA comes into effect. Who is responsible for making sure due consideration is brought in? Chief Engineer by statue is the one giving due consideration but he is not the one implementing the LEMA. Kent Dunn asked what "due consideration" means if WCA is 10% and a LEMA comes in at 15%, then that is when prior consideration should take effect.

Mike McNiece stated this is great discussion with many topics being brought up; however has nothing to do with Garden City Company. Mike believed with the motion that will be stated today to approve GCC WCA, GMD3 Board is saying we support this 110%. Our signature will not be on this but it is still supported by GMD3 Board by our actions / motion. Mike McNiece moved to approve Garden City Company WCA. Fred Jones seconded. Motion passed.

President's Report, President Kirk Heger
Ogallala Summit Report

Mike O'Brate reported that the Ogallala Summit was really well structured. He spoke to Secretary Jackie McClaskey about holding the Governors Water Conference in Garden City, KS in 2019. Steve Stone attended the Ogallala Summit also, and stated it was very well organized. The way each table was arranged allowed participants from each state to interact with each other. One question received an interesting response and that was "what do you fear most about losing water" and the response was more regulation. Dwayne Roth attended the summit and questions how you implement technology with the producers.

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Mike Meyer brought up the index well that GMD3 was supporting by past Board action. He questioned when that will be complete.

Quorum Lost

Water Commissioner's Report, Mike Meyer

Mike Meyer noted that many of the conversations are focusing around the need for education on what is a LEMA and what is a WCA. We need to get the public educated so there are no assumptions of still "use it or lose it". National averages across the board for technology implementation is around 8 to 12%. A Colorado speaker at the Ogallala Summit suggested regulation is the only way to get technology in the fields.

Armando and Mike spent some time down in Meade County equipping the Claassen wells. A lot of equipment is across the district of monitoring. Kansas is a leader equipping and gathering data, compared to other States.

LEMA Update

Mark Rude noted that a draft "generic" WCA is still a concept, giving producers interested in conserving an outline to follow. Especially from the Survey takers that were interested in conserving but not with a LEMA. Chief Engineer believes the way to implement an 18inch cap can only happen with a LEMA. Steve Stone reminded everyone the Steering committee was supposed to bring GMD3 a plan, GMD3 was not supposed to come up with a plan. Fred Jones added the frustration he hears is the process is in a state of limbo and it would be incumbent on this body to give direction as to what to do in terms of the steering committee to get a product that GMD3 Board can agree on. Mike McNiece asked due to this frustration of a LEMA in our district, should we focus more on WCA's?

Mike Meyer added that GMD1 had a volunteer blanket plan, although, not much response. Due to lack of response, they went to the board and asked for a District wide LEMA with a 15% off recent average use. GMD1 will hold a board meeting next week to discuss.

Mark announced that GMD5 is filing for judicial review. More details announced later.

Committee Reports

Finance

No report given.

Policy and Legal Committee

Mark reviewed the Revised Draft Management Program (April 6, 2018) and referred some areas that need extra reviews. Mark noted some changes that DWR and the Policy and Legal Committee suggested.

Vice President Rooney brought to the table the final item from Policy and Legal. Complaint to Colorado Groundwater Commission due April 12, 2018. In summary, it is a proposal for 30 permits for 7,000 acres of new development with alluvial water, which supplies the Cimarron National Grasslands. The committee met and discussed opposing the approval of this proposal. Mark researched for an attorney that would take the case and found Attorney Berg Hill Greenleaf Ruscitt / Peter Nichols. Mark believes he will be a good representation for the District. The attorney has already tweaked Marks complaint to be more general. Likely, this will go to water court then to supreme water court. Mark will provide an email with the complete and updated letter of complaint when we receives it from the attorney. Mark added that he spoke with the Forrest Service to get a permit for placement of a State Line groundwater gauge for data purposes. KGS said they could it for \$9,000.00. Without quorum, the consensus of the board members present was to proceed.

Old Business

No old business to take off the table.

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New Business

No new business to bring to the table.

Executive Director Report, Mark Rude

NWRA, Federal Affairs Conference, Washington, DC report

Mark noted NWRA, Federal Affairs Conference in Washington Dc was a very good conference and great representation by the district. Jason Norquest, Randy Hayzlett, Mark Rude and Clay Scott attended.

Board Member Report

Fred Jones reminded everyone that Water Conservation Day would be tomorrow, Friday 13th.

Public Forum

No public forum.

ADJOURNMENT

Fred Jones made a motion to adjourn the meeting. Doug Fox seconded.

The meeting adjourned at 12:21 p.m.

Respectfully Submitted,



Mike McNiece

GMD3 Board Secretary