

**Southwest Kansas Groundwater Management District No. 3
Minutes of the Regular Meeting of the Board of Directors
December 5th, 2012**

MEETING CALLED TO ORDER

The December Board of Directors meeting of the Southwest Kansas Groundwater Management District was called to order by Vice President Nathan Kells at 9:00a.m. The meeting was held in the Southwest Kansas Groundwater Management District No. 3 Board Room.

Directors Present

Nathan Kells, Vice President, Haskell County Representative
Kirk Heger, Stevens County Representative
Hal Scheuerman, Kearny County Representative
Steve Stone, Finney County Representative
Dave Brenn, Surface Water Representative
Douglass Fox, Meade County Representative
Mike McNiece, Industrial Representative
Alan Schweitzer, Municipal Representative
Tom Bogner, Ford County Representative
Mike O'Brate, Treasurer, Gray County Representative
Clay Scott, Grant County Representative
Wayne Breeding, Morton County Representative

Directors Absent with Notice

Kent Dunn, President, Seward County Representative
Seth Nelson, Stanton County Representative
Meghan Houtsma, Secretary, Hamilton County Representative

District Staff Present

Mark Rude, Executive Director
Jason Norquest, Assistant Manager
Patty Stapleton, Office Administrator
Chris Law, Resource Technician
Trevor Ahring, EIT / GIS
Brandi Sneath, Office Assistant

Others in Attendance

Mike Meyer, Water Commissioner, Division of Water Resources, Garden City, Ks
David Barfield, Chief Engineer, Division of Water Resources, Topeka, KS
Chris Beightel, Division of Water Resources Program Manager, Topeka, KS
Steve Hines, Producer
Richard Schartz, Producer
Ms. Reed, Cottonwood Trailer Park

APPROVE AGENDA

Vice President Kells asked for consideration of the meeting Agenda. After some discussion, Kirk Heger made a motion to approve the agenda as presented. Clay Scott seconded. The motion was approved with all in favor.

APPROVAL OF MINUTES & MONTHLY FINANCIAL REPORT

Vice President Kells drew the attention of the Board to consider the November 14th, 2012 draft minutes. Steve Stone made a motion to approve the November 14th, 2012 Board Meeting minutes. The motion was seconded by Mike McNiece then approved by all.

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Vice President Kells next drew the attention of the Board to review the November, 2012 financial report documents. Hal Scheuerman made a motion as follows: Approve the financial reports and payments for the month of November, 2012, as presented at this meeting, and to submit them for the annual audit. Wayne Breeding seconded the motion. The motion was approved with all in favor.

Executive Director, Mark Rude brought to the boards attention two additional financial reports. One is for the Kansas Aqueduct Fund and the second is for the Water Right Retirement Fund. After discussion the consensus of the board was to insert a \$25,000,000 budget amount in the Kansas Aqueduct Fund.

Vice President Kells signed and submitted the financial documents.

Executive Director Report, Mark Rude

March 13th, 2013 Annual Meeting,

Mark spoke to the directors regarding the 2013 Annual meeting that will be held on March 13th, in Cimarron, KS. He noted a prior discussion he had with Southwest Irrigators regarding a joint meeting sharing presentations from agency folks and other presenters. SW KS Irrigation Association (SWKIA) would conclude their business meeting in another meeting room. If this joint meeting of presentations would occur, GMD3 may want to consider changing the annual meeting time to begin at 9am. After some discussion Mike O'Brate moved to change the meeting time to 9:00 and proceed with the joint meeting of presenters with SWKIA. Alan Schweitzer seconded. Motion passed with all in favor.

ARCA Meetings sponsoring budget revision to \$500.00

Mark discussed with the directors the ARCA sponsoring budget of \$300.00 that was approved in the November meeting. Due to higher prices at the facility \$300.00 did not cover the refreshments. After some discussion, Hal Scheuerman moved to approve the ARCA sponsoring budget at \$500.00. Alan Schweitzer seconded. Motion passed with all in favor.

Kansas Water Congress Support,

Mark reminded the directors of the past monetary support that GMD3 has provided to the Kansas Water Congress. Steve Stone moved to continue the support of \$5,000 to the Kansas Water Congress. Kirk Heger seconded. Motion passed with all in favor.

Disposal of two field trucks

Discussion occurred once again on the disposal of two field trucks. After some discussion the directors agreed to offer the pickups to employees first then offer out to public for bids. The bids will need to start at or above each vehicles appraised value.

President's Report, Vice President Nathan Kells

Water Commissioner's Report, Commissioner Mike Meyer

Mr. Meyer provided a brief update on work that DWR is conducting; such as Multi Year Flex Account Applications. He also stated they are busy with field work and enforcement of flowmeter issues.

DWR Support of GMD3 activity, Board and Chief Engineer, David Barfield

Introductions were completed by GMD3 Board of Directors and guests.

Vice President Kells advised DWR guests that a presentation was postponed until their presence was obtained. Chris Law provided information regarding the past years flowmeter inspection details.

Southwest Kansas Groundwater Management District No. 3

Minutes of the Regular Meeting of the Board of Directors

December 5th, 2012

2012 Seasonal Flowmeter Program, Chris Law

Chris Law provided a report on the Inspection Program Statistics for 2012. A total of 2,465 inspections were completed. The following outlines the findings for 2012 compared to 2011:

<u>Year</u>	<u>Total Inspections</u>	<u>Pumping</u>	<u>No Seal</u>	<u>Inactive</u>	<u>No Vanes</u>	<u>2nd Seal</u>
2012	2465	1508	262	319	676	1666

<u>Year</u>	<u>Total Inspections</u>	<u>Pumping</u>	<u>No Seal</u>	<u>Inactive</u>	<u>No Vanes</u>	<u>2nd Seal</u>
2011	2449	1456	283	263	915	

A detailed report was handed out for all to review, and can be found in the official minutes.

Much discussion occurred as to ways GMD3 staff may improve formal notification to producers of non-compliant flowmeter issues. Communication between GMD3 and DWR on such issues should be reviewed starting with appropriate letter correspondence within 15 days and shared computer data base program.

Vice President Nathan Kells turned the boards' attention to a handout guideline of discussion with the Chief Engineer. Nathan stressed sincere appreciation to DWR and other State Agencies for continued support of local Groundwater Management efforts.

Executive Director Mark Rude stated the importance of continued collaboration between Chief Engineer Barfield, DWR and GMD3 Board and staff to aid the members of the District. The local level could deliberate more on the waivers of rules and considerations used on the waivers. Mark brought up for discussion a Milton Rogge waiver of well spacing reviewed last month. Jason presented to reminded the directors and updated Chief Engineer Barfield using a PowerPoint. Jason stated that the review was placed on hold as Mr. Rogge expressed a need to communicate with the owner. Communication occurred between Mr. Rogge and DWR in Topeka, KS which led Mr. Rogge to believe DWR staff were ready to proceed with approval of the application against the board recommendation. Further communication occurred with Jason and Mr. Rogge with Mr. Rogge agreeing to continue with the application for waiver of spacing with the recommended reduction in acre feet. After much discussion all agreed that better communication would be helpful for all parties involved in the application process.

Mark provided a summary of past discussion regarding Cottonwood Trailer Park. He explained that much has changed in Ms. Reed's life and she simply cannot afford to drill and establish the new water well, which could cost from \$57,000 to \$60,000. Chief Engineer Barfield stated he thought this would be a good candidate for a waiver of spacing since potential of impairment with other wells is low. After much discussion Mike McNiece moved to recommend approval of moving the authority onto the old well location, recognizing it has been an illegal well location. This recommendation is considered in the public interest and the well should continue to be metered. He also stressed the well must be perfected. This is recommended due to no apparent impairment on other wells. Wayne Breeding seconded. Motion passed with all in favor.

Chief Engineer Barfield stated GMD and DWR should set a policy with concepts. He requested a meeting with Policy and Legal Committee to discuss rules and regulations. Discussion occurred of the ½ mile notification, stressing it is practice not a rule. Mr. Barfield agreed to consider a one mile notification on a trial run.

Those present were in agreement that uniformity of maps would be beneficial. The outcome can appear different with all maps. More research and discussion will occur in the future in preparation for producer meetings in February.

Mr. Barfield handed out a draft penalty matrix that could take place in 2013. It is more aggressive than what is used currently. The following demonstrates the draft more aggressive matrix:

*First violation is a notice of non-compliance

*Second violation is \$1,000.00 penalty and a reduction in pumping the next irrigation season of 2X the overuse.

*Third violation is \$1,000.00 per day of overpumping capped at \$10,000.00 and a year suspension.

*Fourth violation, the State revokes the water right. The water could become available for someone else to appropriate if located in an area not closed to new applications.

Southwest Kansas Groundwater Management District No. 3
Minutes of the Regular Meeting of the Board of Directors
December 5th, 2012

*Record sanction documents with the registrar of deeds

Past violations will be rescinded from the file in the following schedule:

■ 5 years from the date of the notice of non-compliance if there are no violations in the 5 years after the NONC

■ 2nd violation: 10 years from the date of the NONC if there is a violation after NONC in the 5 year period.

■ 15 years from the date of the NONC if there are two violations after the NONC within the ten year period.

A brief discussion was held on 2013 Legislative water bill outlook. Tweaking of the Multi Year Flex Account statute to allow some carry over credit along with a LEMA like provision state wide will be topics of discussion. If after five years of participating in MYFA a producer has any water allotment remaining the statute could allow a producer to re-enroll and carryover one year worth. LEMA conversations could be held in the areas of concern. This raises several issues of concern and both topics will be areas of much discussion in the beginning of the 2013 Legislative Session.

Committee Reports

Policy and Legal

There were no separate announcements at this time.

Old Business

There was no old business for discussion.

New Business

There was no new business for discussion

Western Water Conservation Projects Fund Business

Monthly Western Water Conservation Projects Fund Business

Mark Rude drew the attention of the board to the financial documents of the Western Water Conservation Projects Fund and activity of the advisory committee. After some discussion of the Board, Clay Scott moved to accept the November financial report and payments as presented and submit them for annual audit. Alan Schweitzer seconded. Motion passed with all in favor.

CREP Program in kind and cash support

Mark briefly discussed the breakdown of the in kind and cash support of the CREP Program from the District and the WWCP Fund.

BOARD MEMBER REPORTS

Mr. Tom Bogner announced that he will not be running again for director when his Ford County director position is up in March. He is looking for a good prospect nominee that will contribute well to the district activities and purpose.

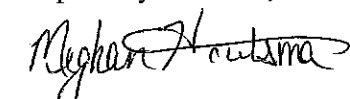
PUBLIC FORUM

No public forum was announced.

ADJOURNMENT

Doug Fox made a motion to adjourn the meeting. Clay Scott seconded. The meeting was adjourned at 12:05 p.m.

Respectfully Submitted,



Meghan Houtsma