

Southwest Kansas Groundwater Management District No. 3
Minutes of the Regular Meeting of the Board of Directors
July 9th, 2014

MEETING CALLED TO ORDER

The July Board of Directors meeting of the Southwest Kansas Groundwater Management District was called to order by President Dunn at 9:00 a.m. The meeting was held in the Board Room of Southwest Kansas Groundwater Management District NO. 3.

Directors Present

Kent Dunn, President, Seward County Representative
Kirk Heger, Vice President, Stevens County Representative
Mike O'Brate, Treasurer, Gray County Representative
Clay Scott, Grant County Representative
Randy Hayzlett, Surface Water Representative
Ross Geubelle, Hamilton County Representative
Steve Stone, Finney County Representative
Alan Schweitzer, Municipal Representative
Seth Nelson, Stanton County Representative
Bret Rooney, Haskell County Representative

Directors Absent with Notice

Douglass Fox, Meade County Representative
Wayne Breeding, Morton County Representative
Mike McNiece, Board Secretary, Industrial Representative
Hal Scheuerman, Kearny County Representative
Jeff Reinert, Ford County Representative

District Staff Present

Mark Rude, Executive Director
Jason Norquest, Assistant Manager
Patty Stapleton, Office Administrator
Trevor Ahring, Engineer
Brandi Sneath, Office Assistant

Others in Attendance

Mike Meyer, Water Commissioner, Division of Water Resources, Garden City, KS
Gary Baker, Water Right Consultant
Jonathan Aguilar, KSU
Marlin Hager, Producer
Mark Callender, producer
Shane Blackwood, producer

APPROVE AGENDA

President Dunn asked for consideration of the meeting Agenda. After some discussion, Randy Hayzlett made a motion to approve the agenda as presented. Alan Schweitzer seconded. The motion was approved with all in favor.

APPROVAL OF MINUTES & MONTHLY FINANCIAL REPORT

President Dunn drew the attention of the Board to consider the June 11th, 2014 draft minutes. Bret Rooney made a motion to approve the June 11th, 2014 Board Meeting minutes. Ross Geubelle seconded the motion. The motion was approved with all in favor.

President Dunn next drew the attention of the Board to review the June, 2014 financial report documents. Mark reviewed the check detail that was handed out and stated Finney County Treasurer should be mailing a check soon for partial payment of this year's assessment. Kirk Heger made a motion as follows: Approve the financial reports and payments for the month of June as presented at this meeting, and submit them for the annual audit. Randy Hayzlett seconded the motion. The motion was approved with all in favor.

President Dunn signed and submitted the financial documents.

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President's Report, President Kent Dunn

Water Commissioner's Report, Commissioner Mike Meyer

Mr. Meyer noted that Associated Ditch asked for release of water end of June, currently half way through the account being exhausted.

Kansas Water Visioning

Mark stated there was good attendance at both Kansas Water Visioning meetings. Donuts were provided to the 50-55 people in attendance for the Kansas Water Visioning meeting that was held in Liberal, Ks. Kent Dunn and Kirk Heger were in attendance to represent GMD3. Approximately 75 people were in attendance for the Garden City, Ks meeting which was held later in the day. A Subway lunch was catered for those in attendance and provided by GMD3. Mark announced that a follow up meeting will be held in early September to likely be a board member roundtable of all five GMD boards.

Policy on Flowmeters

Discussion was held on the procedure for locked meters. DWR has made arrangements with a producer that he can lock his meter; however, the meter should be accessible to all staff of DWR on their time. GMD3 Board of Directors' agree that a locked meter is non-compliant. Policy and Legal Committee will review the policy of locked meters and report back to the Board.

Board Review, File # 30,257: Farmers National

Jason Norquest introduced Mark Callender as representative for Farmers National Company, File No. 30,257. Two wells under file 30,257 are tied together to irrigate three 125 acre circles. The west well is authorized 415 AF and the east well is authorized 207 AF. Farmers National is requesting to split the acre feet equally between the two wells, which would be 311 acre feet for each well under WR 30,257. Both wells produce similar quantities of water and equalizing acre feet would lessen the demand on the west well.

Much discussion occurred and the two mile rule was brought up for review. Bret Rooney moved to table until after the Public Hearing, allowing Trevor Ahring time to run calculations for the two mile rule. Randy Hayzlett seconded. Motion passed with all in favor.

*******10:00 a.m. Public Hearing: 2015 Proposed Budget was called to order *******

President Kent Dunn called the 2015 Proposed Budget Public Hearing to order. He stated the budget hearing is required according to state policy for the organized groundwater areas of the state. Specifically, K.S.A. 82a-1030 provides for water user charges and for an annual land assessment per acre against landowners owning more than 40 contiguous acres. The purpose for the hearing is to allow the public to voice comments on the proposed budget and the assessments to members of the district needed to fund the management program of the District. The hearing had been duly announced in the newspapers of the district as well as presented to the membership at the annual meeting last March. The proposed budget has been altered since the March Annual Meeting in the category of water conservation projects and an increase in the water user fee from 10 cents to 12 cents per acre foot. The land assessment amount is to remain at 5 cents per acre for eligible parcels.

Mike O'Brate, District Treasurer presented the general fund budget and also referenced the three special funds existing. The four funds to be maintained are:

- 1) General Fund, implementing the management program
- 2) Western Water Conservation Projects Fund, Special Account
- 3) Water Right Retirement Fund, Special Account
- 4) Kansas Aqueduct Project Fund, Special Account

At this time the floor was opened to the public for discussion. No public discussion was stated. Hearing was closed at 10:04 a.m.

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Old Business

There was no old business to be brought to the table.

Mike O'Brate asked about the flowmeter test stand equipment and requested a plan for implementing or disposing of the material. Mark Rude advised that he can send out letters to flowmeter repair companies asking for interest. A report will be provided at the August meeting.

New Business

There was no new business to be brought to the table.

Committee Reports

No committee reports to announce.

Board Review, File # 30,257: Farmers National.....Continued

Discussion resumed on File number 30,257, Farmers National. Jason Norquest reviewed the 2 mile rule, the notice and resource summary sent out to neighbors within a mile and the absence of concerned response. Clay Scott stated overpumping concerns in past conversation with prior farm manager and made note that Mr. Callender is the new farm manager. After considerable board discussion, Mike O'Brate moved to recommend waiver of ½ mile move limit noting the following reasons for recommendation:

- 1) The amount to be moved can be considered a reallocation under the same file number, 30,257;
- 2) The water right was perfected with a well operation history consistent with the proposed addition;
- 3) The unique source of supply that can be recharged from Arkansas River flows;
- 4) The overall consumptive use will not change;
- 5) Producer already went to the expense of laying underground pipe to improve use efficiencies.

Alan Schweitzer seconded. Vote was taken. Motion passed with all in favor.

Board Review, File # 28,959: Shane Blackwood

Jason Norquest noted that Shane Blackwood was present for review of a change application, file # 28,959. The application is to reallocate 80 AF and 200 GPM from "the west well to the east well" under this same water right. Total authority on the east well is proposed 449.41 AF. West well is currently at 564 AF and would decrease to 484AF. All wells within one mile are owned by the producer, Shane Blackwood. So, no other notifications were sent out for information and comments.

After board discussion, Bret moved to recommend approval of reallocation of 80AF and 200 GPM from west well to the east well and to include a restriction from future un-stacking of rights as if originally perfected as one well, with the exception of 25 AF for a planned stock water well, based on the lack of other water rights east of the proposal and the reallocation nature of the proposed change. Ross Geubelle seconded. Motion passed with all in favor.

Executive Director Report, Mark Rude

Federal Rule Making

Mark turned the boards' attention to the insert in the board book explaining the Proposed Directive for improved Groundwater Resource Management on or near US Forest Service and National Grasslands. USDA Forest Service is proposing this directive to staff regarding permits affecting federal lands. There are federal program concerns regarding groundwater availability and quality for ecosystem viability and new and existing human uses associated with Forest Service Lands. Local concern relates to affect and influence on local groundwater management programs in the area of the Cimarron National Grasslands. Dave Brenn will remain engaged in this mission and Mark Rude will report back to the board on developments.

Kansas Aqueduct Project Update

A hand out was presented to those in attendance outlining legal issues that may be associated with the project. Mark noted he didn't see a need for an Executive Session, just wanted to touch base regarding the Kansas Aqueduct Project. Mark reported that legal counsel sees no issues of liability coming back on GMD3 Board. Recommendations include working through the coalition for developing information and support, and establish an

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“A Team” set of advisors. An update on the joint study with the Water Office and US Army Corps of Engineers process will be discussed at an advisory committee meeting in White Cloud on August 20th, 2014.

NWRA Conference

Mark Rude brought to the boards’ attention a request for attending the NWRA Conference in Flagstaff, AZ. The conference will be held July 26th-28th, 2014.

Alan Schweitzer moved to approve out of state travel for Mark Rude to attend the NWRA Conference in Flagstaff, AZ. Randy Hayzlett seconded. Motion passed with all in favor.

Kansas Water Congress

Kansas Water Congress will also hold its summer meeting that same week, July 31st and August 1st in Manhattan, Ks. GMD3 has reserved 6 rooms for staff and board to attend. If interested in attending each director should notify Brandi for registration and room reservations.

County Fair Displays

Many County Fairs will be occurring in the GMD3 area over the next month. Does GMD3 want to have an informational poster on display? After some discussion the consensus of the board was to proceed with possible county fair poster displays as available.

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, Kirk Heger moved to accept the June financial report and payments as presented and submit them for annual audit. Mike O’Brate seconded. Motion passed with all in favor.

Projects Report:

Mark provided an update on all projects taking place.

- Amazon Ditch Flume Reconstruction: approval to proceed from Kansas Water Office.
- System Optimization Review: draft report completed.
- SSADS Phase 2: currently at Kansas Water Office for approval.
- West Consultants, Basin Scooping Study: \$35,000 for collection of data in Colorado and downstream. At Kansas Water Office for additional information before approval.
- River Channel pilot project: GMD3 completed an application in 06 and a new project application for a pilot is being considered.

Board Member Report

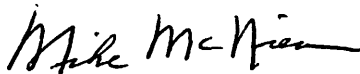
There were no board member reports announced.

Public Forum

Merlin Heger, past long time board member, stated that he was on the board for ten straight years and has been off eleven and Board is still dealing with similar issues.

ADJOURNMENT

Seth Nelson made a motion to adjourn the meeting. Bret Rooney seconded.
The meeting was adjourned at 11:59 p.m.



Respectfully Submitted,
Mike McNiece GMD3 Board Secretary