Southwest Kansas Groundwater Management District No. 3
Minutes of the Regular Meeting of the Board of Directors
November 19th, 2014

MEETING CALLED TO ORDER

The November 19th, 2014 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
Mike McNiece, Board Secretary, Industrial Representative
Clay Scott, Grant County Representative
Randy Hayzlett, Surface Water Representative
Ross Geubelle, Hamilton County Representative
Douglass Fox, Meade 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

Hal Scheuerman, Kearny County Representative
Jeff Reinert, Ford County Representative
Wayne Breeding, Morton 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
Gary Baker,
Jon Aquilar, KSU
B.J. Gray
Justin Shaddix, Producer
Dave Brenn
Greg Graff
Wade Patterson
Jeremy Patterson

APPROVE AGENDA

President Dunn asked for consideration of the meeting Agenda. After some discussion, Randy Hayzlett moved to strike off Executive Session and move Item F. under President's Report to December meeting. Clay Scott 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 September 10th, 2014 draft minutes. Kirk Heger made a motion to approve the September 10th, 2014 Board Meeting minutes. Bret Rooney seconded the motion. The motion was approved with all in favor.

President Dunn next drew the attention of the Board to review the September through October, 2014 financial report documents. Alan Schweitzer made a motion as follows: Approve the financial reports and payments for the months of September and October as presented at this meeting, and to submit them for the annual audit. Kirk Heger seconded the motion. The motion was approved with all in favor.

President Dunn signed and submitted the financial documents.

President's Report, President Kent Dunn

Water Commissioner's Report, Commissioner Mike Meyer

Mike Meyer reported that the redrill and perfection period deadline is December 31st. Reminder letters have been mailed out, if a deadline extension is needed the request needs to be submitted before December 31st.

All producers can now file their water use reports on line or by written report.

Mike reported there were 199 Multi Year Flex Accounts in his DWR area. He noted that one meter tamper was discovered which will be addressed.

Board Review, 12822

Jason Norquest presented a board review for file number 12,822 Premier 4 Farms. He stated that Justin Shaddix was in attendance to answer any questions that may arise with the rule waiver request. Jason explained that the current spacing required by rule is 1600 feet, which is not met. The proposed reallocation is to reduce the west well from 136AF to 76AF and increase the east well annual authority from 272AF to 332AF. The reallocation would require 1900 feet well spacing. The proposed move meets spacing to neighboring wells, however does not meet spacing between applicants own wells. There were no concerns raised from neighboring well owners. Mr. Shaddix explained that west well is poor producing whereas the east well is a better producing well, by combining the wells it would save water and energy.

After discussion occurred, Clay Scott moved to recommend allowing the transfer of up to 2AF per wet acres, implementing the limit with a recommendation of a total limitation of 375AF for the two wells per year. Mike O'Brate seconded. Motion passed with all in favor.

Board Review, 20295

Jason Norquest introduced Wade and Jeremy Patterson, who were in attendance for Board Review of their water right change application under Water Right, file no. 20,295. The Patterson's are proposing to reallocate authority between the two wells under WR 20,295. The distance between the two wells is further than half mile. Under the proposal, the well in section 3 will have the authority changed from 588AF down to 488AF annually. The well in section 4 will have the authority increased from 466AF to 566AF annually. The distance between the two wells under the same water right is over half mile.

After discussion, Alan Schweitzer moved to recommend the use of the "Long Move" criteria of overlapping 2 mile circles with a recommended reduction based on the percent of original circle outside the new circle, with the applicant's choice to withdraw request and consider use of a pipe line option. Bret Rooney seconded. Motion passed with all in favor.

Board Review, 39507

Jason Norquest reviewed the Rocking Heifer water right, file no. 39,507 application seeking a rule waiver. He stated that water right, file no. 39,507 would be converted from irrigation to stock water use and moved to an old well once covered under 31,060. The purpose described for the proposal was to move the stock water right from a well not owned by the applicant to one they do own in fulfilment of the recent purchase of the feed yard. After discussion, Mike O'Brate moved to recommend approval of waiver and move. Clay Scott seconded. Motion passed with all in favor.

Board Review, 11764 & 24904

Jason Norquest turned the board's attention to board review 11764 & 24904, for Gary Harshberger. The applicant would like approval to flip the authorization between the south well under 11764 and the well under 24904. The wells are not near any other non-domestic wells. After discussion, Steve Stone moved to recommend approval of waiver to allow the proposal. Mike McNiece seconded. Motion passed with all in favor.

Committee Reports

Executive

President Dunn announced that Ross Geubelle has provided a letter of resignation from the Board of Directors. Mr. Geubelle stated that he has moved out of the area he was representing in Hamilton County to Kearny County. Discussion amongst the directors occurred and consensus was to differ to the Executive Committee and proceed with their decision accept Mr. Geubelle's resignation and effective last day.

Hamilton County

A letter received from Mr. Steve Hines was provided for the Board of Directors for review. The letter stated interest from land owners and water users in the Arkansas Valley portion of Hamilton County coming into the GMD3 District area. The letter stated that 235 wells and 118,920acres could be added to the GMD3 area based on a map provided by District staff for local discussion purposes. Alan Schweitzer moved to have Hamilton County hold a public information meeting with a sign in sheet demonstrating attendance and interest in becoming part of the GMD3 district. Ross seconded. Motion passed with all in favor.

Finance

Resolution 2014-2, Cash Based Budget

Mark reviewed Resolution 2014-2, Cash Based Budget. Approval for passing the Cash Based Budget Resolution 2014-2 was moved by Randy Hayzlett and seconded by Bret Rooney. Motion passed with all in favor.

Resolution 2014-3, Adopting 2015 Budget

Mark Rude reviewed the 2015 Budget resolution 2014-3 and mentioned that an addition is needed in the wording regarding the Water Transfer Fund. Resolution 2014-3 will be approved in the December meeting.

Policy and Legal

Draft Rule Reform for GMD3

Attention was turned to the Draft Rule Reform for GMD3 that was enclosed in the board book for review. Mark noted the yellow highlighted wording demonstrates new concept. The wordings in red are additions or revisions to the rules and regulations already noted. The consensus of the board was to take to Policy and Legal Committee for further detailed review.

Kansas Aqueduct Coalition Fund/KAP Opportunity Cost Study

Mark Rude reviewed the Kansas Aqueduct Coalition Fund / KAP Opportunity Cost Study with all those in attendance. After reviewing the contract Kirk Heger moved to seek a lawyer for legal advisement before making the contact official with a signature. Mike McNiece seconded. Motion passed with all in attendance.

Legislative Agenda

Mark reviewed the legislative agenda may include tweaks to the concepts reviewed last meeting, including addressing: Legislative expression reserving Missouri River high flow water from state Water Appropriation Act to support further Aqueduct Project study; 82a-708a to add pay-as-needed filing fee for aqueduct appropriations; permanent funding for Stateline groundwater gages; 82a-725 to include administrative rules; 82a-726 to remove investment barriers.

Executive Director Report, Mark Rude

October Kansas Aqueduct Project Committee Tour & Meeting, Ulysses
Kansas Aqueduct Project Study Advisory Committee Tour and Meeting were held in Ulysses on October 29th. The event was well attended and very informative. The next meeting will be held in December to mid-January.

Governor's Water Conference
The Governor's Water Conference was held in November which included the release of the second draft of the 50 year Vision for the Future of Kansas water supply. The Kansas Water Office will be soliciting applications for up to 5 people in each of the 14 goal setting regions to be a local visioning team. These nominations are due on December 10th.

Old Business
Flowmeter Test Stand
There was no report regarding the flowmeter test stand.

New Business
Mark Rude presented a $5,000 invoice for the Kansas Water Congress annual membership. Clay Scott moved to pay the membership due of $5,000 to Kansas Water Congress. Doug Fox seconded. Motion passed with all in favor.

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, Bret Rooney moved to accept the August financial report and payments as presented and submit them for annual audit. Kirk Heger seconded. Motion passed with all in favor.

Board Member Report
An announcement was made that the Ark River Compact meeting will be held in Lamar Colorado on December 16th and 17th. And the December board meeting date change to coincide with the chief engineer availability to meet with the board of GMD3 on the 16th.

Public Forum
There were no public announcements made.

ADJOURNMENT
Mike O'Brate made a motion to adjourn the meeting. Doug Fox seconded. The meeting was adjourned at 12:45 p.m.

Respectfully Submitted,
Mike McNiece

Mike McNiece
GMD3 Board Secretary