

Southwest Kansas Groundwater Management District No. 3
Minutes of the Regular Meeting of the Board of Directors
January 13th, 2016

MEETING CALLED TO ORDER

The January 13th, 2016 Board of Directors meeting of the Southwest Kansas Groundwater Management District was called to order by President Kent Dunn at 9:02 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
Hal Scheuerman, Kearny County Representative
Steve Stone, Finney County Representative
Seth Nelson, Stanton County Representative
Bret Rooney, Haskell County Representative
Fred Claassen, Morton County Representative
Zachary Gale, Hamilton County Representative
Clay Scott, Grant County Representative

Directors Absent with Notice

Randy Hayzlett, Surface Water Representative
Douglass Fox, Meade County Representative
Alan Schweitzer, Municipal Representative
Jeff Reinert, Ford County Representative

District Staff Present

Mark Rude, Executive Director
Jason Norquest, Assistant Manager
Patty Stapleton, Office Administrator
Chris Law, Director of Field Services
Brandi Sneath, Office Assistant

Others in Attendance

Mike Meyer, Water Commissioner, Division of Water Resources, Garden City, KS
Greg Graff, Water Authority Representative
Fred Jones, Garden City, KS
Mandy Fox, Kansas Water Office Liaison
Brian Hyndman, Hyndman Dairy
Roy Yost, Producer WR 11,442
Jerry Gum, Producer WR 23,626

APPROVE AGENDA

President Dunn asked for consideration of the meeting Agenda. After some discussion, Seth Nelson made a motion to approve the agenda as presented. Fred Claassen seconded. The motion was approved with all in favor.

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APPROVAL OF MINUTES & MONTHLY FINANCIAL REPORT

President Dunn drew the attention of the Board to consider December 9th, 2015 draft minutes. A comment was made that Kent Dunn did not conduct the Presidents report as indicated by the minutes. Mark explained the practice to use the agenda heading as adopted and then let the text clarify who conducted the meeting, in this case VP Kirk Heger. Hal Scheuerman moved to approve the December 9th, 2015 minutes as presented. Mike O'Brate seconded the motion. The motion was approved with all in favor.

President Dunn next drew the attention of the Board to review the December 2015 financial report documents. Mark Rude brought to the boards' attention the administration voucher from the District for the Western Water Conservation Fund. The \$19,599.72 voucher was for the annual 3% administration services of actual expenditures from the Fund totaling \$653,324.06. Hal Scheuerman moved to submit the voucher. Clay Scott seconded. Motion passed with all in favor. Mark discussed the audit process with the directors. Clay Scott made a motion as follows: Approve the financial reports and payments for the month of December as presented at this meeting, and to submit them for the annual audit. Mike O'Brate 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

Mr. Meyer reported that annual Water Use Reports have been mailed. Once again electronic filing is available and preferred. Edits have been completed to make it more user friendly than last year. The website address is, www.kswaterusereport.org/. Mike reminded everyone that the meter reading is needed from the first of the year. After the report is complete producer can print off the report along with a confirmation page that it was received.

Mike reported that static water level measurements are completed for 2016. 260 wells were measured by DWR within four counties. Brownie Wilson with Kansas Geological Survey completed the other counties and will review the data and report official numbers at a later date.

The following are some of the results as recorded:

- Gray County dropped approximately 6 feet.
- Haskell County declined approximately 4 feet.
- Grant County declined about 1.4 foot.
- Finney County South of river dropped approximately 3 $\frac{3}{4}$
- Finney County North of river had a little decrease of .85
- Kearny County was reported having 1.8 drop throughout the whole county.

DWR continues to work on proposed rules and regulations and what may be ready to move forward.

He reported that a Water Conservation Area informational postcard has been mailed out informing qualified water right owners of the program.

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Board Review: 11442, Yost, Spacing to Neighboring Wells

Jason Norquest introduced Roy Yost. Board review of water right file no. 11,442 was for a waiver request for spacing to neighboring wells. This was tabled in the November meeting to allow Mr. Yost and the GMD3 staff to gather history for the last ten years and report what the applicant actually had for wet water yields from the existing wells. GMD3 staff was to determine what the additional well calculation does for the producer proposal if that criteria was to be required.

Jason reviewed the main points to consider:

- ✓ Application to move the authority of 11,442 off the west well to a location in section 32.
- ✓ Moving 182AF of annual pumping authority
- ✓ Doesn't meet spacing to WR 25257 (320AF). Needs 1900', but would only have 1510'.
- ✓ A domestic well was found, but currently not in use.
- ✓ No response from neighboring well owners when notified.
- ✓ In 2005 application to stack the authority of 20694 on the east well under 11442 was approved. Board recommended waiver since only wells not meeting spacing were the applicants and total number of wells was reduced from three to two.

This application is to move the authority of 11442 to the location of 20694 prior to 2005 and reestablish a total of three wells. Authorizing this move would allow more versatility for the irrigator with three wells.

After discussion with the directors and Mr. Yost, Kirk Heger moved to recommend approval of waiver of the spacing regulation as it was a spacing problem before the prior move and only to the applicants own wells. Mike O'Brate seconded. Motion passed with all in favor.

Board Review: 23626, Jerry Gum, Additional Well, Distance Moved

Jason Norquest introduced Jerry Gum, whom was in attendance for his additional well request and distance move for file number 23626. The application is to split the authority on 23626 to now authorize 2 wells. Currently 23626 is authorized 960AF, the proposed location will include a reduction of the authorized quantity to 605AF.

- ✓ Stack 202AF on the well currently authorized by 20247
- ✓ 153AF reduction on WR 23626 in accordance with additional well rule, KAR 5-5-16
- ✓ Need 2300feet spacing to both 23626 and 21903 which is not met.

In 2009 applications were submitted to flip the authority between 20247 and 23626. The board recommended a waiver based on the applicant had tried to find the better hole with no luck and overall authority was moving away from the neighboring wells.

Letters to neighboring wells were sent out and one response was received. The correspondence can be seen in the board book. Clay Scott stated his concern with additional rights and new ownership. Jerry Gum stated Water Lawyer, Mike Ramsey worked for a successful win win agreement.

Discussion occurred amongst the directors and Mr. Gum.

Hal Scheuerman moved to recommend waiver of spacing and to split the authority on 23626 to now authorize 2 wells. The authorized quantity would be 605AF. Kirk Heger seconded. Seth Nelson and Clay Scott abstained due to potential conflict of interests. Motion passed.

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Board Review: WCA Plan Comments to Chief Engineer

Recommendations for Term Permits implementing a WCA for Syracuse Dairy LLC

Jason Norquest recognized Mandy Fox, Kansas Water Office Liaison and Brian Hyndman, Hyndman Dairy being in attendance for the review of establishing a WCA for a Syracuse Dairy Facility. Three term permits have been filed: 20159055 & 20159056 are wells currently authorized by WR9096, and permit number 20159057 is a well currently authorized by water right, file no. 8209. Current combined authority is 1216AF, however the proposed action (using a 15% conservation factor) would allow 928AF to use between the three wells for stock and irrigations.

Clay Scott moved to approve the WCA with reductions so the terms of the permits were the same as the accepted plan period of three years. Seth Nelson seconded.

Kirk Heger discussed Policy and Legal WCA process guidelines.

- Amend term permits for three years and WCA for three years. KDHE is a five year permit and producer is currently in the third year. Have the WCA's match up the length of KDA permit remaining.
- Policy and Legal recommend notifications to neighbors. Mike Meyer stated notification went out, no comment has been heard of to date.
- Revisit Term Permits for WCA.
- 15% conservation reduction in authority

Mark Rude stated the DWR letter reads "your water right and use will not be affected". Knowing that DWR are experts their general determination that there will be no impact is bold. The producer should be allowed to be informed of proposed permits and to be heard in a review process, which is not clearly stated in the letter.

Clay Scott moved to amend his motion to read, approve the WCA for Syracuse Dairy with reductions as noted (currently 1216AF with proposed action allowing 928AF) and synch term permits with current KDHE permit length dates. Zachary Gale seconded.

Motion passed with all in favor.

Committee Reports

Policy and Legal, Kirk Heger

Mark Rude presented Resolution: 2016:1. The resolution that any state rules and regulations that would govern the use of groundwater in the District and are not directly necessary to administer basic water use doctrine should be program modifications proposed first, then rules and regulations considered through the process of the GMD Act. Mike McNiece moved to approve Resolution 2016:1 as presented. Kirk Heger seconded. Motion passed with all in favor.

Kirk Heger acknowledged two bills Public-Private Partnership Bill HB2407 and HB2245 which concerns water; relating to the water appropriation act; groundwater; court procedure. Mark added that 6 concepts, three from HB2245, have been handed over to a reviser with replacement of some points and related needs for legislation. It could end as one bill or two. Mark reviewed the six points with the directors and the directors were in agreement in the concepts and awaiting bill wording.

It was reported that Senator Powell proposed HB322 wording to the Senate Ways and Means committee regarding filing fee provision for a major water transfer appropriation.

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Research and Development
No report for Research and Development Committee.

Old Business

There was no old business to bring to the table.

New Business

There was no new business to discuss.

Executive Director Report, Mark Rude

GMD3 Regional Conservation Partnership Program Update

Mr. Rude mentioned that a meeting will be held on Tuesday, January 19th at the experiment station with NRCS staff to discuss implementation of the RCPP with conservation district staff.

Kansas Water Authority Meeting, January 27-28th, Topeka, KS

January 27th-28th will be the Kansas Water Authority meeting in Topeka, KS. Gregg Graff stated they are looking at HB2245 and a sub-committee will review it and Kansas Water Authority will lobby.

GMDA Conference Report

GMDA Conference was held in Sacramento, California the first week of January. Mark Rude was presented a plaque for being president of GMDA for the year. Mike O'Brate added touring the canals and water projects was very interesting and informative, especially the California Delta and proposed double 40' pipeline addition to the state water transportation system. Mike McNiece shared a brochure of the State Water Projects. The deadline to have the local sustainable groundwater management plans approved by the state of California is 2020, otherwise state takes over local management for groundwater sustainability.

Legislative Activity

Mark reminded the directors there are several bills being presented, therefore there is a need to stay in touch. Capitol Strategies, LLC contract is up for review and renewal. Everything under the contract should remain basically the same. Clay Scott would like updates from Sean Miller, GMD3 Legislative Liaison, on a regular basis.

Water Congress Winter Meeting

Kansas Water Congress Winter Meeting will be held on Wednesday February 3rd, 2016 in the Grand Ball Room at the Ramada Convention Center Downtown Topeka. Sign in begins at 8:30 a.m. with meeting running from 9:00 a.m. to 12 noon.

GMD Topeka Retreat Feb 1-4th

President Dunn announced that motel reservations for the Topeka Retreat are due Monday the 18th of February. Let Patty or Jason know plans to attend by Friday.

The general agenda for the retreat meetings was handed out for the directors' review.

Mark Rude brought to the boards' attention that a public notice of the February date change will go out to the papers.

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Kirk Heger moved to Change the date and location of February meeting to 4th of February in Topeka, KS at Ramada Inn, and submit the public notice to the proper newspapers. Clay Scott seconded. Motion passed with all in favor.

SW KS Irrigators Association Annual Meeting

The Annual Meeting of the SW KS Irrigators Association will be held February 9th in Ulysses, KS. at the Civic Center. Sign in begins at 9am with the meeting starting at 9:30a.m. Lunch will be provided. Mark Rude is on the Irrigation Association Board, and coordinating together to have an informative and productive meeting that adds to the GMD3 annual meeting in March. The Water Office will also be in attendance.

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, Brett Rooney moved to accept the December financial report and payments as presented and submit them for annual audit. Seth Nelson seconded. Motion passed with all in favor.

River and Aquifer Projects Fund Activity

Hal Scheuerman shared pictures of the Amazon Flume construction work in progress.

Board Member Report

Zachary Gale questioned, since Missouri is flooding, wouldn't this be the time to market the aqueduct? Mark stated private work is currently happening since the thought to the public usually brings over reaction. GMD3 is looking into producing informational and promotional videos with the help of a summer intern videographer working with Trevor Hands at the Garden City COOP. More information to come on that project.

Kansas Geological Survey contacted Mark this past week regarding an annual Kansas Natural Resource Tour for Legislatures. This year the tour will be the third week of June and held in the Garden City and Southwest Kansas area. Mark will be a speaker and will take the opportunity to educate the legislatures of what we do so well in western Kansas with our water and natural resources.

President Dunn reminded all that were in attendance that the GMD3 Annual Meeting is coming up in March. If a director is up for re-election and plans to not run, a replacement candidate needs to be nominated. The meeting will be held in Cimarron. Kearny, Finney, Gray, Ford and Surface Water representatives are up for re-election.

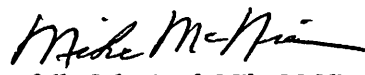
Public Forum

Gregg Graff commented that three GMDs had concern of the 300foot move draft rule, and he did bring that up for discussion at the Kansas Water Authority.

Fred Jones, with the City of Garden City stated City water quantity is good for now. There is more concern for quality of the groundwater, especially east of town.

ADJOURNMENT

Fred Claassen made a motion to adjourn the meeting. Seth Nelson seconded. The meeting was adjourned at 12:14 p.m.


Respectfully Submitted, Mike McNiece
GMD3 Board Secretary