

**Southwest Kansas Groundwater Management District No. 3
Minutes of the Regular Meeting of the Board of Directors
August 10th, 2016**

MEETING CALLED TO ORDER

The August 10th, 2016 Board of Directors meeting of the Southwest Kansas Groundwater Management District was called to order by President Kirk Heger at 9:00 a.m. The meeting was held in the Board Room of Southwest Kansas Groundwater Management District NO. 3.

Directors Present

Kirk Heger, President, Stevens County Representative

Mike O'Brate, Treasurer, Gray County Representative

Mike McNiece, Board Secretary, Industrial Representative

Clay Scott, Grant County Representative

Steve Stone, Finney County Representative

Kent Dunn, Seward County Representative

Zachary Gale, Hamilton County Representative

Seth Nelson, Stanton County Representative

Fred Claassen, Morton County Representative

Hal Scheuerman, Kearny County Representative

Randy Hayzlett, Surface Water Representative

Douglas Fox, Meade County Representative

Alan Schweitzer, Municipal Representative

Directors Absent with Notice

Bret Rooney, Vice President, Haskell County Representative

Jeff Reinert, 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

Scott Olney, Intern

Others in Attendance

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

Armondo Zarco, Garden City KDA/DWR

Jon Aquilar, KSU Research

Kelly Warren, Summer time employee

Orrin Ferril, GMD5 Director

Ken Peterson, GIS Workshop

Greg Graff, KWA Representative for Western GMD's

APPROVE AGENDA

President Heger asked for consideration of the meeting Agenda. After some discussion, Mike O'Brate made a motion to approve the agenda as presented. Mike McNiece seconded. The motion was approved with all in favor.

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APPROVAL OF MINUTES & GENERAL MONTHLY FINANCIAL REPORT

President Heger drew the attention of the Board to consider July 13th, 2016 draft minutes. Steve Stone moved to approve the July 13th, 2016 minutes. Mike McNiece seconded the motion. The motion was approved with all in favor.

President Heger next drew the attention of the Board to review the July, 2016 financial report documents. Hal Scheurman made a motion as follows: Approve the financial reports and payments for the month of June as presented at this meeting, and to submit them for the annual audit. Fred Claassen seconded the motion. The motion was approved with all in favor.

Questions were asked about the Electronic Fund Transfers that were listed on the Balance Sheet, Consensus of the Board was to provide more detail of the transaction(s) in the future.

President Heger signed and submitted the financial documents.

Affirmation of Elected Board

Chris Law administered the Affirmation to all present directors. All Directors of the Board stood up and raised right hand and affirmed.

"I do solemnly affirm, that I will support the constitution of the United States and the constitution of the state of Kansas, and faithfully discharge the duties of the board of directors of the Southwest Kansas Groundwater Management District Number 3. So help me God."

President's Report, President Kirk Heger

Water Commissioner's Report, Mike Meyer

Water Commissioner, Meyer noted his office is working on overpumping list from last year. Pumping appears to be down, stating that overpumping appears to mostly human error, the agency is reviewing and proceeding with the process.

DWR will be out in the field reviewing MYFA's. Reminding everyone if the producer is wanting to roll over MYFA permit(s) they have to file by the end of this year.

Mark presented slides from Water Congress on KWO/KDA presentation on updates, current projects that are ongoing and also possible future issues.

Funding the Water Vision-Blue Ribbon Task Force, August 4th Meeting

Mark Rude showed slides that were presented at the Kansas Water Congress. Along with the slides were maps showing where the possible funding will come from by County, if funding sources are approved. Mark asked those in attendance to take notice how the Southwest Kansas would contribute a healthy sum if the funding goes through.

Mark noted the possible changes to the consumptive use formula which could lead to changes in Rules/Regulations, which might lead to dual use water rights.

Blue Ribbon Task Force slides from Kansas Water Congress along with a quick overview and high points were reviewed. Discussion was held about funds being collected and then swept by the legislature. One of two possibilities could be proposed to avoid the funds being swept: 1) make it a constitutional amendment to not sweep the said funds 2) let GMD's collect as they do and keep funds local. A map was demonstrated showing where the funds would come from on the proposed fee structures.

Clay Scott suggested to keep the fee on active "pumping" water rights, no need to charge water rights that aren't used and haven't been used for years. Clay stressed his concern on charging multiple fees on the same project.

Greg Graff (KWA Representative for the Western GMD's) mentioned that there seemed to be a lack of support for no irrigation fees/tax.

More information will be shared when details have been worked out and finalized.

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Water Congress Conference: Wichita State University

KDA/DWR/Burke Griggs

Mark Rude presented slides that Burke Griggs presented at the Kansas Water Congress Conference which was held at the Wichita State University, Wichita, KS.

Committee Reports

Research and Development

Mobile data app devotement contract (possible action) Orrin Ferril (GMD5) & Ken Peterson (GIS Workshop):

Research and Development met with Orrin Ferril & Ken Peterson. Discussion was held on creating access to a database that would aid in the efficiency of work flow in the field. All five Kansas GMD's will participate and the cost would be structured based on the number of wells / water rights per district. Research and development questioned the cost being spread out over three years. GIS Workshop did agree to spread payments into the year 2018, this will help to spread the cost over 3 budget cycles. GMD3 would have payment due September, 2016 in the amount of \$15,800.39. \$31,600.77 due at Beta Release in January 2017 and the remaining \$15,800.39 due January 2018. A \$20,000 service fee, which cover license updates and ongoing changes, will be due also in 2018. However, that will be divided between all the Kansas GMD's, which equals \$4,000 for each District. NRD's has seen a 44% improvement in field work efficiency. Color codes will allow to plan the day most effectively along with mapping routes to designated wells.

Alan Schweitzer moved to authorize the Executive Director to execute the Professional Services Agreement between GMD3, the other Kansas GMD's and GIS Workshop, Inc., for the Mobile Data Collection Application and GIS Development as presented, contingent the other GMD's are on board supporting their share in the cost. Mike O'Brate seconded. Motion passed with all in favor.

Water Bank Notes

Water Banking was also discussed at the Research and Development meeting with Orrin Ferril. Water Banking promotes water conservation and the use of the groundwater providing increased flexibility for the water users within the banking area. The banking area originated in the Quivira / Rattlesnake Creek area. Central Kansas Water Bank Association is a non-profit organization which is completely separate from GMD5. Orrin stated that the same boundaries are used in Water Banking as the GMD District. The same staff is utilized, however, there are two different Board of Directors. Compensation to GMD staff does occur from Water Bank, when staff is out discussing Water Bank details. GMD5 has 950 savings accounts, 30 or so brand new in the works.

PST map to replace misleading use of saturated thickness

Research and Development also discussed getting an update PST Map. The updated map would replace the misleading use saturated thickness. Updating the PST map would provide a better review of the aquifer and assist in setting management programs up in the area.

Policy and Legal

Agency Joint WCA Letter. Committee memo

Policy and Legal Committee met with Mike Ramsey. Mr. Ramsey spoke with the committee on legal issues leaving the policy issues to the committee.

Observations:

- WCA Law is a blank check to the chief engineer to "give any provisions necessary to effectuate agreed upon water conservations goals consistent with the public interest"
- Law filled with undefined concepts
- Law not clear on what is intended as "Water Conservation"
- Law must include "corrective control provisions" but is not clear if pre-existing controls are "corrective"

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- Law sets a defined area without form or distance standards.
- Draft law may undermine existing water banking law. It allows COOP water banks only in problem supply areas, run by the chief engineer. Members may get out at will to receive better water access.
- Draft law may re-allot water authorized by existing rights without following change law and rules.
- Draft Law provides new rights without due process to others.

Throughout discussion many questions were raised:

- Should WCA be looked at as a change, whether it be permanent or temporary? Consider the area and the effect in that area it could have.
- Would a more defined conservation factor be acceptable or leave it open to variability?
- What is the conservation factor? Is there not one (conservation factor) that has to be in the WCA?
- What about an impairment concern? Shouldn't there be a proof of no effect initially, similar to current change application, seems that the burden of proof goes back on the neighbor not the applicant.

Mike Meyer added that rate and quantity is what the producer(s) propose. The plan is based off the conservation plan not the base water right.

Consensus of the GMD3 Board of Directors was to update the management plan in the near future. It needs to be updated to cover more current issues and consider flexibility that people could benefit from. Currently the management plan mainly covers spacing and distance moves. Mike McNiece added that we need to define and maintain the GMD role. Being upfront with issues will help keep GMD involved.

Executive Director, Mark Rude questioned if an update and addressing the WCA's immediately in the Management Plan should be completed and then update remaining plan later. Doing this would at least cover the board for WCA's. Steve Stone stressed the importance of an updated management plan. The management plan should be updated every year as an ongoing process as issues and data change.

Mike McNiece stated the Policy and Legal needs to have another meeting soon to discuss and update the Management Plan.

Renewable Supplies Committee

The Renewable Supplies Committee needs to have a meeting in the near future.

Old Business

There was no old business to bring from the table.

New Business

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

Executive Director Report, Mark Rude

Willis Water Technology Farm Field Day Report from August 2nd

Willis Water Technology Farm Field Day was held on August 2nd, 2016. It was heavily attended by many producers, media and agency folks.

Roth Water Technology Farm Field Day, August 30th, 9 am to 1 pm.

A locally driven Water Management Strategy meeting is planned on August 30th, 2016 at 9:00 a.m.

Rescheduled Kansas Natural Resources legislative tour, now August 17th and 18th

Water Congress Conference:

Dave Brenn has announced that a change in leadership for the Water Congress needs to be on the agenda in the future.

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KSU Field Day, August 25th, Southwest Research-Extension Center

K.S.U. Field Day will take place at the Southwest Research and Extension Center on August 25th, 2016. Staff will be present for discussions along with displays for viewing.

Summit on Kansas Agricultural Growth, August 30th, Manhattan

Kansas Agriculture Growth Summit will be held in Manhattan, KS on August 30th. This does conflict with the Roth Farm Field Day

Kansas Water Authority, August 31-September 1, Emporia

KDA/GMD Coordination meeting, October 3rd, Manhattan.

Management program documents and legislation needed updated and make consistent agreement documents.

Governor's Water Conference, November 14-15, Manhattan, Sponsorship/ presentation

Mark asked the Board of Directors to be thinking about GMD3 Sponsorship, presentations and booth presence at the Governor's Water Conference, November 14-15th in Manhattan, KS

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, Kent Dunn moved to accept the July financial report and payments as presented and submit them for annual audit. Doug Fox seconded. Motion passed with all in favor.

Mark announced that a van has been reserved for the Project Tour that will be held immediately after lunch today.

Board Member Report

Clay asked what DWR decided on the Breach of the river / pond. Meyer stated not sure, complicated issue all the way around.

Clay stated the management plan needs to be top priority. Should have had it updated in March. To date no updates have been completed. It will take more than just a month or two to complete appropriately. An updated and accurate Management Plan will assist in helping the board make informed and clear decisions. President Heger asked does the Policy and Legal want to source it out or work it on their own. Consensus of the Board was to discuss it further when Policy and Legal Chairman Brett Rooney is present.

Public Forum

Jonathan Aguilar encourages attendance to the field days.

ADJOURNMENT

Fred Claassen made a motion to adjourn the meeting. Seth Nelson seconded.
The meeting was adjourned at 12:24 p.m.

Respectfully Submitted,



Mike McNiece
GMD3 Board Secretary