

**Southwest Kansas Groundwater Management District No. 3
Minutes of the 38th Annual District Meeting
March 13th, 2013**

MEETING CALLED TO ORDER

The 38th Annual Meeting of Southwest Kansas Groundwater Management District No 3 was held on March 13th, 2013. President Dunn called the meeting to order at 9:17 a.m. The meeting was held at Gray County 4H Building, Cimarron, KS.

Directors Present

Kent Dunn, President, Seward County Representative
Nathan Kells, Vice President, Haskell County Representative
Kirk Heger, Stevens County Representative
Dave Brenn, Surface Water Representative
Douglass Fox, Meade County Representative
Mike O'Brate, Treasurer, Gray County Representative
Clay Scott, Grant County Representative
Hal Scheuerman, Kearny County Representative
Steve Stone, Finney County Representative
Alan Schweitzer, Municipal Representative
Seth Nelson, Stanton County Representative

Directors Absent with Notice

Mike McNiece, Industrial Representative
Tom Bogner, Ford County Representative
Wayne Breeding, Morton 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
Brand Sneath, Office Assistant

Others in Attendance

Mike Meyer, Water Commissioner, DWR, Garden City, KS
Brownie Wilson, Manager of Geohydrology Support Service, KGS
Dale Rodman, Secretary of Agriculture,
Tracy Streeter, KWO
Lane Letourneau, Director of Water Appropriation, DWR
Gregg Graff, GMD1 Board President,
Charles Claar, Accountant Lewis, Hooper and Dick
Gary Harshberger, Chairman, Kansas Water Authority (Ford County)
Additional GMD3 Members
SW KS Irrigations Association Members

Welcome & Introductions

President Dunn welcomed all those in attendance. Introductions were completed by Board of Directors and special guests.

APPROVE AGENDA

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

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APPROVAL OF 2012 ANNUAL MINUTES

President Dunn drew the attention of the Board to consider the March 14th, 2012 draft minutes. David Brenn made a motion to approve the March 14th, 2012 Board Meeting minutes. The motion was seconded by Kirk Heger. The motion was approved with all in favor.

Report of District Activities,

Executive Director, Mark Rude

Executive Director, Mark Rude spoke to those in attendance through a power point presentation titled: Supply Declines and Value Growth. He demonstrated how the district of GMD3 reported about half of the water usage over the other four groundwater districts in 2011. Refreshing the members of the state policy for Kansas Groundwater Management District Act is to preserve basic water use doctrine and establish the right of local water users to determine their destiny with respect to the use of groundwater insofar as it does not conflict with the basic laws and policies of the state of Kansas. The five objectives of the GMD Act is to 1) proper management of the groundwater resources of the state; 2) conservation of groundwater resources; 3) prevention of economic deterioration; 4) associated endeavors within the state of Kansas through the stabilization of agriculture and 5) securing for Kansas the benefit of its fertile soils and favorable location with respect to national and world markets. Southwest Kansas GMD3 was organized in 1976 for several purposes. To organize and develop the efforts of the entire groundwater management district for proper management and conservation of groundwater resources. Providing local input into the use and management of groundwater and aiding in the greatest total social and economic benefits from the development, use and management of groundwater. Research and education concerning proper water management is highly supported along with working cooperatively with all federal, state and local units of government to accomplish the objectives of the District and the Groundwater Management District Act and amendments.

Mark discussed the membership service activities that were held in 2012 and rolling over to 2013.

- 1) Cooperative assistance
- 2) Encourage consistent communications for a culture of water conservation.
- 3) Flowmeter assistance: inspections, tests and backup seal.
- 4) Promote the highest value for the water used.
- 5) Recommendations to the legislature regarding water policy.
- 6) Aquifer neighborhood discussions for strategic water conservation.
- 7) Promote good voluntary water right retirement and suspended use program tools.
- 8) Ark River Projects activity for better river management.
- 9) Interstate/intrastate water supply and policy issues.
- 10) Federal grants and cooperative investigations to improve water management understanding and effective member decisions.

Mark spoke about what if scenarios to help the understanding of how reviews and recommendations, flex accounts, cooperative assistance regarding minor rule waivers are worked in the agency and then if needed forwarded to the State.

GMD3 offers flow meter assistance by providing flow tests. In a 5 year span, GMD3 has attempted 618 flow verification tests, with 536 being an acceptable test result. He provided information on the last four years of meter inspections. The results showed that from 2009 to current the percentage of meters not working improved by 3.30%. In general the percentage shows good communications and results of the Meter Inspection Program.

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Finance Report

2012 Audit Report, Lewis, Hooper and Dick

Charles Clair, CPA with Lewis Hooper and Dick stated that Southwest Kansas Groundwater Management received an unqualified audit report. The funds were properly accounted for and audited for 2012. Mr. Clair stated the district did a great job keeping the funds invested. 94.34% of the general funds were invested in interest bearing accounts. The Water Conservation Project Fund was 99.83% vested in interest bearing accounts. In the general fund the total receipts were under expenditures by \$36,412. Mr. Clair mentioned most accounts were secured properly for the exception of Valley State Bank. No securities for those funds resulted in \$191,317 being unsecured. Assessment receipts made up about 94% of the 2012 cash receipts, with reimbursement expenses making up 5% and interest pulling in 1%. General Fund expenditures are primarily spent on administration with professional services at 5.6%, capital outlay and payroll taxes and 4.2% and water management programs 2%. Mr. Clair opened the floor up for discussion. No questions were presented.

2014 Draft General Fund Budget /Member Assessments, Treasurer, Mike O'Brate

No changes in assessments were discussed.

Western Water Conservation Projects Fund, \$15,500.00, Water Right Retirement Fund, \$25,000,000
Kansas Aqueduct Fund, \$25,000,000

Three special fund accounts have been set up for prospective budget accounts. Mark stressed there is about \$6 million in the Western Water Conservation Projects fund that was from some Colorado payment for damages in SW Kansas and no money in any of the other two accounts. They are there if funds are provided from a source.

Election of Directors, President, President Kent Dunn

President Dunn turned the members' attention to election of directors. Mark announced that Ford County representation is unfulfilled by a nomination. The directors will gather prospects, interview and then appoint a person for that position.

Larry Kepley moved to accept the ballot and cast a unanimous ballot. Clay Scott seconded. Motion passed with all members in favor.

Gray County Representative= Mike O'Brate

Finney County Representative=Steve Stone

Kearny County Representative=Hal Scheuerman

Surface Water at Large Representative=Randy Hayzlett

Guest Speakers

Brownie Wilson, KGS

Brownie Wilson from the Kansas Geological Survey discussed the water levels for GMD3. He spoke about the 1400 wells that are measured every January by KGS and DWR. Brownie spoke to the members regarding the three index wells located outside of Scott City, Colby and in Haskell County. These wells are set up with pressure transducers that remit measurements every hour and sends information every two hours. Brownie showed a comparison chart demonstrating the average change by well in all five districts from 1996 to 2013. Finney County had the highest average change by well overall at -3.56. The accumulated water level change from 1996 to 2012 for the Ogallala aquifer at all monitoring wells, regardless of what aquifer, noted decline areas south of Garden City, South of Ulysses, Southwest Wallace County, West of Goodland and east of Colby.

Tracy Streeter, KWO

Tracy Streeter, spoke to members on the interest to conserve and extend groundwater. Governor Brownback is highly motivated to educate people about the Ogallala Aquifer and conservation of the Ogallala. Mr. Streeter announced that RMA is looking to provide a program next year that will aid in the conservation of water by a process to insure limited irrigation crops. Many concerns in Kansas over the drought issue that Kansans have faced in the past years and looking to face in the future. Although good snows have fallen it was short lived. A meeting in Colby Kansas was being held to discuss procedures of drought emergency. He spoke on several bills that were up for hearing. HB2051 is working on the change for MYFA: reading that remaining quantity of water left over from first MYFA term can be rolled to the 2nd MYFA term. And then discussion on selling water to frackers; the balance

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taken will be off the producers' allotment. Another bill up for hearing is HB2121 deals with separation of water wells on a property line. Tracy opened the floor up for questions.

Dale Rodman, Secretary of Ag

Secretary of AG, Dale Rodman thanked everyone for attending the meeting and the opportunity to speak about water and agriculture. He has been Secretary of Ag for 2 years. Noting the biggest industry in Kansas is agriculture. Every business needs to grow to succeed. With growth of agriculture the quantity of water is very important. With the water declining at the current pace, it will be harder to grow the business of agriculture. Mr. Rodman stated that water is a priority and giving local level support and power would be beneficial. Strengthening rules and regulations will help detour overpumping and aid in lessening water use.

PUBLIC FORUM

No public forum was held.

ADJOURNMENT

Alan Schweitzer made a motion to adjourn the meeting. Kirk Heger seconded.
The meeting was adjourned at 12:10 p.m.

Respectfully Submitted,



Randy Hayzlett
Board Secretary