Minutes of the Annual Meeting of the Board of Directors

March 09th, 2022

MEETING CALLED TO ORDER

President Rooney called the 47th Annual Meeting of the Southwest Kansas Groundwater Management District to order at 9:12 a.m. The meeting was at the Gray County Recreation Center, Cimarron, KS.

Pledge of Allegiance and invocation

Directors Present in Person

Bret Rooney, President, Haskell County Representative
Mike O'Brate, Treasurer, Finney County Representative
Fred Jones, Vice President, Municipal Representative
Garrett Love, Secretary, Gray County Representative
Clay Scott, Grant County Representative
Harrison Krey, Morton County Representative
Matt Johnson, Stevens County Representative
Randy Hayzlett, Surface Water Representative
Chad McCormick, Industrial Representative
Dave Casterline, Ford County Representative
Hal Scheuerman, Kearny County Representative
Zachary Gale, Hamilton County Representative

Directors Absent with Notice

Kent Dunn, Seward County Representative Ben Amerin, Meade County Representative Seth Nelson, Stanton 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

SW KS GMD3 Member
Kristen Sekavec, Lewis, Hooper, and Dick
Mike Meyer, Water Commissioner, Division of Water Resources, Garden City, KS
Brownie Wilson, Kansas Geological Survey
Earl Lewis, Chief Engineer, KDA/DWR
Dave Brenn, Kansas Water Congress

APPROVE AGENDA

President Rooney asked for consideration of the Annual Meeting agenda. <u>Clay Scott made a motion to approve the agenda as approved. Hal Scheuerman seconded.</u> The motion passed.

Southwest Kansas Groundwater Management District No. 3 Minutes of the Annual Meeting of the Board of Directors March 09th, 2022

APPROVAL OF MINUTES

President Rooney drew the attention of the Board to consider the March 10, 2021, draft minutes. Randy Hayzlett noted a correction under the State Water Plan Update; the title correction for Connie Owen should be Director of Water Office. <u>As corrected, Clay Scott moved to approve the March 10, 2021, minutes. Hal Scheuerman seconded the motion. Motion passed.</u>

Report of District Activities, Mark Rude, Executive Director

Executive Director Mark Rude reported on GMD3 activities. In a slide presentation, he showed the 2011 Kansas total water diverted by GMDs and outside the GMDs. In 2011 half of Kansas water use was in the GMD3 district. Two sources fund GMDs: land assessments and water authorization. GMD3 has 29,347 total parcels. Twenty-three thousand four hundred sixteen owners live in Kansas, 19,590 live in the district, and 3,826 live outside of the district. Five thousand nine hundred thirty-one live outside of Kansas. Keep in mind that a person could own more than one parcel. Next, mark reviewed the six active areas of the Management Program; 1) Water Rights Policy Assistance, 2) Water Conservation, 3) Models and Research, 4) Water Quality Protection, 5) Ark River Management, and 6)Outreach and Advocacy. Mark showed a pie chart demonstrating the staff time spent in these active areas. Goal #1 was to complete updating the Official Management Program. The Board, Staff, and DWR worked hard to accomplish this task, and it will go to a hearing next month, April 13, 2022, at 10:00 a.m. Goal #2-Draft Critical Well rules in 2022 and seek consensus to adopt. Goal #3-Seek federal legislation to enable a GIVE (Groundwater Incentivized Voluntary Easement) activity. Goal #4- Promote EMAWC (Every Manager A Water Conserver) activity by forming a steering committee for a Master Water Manager pilot project. This program will provide valued tools for project managers to manage their water risks. Goal #5-Develop a concept application to appropriate high-flow source water for GMD3 in 2022 and Proof of Concept projects to demonstrate needed policy. Goal #6- will provide irrigation - climate and resource evaluation (I-CARE) reports in 2022 to each Finney County Irrigator for each well, Goal #7-Update the GMD3 Model with KGS to include a GUI tool. And lastly, Goal #8 -Support KGS mineralization study and evaluation of contaminated Ark River Flows moving from Colorado into Southwest Kansas aquifers.

Financial Reports

2021 Audit Report, Kristin Sekavec, Lewis, Hooper, and Dick, LLC

Kristen Sekavec, with Lewis, Hooper, and Dick, stated that Southwest Kansas Groundwater Management received an unmodified audit report.

General Fund Highlights:

- Total Treasurer's cash \$910,037
- Invested in interest-bearing accounts as of December 31, 2020
 - o General Funds 95.39%
 - Water Conservation Projects Funds 93.25%
- Total receipts under expenditures for 2020-\$38,186.00
- 2021 General Fund expenditures were less than budget authority by \$294,008.00.

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2021 Receipts for General Fund came from the following:

- Assessments 89%
- Reimbursement expenses & miscellaneous 4%
- Intergovernmental 7%
- Interest 0%

2021 Expenditures by Source are as follows:

- Administration 85%
- Water Management Programs 2%
- Professional services 5%
- Payroll taxes and benefits 4%
- Capital Outlay 4%

2023 Draft budget and Assessments for July Hearing, Treasurer Mike O'Brate

Treasurer Mike O'Brate turned the members' attention to page 21 of the board book. The 2023 budget handout was at the sign-in table and will go to a hearing in July. Mike O'Brate advised that the water assessment rate will increase from 14 cents per acre-foot to 16 cents per acre-foot this year and will show up on next year's tax statement.

Election of Directors for Expired three-year terms, President Rooney

Finney County:

Mike O'Brate:

He has served on the Board for 24 years and held the Treasurer position for most of those years. He is a farm irrigator and knows the importance of water. He would like to serve another three years.

Iacob Price

Currently works with American Warrior as in-house counsel. He feels the Board and the Board of directors' mission need to be optimistic. If elected would like to serve a term or two and then allow others to have the opportunity to sit on the Board.

Ford County:

David Casterline

Gray County:

Garrett Love

Kearny County:

Kyle Maddux

Surface Water (at large):

Randy Hayzlett

The Board provided time for members to vote. Jason Norquest and Fred Jones collected the ballots and tallied them up.

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Recognitions

Congressional Staff in attendance

- Martha Ruiz- Mendoza Director of Constituent Services and Community Outreach for Congressman Tracey Mann
- o Hunter Carson, District Representative for Senator Moran's Office.
- Rebecca Swender, Deputy District Director-Western Kansas, with Senator Roger Marshall.

Garret Love noted his appreciation for the work completed by all congressional offices.

Appreciation of outgoing Board Member Service

President Rooney presented Hal Scheuerman with a plaque in grateful appreciation of his committed leadership and dedication to time served on the GMD3 Board of Directors.

Mark introduced the Staff.

Vendor Moment

Outlaw Irrigation

Alex with Outlaw Irrigation in Cimarron, KS, is a Reinke dealer. Work with center pivots, mass water distribution, and the local McCrometer Certified Service Provider.

Announcement of Election Results and Oath of Office

President Bret Rooney congratulated Mike O'Brate as the winner of Finney County Representative. Mike O'Brate received 27 votes, and Jacob Price at 17.

Member Comments on the Revised Management Program, Mark Rude

Mark welcomed the members to provide comments on the Revised Management Program. Per statute, written testimony of intent must be filed in duplicate with the Board five days before the hearing. Again, the hearing date is Wednesday, April 13, 2022, at 10:00 a.m. at the Southwest Kansas GMD3 Board Room.

Vendor Moments

Crop Quest

Shannon Evans, Jerad Stegman, and Craig Koehn were present. Crop Quest offers assistance in water scheduling and compiling data layers for section control and variable rate. They also have a program that will funnel final information on water details to the state.

<u>Groundwater Supply and Climate, Brownie Wilson, Kansas Geological Survey Brownie Wilson,</u>

Brownie Wilson, with the Kansas Geological Survey, spoke to the members about the groundwater supply and climate. DWR and KGS complete the cooperative water level program every year in January. They measured approximately 1,400 wells in Kansas and 438 in SW KS GMD3. The average 2021 to 2022 (provisional) water level change was a negative 2.14 feet. A map released on March 3, 2022, showed most GMD3 in severe to extreme drought. KGS is currently updating the model for GMD3.

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Vendor Moment

Dragon-Line

Monty Teeter started working with drip irrigation ten years ago. Currently have connections to 35 states and 20 foreign countries.

HB 2686 & other Topics: Earl Lewis, Chief Engineer, KDA

Chief Engineer Earl Lewis thanked the directors for their hard work the past year and gave recognition to Hal Scheuerman for his time on the Board of GMD3 and his work with the ditches. Mike Meyer with DWR was also recognized. The legislature has been very active this year. Historically there has not been much focus on water in the legislature. Regarding HB2686, DWR advised the committee as they put together the bill but pushed nothing. The final bill was 283 pages. A couple of years ago, Chairman Highland, House of Water Committee, started asking questions and having Staff figure out what each agency does and where he goes for answers. Sixteen different agencies talked with the committee. Chief Engineer Lewis highlighted the following areas:

- 1. We need to talk about the organization of the state agencies related to water. He believes there needs to be someone in charge of water at the state level.
- 2. More money for water: Water protection fees are currently at 3.2 cents per 1,000 gallons of municipal, industrial, and stock water. The proposal is to raise those to 5 cents.
- 3. Voting with GMDs: It could be anyone over the age of 18 who will be able to vote. The municipal, surface and industrial representation are slim on the GMD boards.
- 4. Legislatures would like better reporting requirements from each GMD regarding financials and projects.

It is up to you, the members, to determine your future. Brownie shows you every year the results of a declining aquifer.

Member Discussion Forum: President Roonev

Lon Pishney acknowledged the work and dedication of the Staff and Board and added that local legislation is essential.

Clay Scott emphasized that great representation at the hearing demonstrated the diversity of the board representation of municipality, stock, and surface.

Fred Jones with the City of Garden City expressed his concern about the committee's representation of thinking US/Municipality versus Irrigators. More communication needs to occur. In addition, HB2686 generates funds; those monies will be in competition, so the GMDs need to be proactive.

Cecil O'Brate ended the forum by thanking everyone on the GMD3 Board and Staff for their efforts.

Adjournment

<u>Dave Casterline moved to adjourn; Zachary Gale seconded. The meeting adjourned at 11:52 a.m.</u>

Respectfully Submitted

Garrett Love, Board Secretary.