

**Southwest Kansas Groundwater Management District No. 3
Minutes of the Regular Meeting of the Board of Directors
April 12th, 2023**

MEETING CALLED TO ORDER

President McCormick called to order the April 12th, 2023, Board of Directors meeting of the Southwest Kansas Groundwater Management District at 9:00 a.m. The meeting was in the GMD3 Board Room.

Directors Present in Person

Chad McCormick, President, Industrial Representative
Randy Hayzlett, Vice-President, Surface Water Representative
Mike O'Brate, Treasurer, Finney County Representative
Garrett Love, Secretary, Gray County Representative
Bret Rooney, Haskell County Representative
Clay Scott, Grant County Representative
Fred Jones, Municipal Representative
Kent Dunn, Seward County Representative
Seth Nelson, Stanton County Representative
Zachary Gale, Hamilton County Representative

Directors Present by Phone or Zoom

Dave Casterline, Ford County Representative

Directors Absent with Notice

Ben Amerin, Meade County Representative
Kyle Maddux, Kearny County Representative
Matt Johnson, Stevens County Representative
Harrison Krey, 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, Civil Engineer
Brandi Sneath, Office Assistant

Others in Attendance in person or via Zoom

Mike Meyer, Water Commissioner, Division of Water Resources, Garden City, KS
Kevin Salter, Division of Water Resources
Chris Beightel, Division of Water Resources
Keadron Pearson, Kansas Water Office
Tom Adrian, Legal Counsel for GMD3
Brownie Wilson, Kansas Geological Survey
Sean Miller, Capital Strategies
Susan Metzger, Senior Executive Administrator to the Dean
Eric Betschart, AquaSpy Technology
Greg Graff,
Shannon Dick, Finney County Economic Development
Frank Mercurio, Syracuse Dairy
Laura Geven, Southwest Plains Dairy
Ross Geubelle, Syracuse Dairy

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APPROVE AGENDA

President McCormick asked for consideration of the April 12th meeting agenda. Zachary Gale asked to add "Hamilton County" to the agenda between Old Business and New Business. **Randy Hayzlett motioned to approve the revised agenda, adding Hamilton County Discussion. Bret Rooney seconded. The motion passed.**

Zachary also mentioned updating the board calendar on the back of the agenda.

APPROVAL OF MINUTES & GENERAL MONTHLY FINANCIAL REPORT

President McCormick drew the attention of the Board to consider the March 8th, 2023, draft minutes.

Kent Dunn moved to approve the March 8th, 2023, minutes, as presented. Garrett Love seconded the motion. Motion passed.

President McCormick next drew the attention of the Board to review the March 2023 financial report documents. **Brett Rooney made a motion: Approve the financial reports and payments for March 2023 as presented at this meeting and submit them for the annual audit. Garrett Love seconded the motion. Motion passed.**

President McCormick signed and submitted the financial documents.

Correspondence / Recognitions / Public Comments

Jason Norquest 25 Years of Service to GMD3

GMD3 Board of Directors and Executive Director Mark Rude presented Jason Norquest with a plaque for his 25 years of dedicated service to the District.

Management Program: Reports and Recommendations

Water Commissioners Report, Mike Meyer, DWR

Water Commissioner Mike Meyer announced they had hired an Ark River Bailiff; however, they are still down two positions. GMD1 Four-County LEMA was approved on April 7th, 2023. The LEMA would reduce water use by up to 25% by individual water rights based on reported water use from 2011-2020. Active Water Conservation Areas, GMD3 has 9 active plans, GMD1 has 30, and GMD4 has 2.

Kevin Salter with DWR added that Colorado and Kansas would have another Water Summit on May 23rd and 24th in La Junta, Colorado. The goal is to have one in 2024 in Kansas, hoping to get Kansas producers more interested. An email will be coming to save the date; he would appreciate it if GMD3 would forward it.

AquaSpy Technology presentation

Eric Betschart from AquaSPY spoke to those in attendance about the soil moisture probe with AquaSPY Technology. Simple system with plug-and-play that has a simple data display. It is a wireless & cellular system that measures moisture, salinity, and ground temperature.

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April 12th, 2023**

Sean Miller, Capitol Strategies, Legislative Update

Sean Miller from Capitol Strategies was on Zoom and provided legislative updates. House Bill 2279 and House Bill 2302 passed both chambers and conferences. They are not signed into law now, but the Governor is anticipated to sign them in the next ten days.

HB2279 is a bill that has been in the works for a couple of years and is part of the Mega Water bill. HB2279 is basically a GMD Bill. This bill requires all GMDs to provide additional annual reporting such as budget, finances, and activities of the GMD to the legislature every year by January 25th. Much discussion over dates occurred on when GMD financial reports would be audited. Ultimately, on the Senate side, Marcy Francisco added a January 25th date and language that says the most recently audited final financials.

HB2302 is a Water Funding Bill based initially on the Blue Ribbon Task Force recommendation. Senate moved it to an SGF Transfer, which is easier for the legislature to recommend not paying it. Instead, pay off the reservoir debt first of \$52 million, creating two municipal water funds that can be used for technical assistance to small cities. This bill was not fully passed.

HB2459 creates a definition of safe yield by Kenny Titus. The bill was introduced as an exemption but could still be worked on in next year's session.

Committee Reports

Executive Committee

Mark Rude introduced Tom Adrian. Mr. Adrian was present via Zoom and is currently counsel for GMD1 and GMD2. The Policy and Legal Committee met and received a memo of engagement from Tom Adrian; the Board must act and accept Tom Adrian as counsel for GMD3. **Randy Hayzlett moved to adopt the memorandum of engagement from Tom Adrian dated March 29th, 2023, in the matter of the Hamilton County Petition. Mike O'Brate seconded, Zachary Gale opposed, and the motion passed.**

Executive Session

Randy Hayzlett moved to recess into executive session at 10:05 to discuss with our attorney the petition of constituents of Hamilton County to be removed from the District. The reason for the executive session is to preserve the attorney-client privilege. Those present will be the members of the Board (except the constituents of Hamilton County who have signed the petition asking for removal), the District Executive Director, and Tom Adrian, Attorney. We will reconvene in an open session at 10:20. Clay Scott seconded. Zachary Gale opposed. Motion passed.

At 10:20, the Board of Directors came out of Executive Session. Randy Hayzlett moved to go back into Executive Session until 10:32. Brett Rooney seconded. Zachary Gale opposed. Motion passed.

The Board reconvened to open the meeting at 10:33.

Fred Jones moved to submit the Hamilton County Petition to the new attorney, Tom Adrian, and study and recommend we return to it in the July 2023 meeting. Garrett Love seconded. Motion passed.

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Zachary Gale wants to ensure that Mr. Adrian gets the appropriately updated petition.

I-CARE Report District-Wide Mailing Update

Brownie Wilson with Kansas Geological Survey and Shannon Dick with Finney Economic Development were present to discuss the I-CARE report. The regions need to be large enough to get meaningful Q-stable results, manually delineated, and can be further subdivided, but we will look to the sub-regions (aka neighborhoods to take care of this).

Policy and Legal

Clay Scott summarized the Policy and Legal meeting on April 10th, 2023. There were two applications seeking rule waivers, one was dismissed, and the other will be on the May agenda. The committee discussed the draft rule changes in depth and was concerned that there was no way to show a possible improvement. As stated in the memo, the GMD3 Board has worked on innovative, well-move policies to allow reasonable improvements for applicants and protection of the supply of prior rights. Chief Engineer Lewis proposed a revised draft on K.A.R. 5-5-17 in February. The Policy and Legal Committee reviewed the revised draft and partially supported it. Mainly, the concern is the significant rigidity and lack of options to apply circumstantial reason, science, and the management program where pumping interference and water supply for all may be improved in a change proposal. The absence of language allowing circumstantial reasons makes the committee believe constant waivers would occur and is not a good policy. The committee generally agrees with the drafts but would like clarification or slight edits to some areas. **Fred Jones moved to direct Executive Director to prepare comments and review them by the Policy and Legal Committee before submission on April 15th, 2023. Bret Rooney seconded. Motion passed.**

The GIVE Project is working on federal options for tax codes.

Jason Norquest, Mark Rude, and others will visit Washington, D.C., next week. Several meetings are in the works above and beyond the already scheduled meetings.

Hamilton County

Zachary Gale introduced Lauren Geven with Southwest Plains Dairy, Frank Mercurio, and Ross Geubelle with Syracuse Dairy. Zachary submitted an updated petition yesterday, with 71% of Hamilton County users signing off to leave the GMD3. Many people stressed that even though you represent a county or use, such as municipal, all District members voted on the representative. Lauren asked what the process was like for Hodgeman County to leave the district. Mark responded that it made hydrologic sense, which is why Hodgeman County was approved. Ross Geubelle thanked the Board for their time. The process to withdraw from the district is nothing to take lightly and is lengthy.

Old Business

There was no old business to bring off the table.

New Business

Travel for Jason and Patty-Develop Nashville GMDA Conference.

Clay moved to approve out-of-state travel for Jason Norquest and Patty Stapleton to develop GMDA 2024 Winter Conference. Fred seconded. Motion passed.

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April 12th, 2023

Executive Director Report, Mark Rude

Agenda for Western Kansas Delegation Hill Meetings

Mark announced several meetings next week; he is also trying to meet with staffers for the ag committee on both houses.

Weekly Radio spot, KBUF

Mark mentioned that Ross Miller with KBUF approached him on a weekly radio spot every Friday. The consensus of the Board was comfortable with this starting.

Summer Intern

Mark announced that a summer intern had accepted the position and then declined a couple of days later due to another more suitable internship for her.

Western Water Conservation Projects Fund Business

Financial Report

Mark Rude drew the Board's attention to the March Financial documents of the Western Water Conservation Projects Fund and the activity of the advisory committee. **After discussing with the Board, Bret Rooney moved to accept the March 2023 Financial Reports and payments as presented and submit them for annual audit. Clay Scott seconded. Motion passed.**

March 30th, 2023, Committee Meeting

Approve Kaw Valley Engineering Reimbursement, Farmers Headgate

Mark refreshed the Board on the sales tax issue on the Farmers Headgate and the overage with Kaw Valley of \$26,628.03. Trevor Ahring has worked to settle that with the State of Kansas and the contractor. GMD3 finally received checks on the Sales Tax Refund of \$20,093.89. Kaw Valley is willing to write off the difference of \$6,534.14. We have deposited those checks and need the approval to send a payment of \$20,093.89. Fred Jones stressed keeping an eye out for the Kansas Project Exemption. Fred Jones moved to pay Kaw Valley \$20,093.89, the collected reimbursement amount. Kent Dunn seconded. Motion passed.

S.S. Papadopoulos Outstanding bill for Services

The Board also reviewed an outstanding bill from S.S. Papadopoulos, which the Projects Committee reviewed. Several years ago, Tracy Streeter approved the PISE (Preferred Interstate Supply Evaluation) project for \$100,000. The remaining \$85,000 is what we were working with when Connie Owen took his position. Connie Owens advised that the project needed to be resubmitted as it looks at water quality in Colorado, not Kansas affected area. GMD3 received the bill from S.S. Papadopoulos in November 2022 for \$5,293.90. **Fred Jones moved to pay the bill for S.S. Papadopoulos for \$5,293.90 and try to get funds back from the Projects Committee. Mike O'Brate seconded. Motion passed.**

Southwest Kansas Groundwater Management District No. 3
Minutes of the Regular Meeting of the Board of Directors
April 12th, 2023

Agency Reports

KWO: Keadron Pearson

- ✓ March 31st, Upper Ark Meeting: good talks were given by several.
- ✓ April 28th will be another Upper Ark Meeting.
- ✓ On April 19th, Kansas Water Authority will meet in Kansas City
- ✓ May 23rd-24th, Colorado & Kansas Arkansas River Water Quality Summit in La Junta, Co.
- ✓ There are several vacancies on the Cimarron RAC
- ✓ WISE Tour was well attended, with approximately 134 in attendance.

Board Member Reports

Fred Jones announced that the City of Garden City is soliciting an RFQ (Request for Qualification) for engineer design services for our water reuse project. The RFQs are due May 3rd.

Chad McCormick also announced that before the WISE tour, approximately thirty feed yards/dairies gathered to consider outreach to producers establishing that we can be a voice for conservation.

Chad also suggested that we consider setting a consistent date for committee meetings.

Mike O'Brate stated he got a call from Mid-West Feeders asking if he would be interested in starting a LEMA around the feed yard. Brett added that several producers have asked what the process would be for a WCA.

Clay Scott brought up the WCA that the Board reviewed in the March meeting allowing a 5% overage for pumping. If we are going to look at HB2279 and we can't hold folks to their water right, Clay believes he should have voted the other way. In good conscience, we shouldn't allow a 5% over-pump waiver while we ask other people to make a cutback.

Public Forum

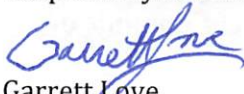
Mike Meyer also added that GMD1 started holding public outreach meetings, starting with stock water facilities. This month it will be all municipalities.

ADJOURNMENT

Bret Rooney made a motion to adjourn the meeting. Garrett Love seconded.

The meeting adjourned at 12:42 p.m.

Respectfully Submitted,



Garrett Love

GMD3 Board Secretary