

Southwest Kansas Groundwater Management District No. 3
Minutes of the Annual Meeting of the Board of Directors
March 8th, 2023

MEETING CALLED TO ORDER

President Rooney called the 48th Annual Meeting of the Southwest Kansas Groundwater Management District to order at 9:02 a.m. The meeting was at the Grant County Civic Center, Ulysses, 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

Clay Scott, Grant County Representative

Harrison Krey, Morton County Representative

Matt Johnson, Stevens County Representative

Randy Hayzlett, Surface Water Representative

Chad McCormick, Industrial Representative

Kyle Maddux, Kearny County Representative

Zachary Gale, Hamilton County Representative

Kent Dunn, Seward County Representative

Seth Nelson, Stanton County Representative

Directors Present via Zoom

Garrett Love, Secretary, Gray County Representative

Directors Absent with Notice

Ben Amerin, Meade County Representative

Dave Casterline, 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

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

Sean Miller, Capitol Strategies, via remote link

Dennis Wieberg, NRCS

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APPROVE AGENDA

President Rooney asked for consideration of the Annual Meeting agenda. One slight correction: Mike Ramsey cannot attend to discuss the bylaws. **Randy Hayzlett made a motion to approve the agenda as presented. Mike O'Brate seconded. The motion passed.**

APPROVAL OF MINUTES

President Rooney drew the Board's attention to consider the March 9th, 2022 draft minutes. **Larry Kepley moved to approve the March 9th, 2022, minutes. Clay Scott seconded the motion. Motion passed.**

Report of District Activities, Mark Rude, Executive Director

Executive Director Mark Rude welcomed everyone to the annual meeting and provided an overview of their water policy leaders, staff, and district activities. Mark highlighted areas of the approved Management Program, including water rights general advice and assistance, water conservation and quality protection, models and research, Ark River Management, and Outreach and Advocacy. Mark added there are two types of conservation: Type 1, Use Efficiency, The amount of valued output per unit of water consumed, and Type 2, Maintaining aquifer storage, demand management, and replenishment storage. GMD3 conservation activities in the district include Water Flowmeter assistance. MOUs and user agreements, Approved state-required conservation plans. Advise member water groups such as RACs, NRCS Workgroups, companies, and more, along with Voluntary online conservation reporting, Aquifer recharge improvements, Soil water loss inhibitor study support, and Master Irrigator advisory committee. GMD3 board and staff have worked on updating the Bylaws, which you will vote on later in the meeting. Bylaws provide more precise guidance and predictable and consistent rules.

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 \$754,141
- Invested in interest-bearing accounts as of December 31st, 2022.
 - General Funds 93.74%
 - Water Conservation Projects Funds 92.80%
- Total receipts under expenditures for 2022- \$137,896
- 2022 General Fund expenditures were less than budget authority by \$238,212.

2022 Receipts for the General Fund came from the following:

- Assessments 94%
- Reimbursement expenses & miscellaneous 2%
- Intergovernmental 3%
- Interest 1%

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2022 Expenditures by Source are as follows:

- Administration 84%
- Water Management Programs 7%
- Professional services 6%
- Payroll taxes and benefits 3%

Kristen welcomed any questions.

2024 Draft budget and Assessments for July Hearing, Treasurer Mike O'Brate

Treasurer Mike O'Brate turned the members' attention to page 19, the draft 2024 budget, adding that GMD3 will hold a public budget hearing in July. The water assessment amount stayed the same at .16 cents per acre-foot. Treasurer O'Brate entertained a motion to take the budget to a public budget hearing in July. **Hal Scheuermann moved to accept and take the proposed budget to a public budget hearing in July. John Lightner seconded. Motion passed.**

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

Treasurer Mike O'Brate opened the election process by stating that everyone up for election is running unopposed.

Hamilton County

Zachary Gale has been the Hamilton County representative since 2015.

Stanton County:

Seth Nelson farms and irrigates in Stanton County. Seth has been on the Board since 2011.

Grant County:

Clay Scott has been on the GMD3 Board since 2002 and chairs the Policy and Legal Committee. He farms and has a ranch in Grant County.

Haskell County:

Bret Rooney has represented Haskell County since 2014.

Municipal (at large):

Fred Jones is the Water Resource Manager for Garden City and a trustee for the American Water Works Association. In addition, Fred has served as the Municipal (at large) Representative since 2017.

Larry Kepley moved to accept the positions as stated. John Lightner seconded. Motion passed.

Oath of Office- Patty Stapleton, Notary Public

Notary Republic Patty Stapleton provided the Oath of Office to the re-elected Board of Directors.

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Vote to Revise Board Bylaws

Explanation of the proposed changes-Mike Ramsey, Board Legal Counsel

Mark Rude said that Mike Ramsey, Board Legal Counsel, wanted to be present but could not attend because a family member had passed away. There was a piece of paper at the welcome table titled *Explanation, Updated, and Revised Bylaws*. This paper explains in detail why we should have and should update our bylaws. GMD3 Board has not updated the bylaws for 20 years. GMD3 has bylaws to address how the governance structures will be established and function. The Board updated the existing bylaws to provide more precise guidance and predictable and consistent rules for:

1. Identifying and nominating potential board members.
2. Clarifying who is qualified to serve on the Board to represent each of several diverse classes of members.
3. Identifying individuals who may speak for eligible voters who are not human beings.
4. Identifying board member conflicts of interest
5. The election and duties of officers
6. The establishment committees of the Board and their function
7. The employment, duties, and responsibilities of an executive director
8. Conduct regular, special, and emergency meetings.

Mark explained the qualifications for director positions:

Each of the 12 county representatives must:

- ✓ Be a qualified voter in GMD3 or the designated Representative of an eligible voter who is not human.
- ✓ Have qualifying land ownership, groundwater use, or withdrawal within GMD3 boundaries and the county of representation.
- ✓ Reside in the county of representation, which may be wholly or partly within GMD3.

One Industrial Water (at large) Representative:

- ✓ Be a qualified voter in GMD3 or the designated Representative of an eligible voter who is not a human being.
- ✓ Have qualifying groundwater use or withdrawal within GMD3 for industrial or stockwater purposes.
- ✓ Reside in a county that is wholly or partly within GMD3.

One Municipal Water (at large) Representative

- ✓ Be a designated representative of an incorporated municipality that is a qualified voter in GMD3.
- ✓ Have qualifying groundwater use or withdrawal within GMD3 for municipal purposes.
- ✓ Reside in a county that is wholly or partly within GMD3.

One Surface Water (at large) Representative

- ✓ Be a qualified voter in GMD3 or the designated Representative of an eligible voter who is not human.
- ✓ Have qualifying land ownership or groundwater use or withdrawal within GMD3.
- ✓ Own a surface water right or be a stockholder of the owner of a surface water right.
- ✓ Reside in a county that is wholly or partly within GMD3.

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A question from the floor about how the committees work: President Rooney explained that there are four on each committee. The committees make no final decisions or motions.

President Rooney conducted the vote on the proposed GMD3 Board Bylaws
Roger Holmes moved to approve the updated and presented Bylaws for GMD3. Hal Scheuerman seconded. Motion passed.

Vendor Moment

VandWater; Chas Larson

VandWater is a water monitoring and management software using web and phone-based apps. It is a user-friendly and powerful program for overseeing all aspects of water usage—an easy tool for compliance and end-of-year reporting.

Water Conservation

EQIP Transition to dryland improved-NRCS: Dennis Wieberg.

Dennis Wieberg spoke about EQIP, the Environmental Quality Incentive Program. EQIP is NRCS's biggest and most popular program. In Southwest Kansas, water quantity is one of the most significant resource concerns. Since he started with NRCS in 2008, dryland conversion has been the most popular EQIP application in Grant, Haskell, and Stanton County. Dryland conversion is a simple, straightforward program. The ground must have been irrigated two out of the last five years minimum, must still be capable of irrigation (wells, pumps, pivots, etc., must still be present in the field), and all acres under the water right will be taken out of irrigation for the contract period. If a producer has overlapping water rights, they may need to separate the water rights before entering into EQIP.

In 2022, NRCS paid \$116.74 per acre per year; in 2023, that amount increased to \$169.90 per acre per year. Also, the length of the contract changed from three years to three to a five-year contract. The cap for total payment is \$450,000, so if you sign up for six pivots, you could be capped at \$450,000. EQIP is a very competitive program. Kansas starts with \$ 1 million in initial obligation for water quantity and ends up with 1 million to 3 million dollars after all reallocations. Grant, Haskell, and Stanton counties currently have 13 active dryland conversion contracts and 2005 approximately 147 completed dryland conversion contracts since 2005. There are two main parts of ranking: 1) priority areas, where the land lies, and 2) how soon a producer signs up. If they sign up for the first part of the year, they will rank higher than a producer who waits until two days before the deadline. Also, they receive additional ranking points if they agree to sign a 10-year water right set aside program. Not many producers have, but they can also go to DWR and sign up for a voluntary water rights dismissal, which means giving your water back to the state. Water Quantity Funding is getting ready to begin. He explained that a producer who applied in November 2022 and was funded in May 2023 could continue to irrigate through the rest of the cropping season. The dryland conversion would start following harvest, and the producer would receive their first payments after harvest in 2024. Mr. Wieberg reminded those attending the Local Work Group Meeting held at the beginning of every year, allowing producers to give input into NRCS programs.

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Vendor Moment

Western Kansas Irrigation:

Jas Dale: Western Kansas Irrigation is in 5 locations: Garden City, Johnson, Plains, Subletter, and Ulysses. Each one is a state-certified water meter repair location.

The 2023 State Legislature, Sean Miller, Capitol Strategies via remote link

Sean Miller spoke to the members via a remote link regarding two bills at the House Committee on Water, chaired by Representative Jim Minnix. HB2279 is the GMD Bill, requiring each Groundwater Management District to submit an annual written report of the finances and activities of the GMD in the most recent audited year. They would need to identify areas of concern and provide an action plan. House Bill 2302, the Water Funding Bill, relates to funding for the state water plan and water infrastructure projects, creating the water technical assistance fund and water projects grant fund, generating approximately \$56 to \$60 million per year in dedicated water projects.

This morning, the Senate Committee Natural Resources had an informational hearing on the legislative post audits the GMDs submitted in February before public hearings. Next week should be the week the two bills previously mentioned, HB2279 and HB2302, will be heard.

Groundwater Supply and Climate, Brownie Wilson, Kansas Geological Survey

Brownie Wilson, with the Kansas Geological Survey, spoke to the members regarding groundwater supply and climate. Through slides, Brownie demonstrated the drought concern throughout the state. 2022 was the driest year on record, dating back to the 1800s. KGS, Mike Meyer, and his crew completed the corporate water level program. We saw an average two-foot decline in the southern parts of the High Plains. Kansas Water Use reports tell us how much water our systems use yearly. Brownie touched base on the ICARE program. This program shows how water is used relative to people with the same type of wells. Each producer will get their ICARE report showing the average annual water use over the last ten years, compared to similar wells in their region.

Vendor Moment

CropX

Jason French spoke about CropX. An Agronomic farm management system with an easy-to-use integrated hardware and software system that connects farm data, real-time conditions, and knowledge, guiding successful and sustainable farming all in one place.

Vendor Moment

Seametrics

Lonnie Nunnecamp spoke about Seametrics, easy installation, and low-maintenance meters. They carry two models, magnetic flow and mechanical flow meters, each with a five-year warranty and on the approved meter list with the state.

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Water Rights and Conservation. Chief Engineer Earl Lewis. KDA/DWR

Chief Engineer Earl Lewis appreciated Brownie Wilson for laying out the past year's drought concerns. High drought means less rainfall, which could bring on more irrigation/pumping for some producers and some not caring about over-pumping penalties. MYFA, Multi-Year Flex Accounts, allows producers to exceed their annual authorized quantity in any year but restricts total pumping over five years. In 2015, the legislature changed the MYFA statute, allowing water rights holders who over-pumped and notified DWR by the end of the calendar year, rolling that year into a five-year MYFA. In 2022, 670 folks took advantage of that process. Unfortunately, many change applications have been submitted, and due to staffing issues, the backlog of applications is substantial, causing processing time to be maybe a year out.

GMD4 renewed both of their LEMAs with the same conditions as before. GMD5 will renew with a few tweaks, and GMD1 is working on getting more area into their LEMA. Updating regulations such as meter regulations and changing the point of diversion regulations are also being worked on. Water Conservation regulations should be worked on later this year to be more flexible. Next, Chief Engineer Lewis touched on the Wichita Storage and Recovery Project with GMD2 and the City of Hays / R9 Ranch Water Right. The water Transfer Hearing Table reviews if moving water from one location to another is in the public interest. The panel comprises the Chief Engineer, Director of the Kansas Water Office, and Secretary of the Department of Health and Environment. They held its first meeting in October, and the hearing process will begin around June. He also refreshed everyone about the Quivira National Wildlife Impairment and stated that on February 10th he received a request from the U.S. Fish and Wildlife Service to secure water. Lastly, the Chief Engineer thanked Randy Hayzlett for 28 years on the Ark River Compact and introduced Zachary Gale and Troy Dumler as the new Compact Representatives.

Vendor Moment

Dragon Line

Dragon Line, precision mobile drip irrigation, acknowledged that everyone has probably heard of them, but if they hadn't visited in a while, to stop by their booth. There have been a lot of changes, updates, and improvements in durability. So challenge us with your worst pivot and see what Dragon Line can offer.

Member Forum: Board Leadership

Management Program; Rules and Regulations; State Legislation; Water Programs; other

A question from the floor was,

"How effective was the first LEMA, Sheraton 6, been since it's been renewed for the third time?" Earl Lewis stated that the goal of the Sheraton 6 LEMA was to have a 20% reduction in their water use. Their allocation in the LEMA was a 55-inch allocation over five years. When they started the LEMA, it was guessed they had 25 years of life left, and as of now, they doubled the life of the aquifer.

"How are the acres determined in a LEMA?"

Typically, it's been wet acres.

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Clay Scott announced that the Board would review five WCAs at the afternoon meeting. Anyone/everyone is welcome to attend.

"Is transferring water from the NE part of the state still a hot topic, and how much quantity would be moved?"

Clay Scott stated they are still looking into it, which would be 10-20 million acre-feet.

"What kind of regulations occur in the panhandle?"

They don't have the rules or the data that Kansas collects. Kansas communicates across the state line to maintain relationships.

"What were Mark's thoughts after the Syracuse, Hamilton County meeting?"

Mark responded that the meeting addressed the withdrawal of Hamilton County from the district. He feels it was a good meeting. We are still waiting for written documentation of concern. The expectation is to continue the review process.

"What is the status of HB 2279?"

GMD3 and SW Irrigators opposed the bill. There were several Neutrals for the bill. The testimony is online for all to read.

"What is the impact if HB 2279 passes the Senate?"

Mark noted that he expects it to be amended; it is bad legislation when you put reports in there to the legislators at different times of legislation. One annual report and one set of financial records would be more beneficial. Earl replied that they do not have a position because they believe the legislation needs to speak to what the policy ought to be. The financial reporting is a reaction to some past concerns.

Adjournment

Mike O'Brate moved to adjourn, and Fred Jones seconded.

The meeting adjourned at 12:08 a.m.

Respectfully Submitted


Garrett Love, Board Secretary.