

Southwest Kansas Groundwater Management District No. 3
Minutes of the Regular Meeting of the Board of Directors

January 13, 2011

MEETING CALLED TO ORDER

The January Board of Directors meeting of the Southwest Kansas Groundwater Management District was called to order by Vice President Kent Dunn at 9:00 a.m. The meeting was held in the Southwest Kansas Groundwater Management District No. 3 Board Room.

Directors Present

Kirk Heger, Stevens County Representative
Hal Scheuerman, Kearny County Representative
Steve Stone, Finney County Representative
Alan Schweitzer, Municipal Representative
Kent Dunn, Vice President, Seward County Representative
Dave Brenn, Surface Water Representative
Clay Scott, President, Grant County Representative
Wayne Breeding, Morton County Representative
Seth Nelson, Stanton County Representative
Mike O'Brate, Treasurer, Gray County Representative
Warren Fox, Meade County Representative
Mike McNiece, Industrial Representative

Directors Absent with Notice

Nathan Kells, Haskell County Representative
Meghan Houtsma, Secretary, Hamilton County Representative
Tom Bogner, Ford County Representative

District Staff Present

Mark Rude, Executive Director
Jason Norquest, Assistant Manager
Patty Stapleton, Office Administrator
Chris Law, Resource Technician
Trevor Ahring, BIT / GIS
Brandi Sneath, Office Assistant

Others in Attendance

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

APPROVE AGENDA

Vice President Kent Dunn turned the meeting over to President Clay Scott. President Scott asked for consideration of the meeting Agenda. After some discussion, Hal Scheuerman made a motion to approve the agenda as presented. Mike McNiece seconded. The motion was approved with all in favor.

APPROVAL OF MINUTES & MONTHLY FINANCIAL REPORT

President Scott drew the attention of the Board to consider the December, 2011 draft minutes. Kent Dunn made a motion to approve the December, 2011 Board Meeting minutes as stated. Wayne Breeding seconded the motion. The motion was approved with all in favor.

President Scott next drew the attention of the Board to review the December, 2011 financial report documents. Dave Brenn made a motion as follows: Approve the financial reports and payments for the month of December, 2011, as presented at this meeting, and to submit them for the annual audit. Mike O'Brate seconded the motion. The motion was approved with all in favor.

Mark brought to the boards' attention the district credit cards limit of \$5,000 was quickly exhausted at the GMDA Conference with the board and staff in attendance. Mark asked the board to consider authorizing an increase in the limit to simplify reimbursable expenditures in such cases.

President Scott signed and submitted the financial documents.

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Executive Director Report, Mark Rude
Management Program Document Redraft

Executive Director Mark Rude handed out a summary of purposes for the GMD and five points to consider as goals for the management program work on revisions to the management program document. The draft 5 points of a revised GMD3 Management Program.

- Promote a culture of conservation to reduce disincentives and enhance market incentives to budget use.
- Protect and extend reasonable access to safe and usable groundwater resources.
- Pursue the highest value for the water consumed.
- Develop data and information for prudent water management decisions.
- Target management programs and tools to meet local water supply needs in priority areas.

The Statute states the management program should be reviewed annually. More redraft information will be reviewed for board consideration at a later time.

Legislative Update

A phone conference was held between the board and Legislative Liaison, Sean Miller. Mr. Miller discussed Legislative Issues and updated the Board of Directors on topics they asked about. Sean updated the board on the Senate Ag hearing on SB272, the flex appropriations bill. He stated they had not finished the committee hearing. Chief Engineer Barfield was the lead proponent along with being the introducer of the bill for the Department of Agriculture, Division of Water Resources. Mr. Miller reported that Mr. Barfield reported to the Senators that 2,200 emergency drought terms permits were received by the agency in 2011. The hearing does remain open until next Tuesday.

Sean further reported that hearing will be held Thursday, January 19th, regarding HB2541 amending Water Right Abandonment: the elimination of "Use it or Lose it" provision in Kansas water law for closed areas.

Mark added discussion on SB272. Turning the board's attention to the handout and pointing out key wording. A conference call was held with all the Groundwater Management Districts to discuss SB272. A principle concern was dividing the water rights and the \$300.00 fee. Per DWR if there are multiple wells under one base water right, then separate term permits are required for each well. This forces producers to decide to divide a multiple well water right or apply for additional term permits to cover the wells. Mark reported that a number of suggested edits are yet to be communicated to DWR before the Senate Agriculture committee hearing resumes. The call with Mr. Miller was concluded. No action was taken.

Grant Proposals

Mark Rude handed out an explanation of the Grant Progress effective January 18th, 2012. He started with the explanation of CREP. Stating it is a grant from the Federal Farm Service Agency with the Division of Conservation, the Kansas Water Office and GMD3 & GMD5 providing staff and contributions to the program.

Agricultural Water Enhancement Program, AWEP is a special EQIP program grant that NRCS awarded to GMD3 for target areas. \$5 million dollars over five years is the agreement for federal funds for transition assistance of irrigated land to dryland agriculture. The GMD3 AWEP will receive just over \$800,000 for contracts in 2011 in the GMD3 areas.

CIG, Conservation Innovation Grant is a grant that GMD3 will apply for again. No CIG grants have been awarded to GMD3 to date. The submittal proposes a grant from NRCS for 50% of the cash cost in the amount of \$1 million for installation of telemetry to improve water and

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Annual Meeting & Board Elections

A reminder of GMD3 annual meeting was provided by Mark Rude. The Annual meeting will be held in Liberal, KS on the 14th of March. Some discussion was held on possible guest speakers and topics that may be of interest to the membership.

Committee Reports

Finance Committee

Mark reminded the Finance Committee that a 2013 Budget meeting does need to be held at everyone's earliest convenience.

Annual Meeting Committee

Chairman, Kirk Heger, Nathan Kells, Alan Schweitzer and Warren Fox were recognized as the Annual Meeting Committee.

Old Business

No old business.

New Business

No new business was presented for discussion.

Western Water Conservation Projects Fund Business

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 much discussion of the Board, Hal Scheuerman moved to accept the financial report and payments and submit them for annual audit. Dave Brenn seconded. Motion passed with all in favor.

Mark brought to the boards' attention an Administration Fee Voucher which covered GMD3 administrative work for the Western Water Conservation Projects Fund Committee; from October 2010 to July 31st, 2011 in the amount of \$45,557.96. Wayne Breeding moved to accept the Administration Fee voucher in the amount of \$45,557.96 for dates ranging from October 2010 to July 31st, 2011 subject to concurrence for payment by the advisory committee. Dave Brenn seconded. Motion passed with all in favor.

Some discussion occurred regarding the Commerce Bank Business credit card increase. Wayne Breeding moved to increase the total credit limit to \$8,000.00. Warren Fox seconded. Motion passed with all in favor.

BOARD MEMBER REPORTS

No board member reports were announced.

PUBLIC FORUM

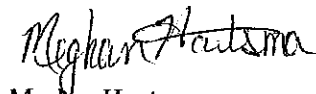
No public forum was discussed.

Warren Fox moved to hold a 5 minute Executive Session to discuss personnel issues with Mark Rude. Mike McNiece seconded. Motion passed with all in favor.

ADJOURNMENT

Upon coming out of executive session, Seth Nelson made a motion to adjourn the meeting. Wayne Breeding seconded. The meeting was adjourned at 12:12 p.m.

Respectfully Submitted,



Meghan Houtsma