

**Southwest Kansas Groundwater Management District No. 3
Minutes of the Regular Meeting of the Board of Directors
September 12th, 2012**

MEETING CALLED TO ORDER

The September Board of Directors meeting of the Southwest Kansas Groundwater Management District was called to order by Vice President Nathan Kells at 9:10 a.m. The meeting was held in the Southwest Kansas Groundwater Management District No. 3 Board Room.

Directors Present

Nathan Kells, Vice President, Haskell County Representative
Kirk Heger, Stevens County Representative
Hal Scheuerman, Kearny County Representative
Dave Brenn, Surface Water Representative
Mike McNiece, Industrial Representative
Alan Schweitzer, Municipal Representative
Mike O'Brate, Treasurer, Gray County Representative
Clay Scott, Grant County Representative
Meghan Houtsma, Secretary, Hamilton County Representative

Directors Absent with Notice

Kent Dunn, President, Seward County Representative
Steve Stone, Finney County Representative
Douglass Fox, Meade County Representative
Tom Bogner, Ford County Representative
Wayne Breeding, Morton County Representative
Seth Nelson, Stanton 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

District Staff Absent with Notice

Brandi Sneath, Office Assistant

Others in Attendance

Mike Meyer, Water Commissioner, Division of Water Resources, Garden City, Ks
Gary Baker
Frank Mercurio, KLA

APPROVE AGENDA

Vice President Kells asked for consideration of the meeting Agenda. Mark Rude asked to add an agenda item from Tracy Streeter under the Presidents Report. After some discussion, Dave Brenn made a motion to approve the agenda as revised. Hal Scheuerman seconded. The motion was approved with all in favor.

APPROVAL OF MINUTES & MONTHLY FINANCIAL REPORT

Vice President Kells drew the attention of the Board to consider the August 8th, 2012 draft minutes. Clay Scott made a motion to approve the August 8th, 2012 Board Meeting minutes. Kirk Heger seconded. The motion was approved with all in favor.

Vice President Kells next drew the attention of the Board to review the August, 2012 financial report documents. Clay Scott made a motion as follows: Approve the financial reports and payments for the month of August, 2012, as presented at this meeting, and to submit them for the annual audit. Mike McNiece seconded and the motion was approved with all in favor.

Vice President Nathan Kells signed and submitted the financial documents.

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President's Report, Vice President Nathan Kells

Water Commissioner's Report, Commissioner Mike Meyer

Water Commissioner Mike Meyer reminded those in attendance that the deadline for Multi-Year Flex Accounts is October 1st, 2012. This deadline is for those who want to have 2012 included. Otherwise, those applications submitted after October 1st, 2012 cannot have the year 2012 included.

Mr. Meyer stated that the 2011 overpumped list is being reviewed by DWR. It appears to be relatively less in GMD3 District than others.

Discussion occurred on a Multi-Year Flex Account decision flow chart created by Big Bend GMD5. It demonstrates the outcome of potential penalties for over pumping authorized quantity, emergency drought term permits and several other operator scenarios.

Mike announced that tonight CBS News will air the interview with Randy Hayzlett and Kansas Drought conditions.

Nathan recalled a discussion on leaving notice on meters that DWR ran a test. Mike Meyer agreed that a sticker is being left stating DWR had been on site. Multi Year Flex Account meters are also being chained to the pipe once accuracy is verified. This will detour the tampering of the meter. If the well is not in the Multi Year Flex and a test has been requested, the meter at that time can be chained to the pipe.

DWR and GMD3 have been discussing the need for a Memorandum of Agreement for actions relating to member meters where the well has a Flex Account. Due to low participation in the Multi Year Flex Program an MOU may not be needed at this time.

Board Review, File No. 18,554 Heritage Feeders,

Mark Rude introduced the representatives for Heritage Feeders; Frank Mercurio with KLA Environmental Services and Galen Wright, the applicant. The action is a request to redistribute the quantities associated with a well located in the NE ¼ of Section 8 and a well located in SE ¼ of Section 8. Both wells are for stock use. The distance between the wells is further than one half mile, which causes the reason for rule waiver and a board review. The NE well is currently 38.1 AF and proposed to be increased to 200 AF. The SE well is currently authorized 269 AF, with a proposal to be reduced to 107 AF.

Much discussion of the directors was review of the engineering documentation provided by Mr. Mercurio and Mr. Wright. It was noted that there were past reductions in the water right amounts when changed from irrigation use to stockwater use and that well location options that would allow well spacing within ½ mile were limited by stock pens and wellhead protection rules. The need to redistribute authority between wells under the water right was recognized as water system efficiency rather than loss of aquifer supply concerns.

Based on the engineering work, the wellhead protection restrictions, system efficiency needs without concern for unreasonable affects to other rights, Clay Scott moved to recommend approval of the waiver without the calculated reduction in quantity. Alan Schweitzer seconded. Motion passed with all in favor.

Board Review, File 16,339.01 and 40,577, Bartlett Cattle

The next review was for File # 16,339.01 and 40,577, Bartlett Cattle Company. Gary Baker was representing the applicant for the review. Through a change process in May, 2012 an approval was made for their current locations which improved spacing. The new proposal at this meeting is to flip the authorized well location between the two wells and thereby switch the annual limits between the two wells. However, spacing is not met with another well owned by the applicant, water right file no. 1,050. The authorized well location under water right, file no. 40,577 would be moved back to the original well and the well location for File no. 16,339.01 to be moved down to the newest well.

After review and discussion of the application, it was recognized the spacing conflict created by the small annual amount under 40,577 was of minimal concern for creating impairment, and the practical operation planned for the well was essentially for emergency or standby purposes only. No public interest concern was identified and no impairment concern was identified. Clay Scott moved to recommend approval of the well spacing waiver. Mike O'Brate seconded. Motion passed with all in favor.

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Board Review, File 20127064MF and 20127065MF, Reinert

Jason Norquest reviewed two neighboring Multi-Year Flex applications and one applicant with the Board. Mr. Reinert has had trouble with overpumping the two big wells in past years and filed drought term permits last year. The Flex accounts on the wells are necessary to authorize the use in 2012 and roll over the 2012 amounts into flex accounts.

The Water Right 25,030 account has proposed 2,093 acre feet over the five year period (2012-2016). With the increase in acre feet available per calendar year, the spacing requirements are not met to surrounding wells (which are also his wells).

The Water Right 29,275 account has proposed 1,368.4 acre feet over the five year period (2012-2016). Again, with the increase in acre feet, spacing requirements are not met to surrounding wells (which are all owned by him). No apparent concern was identified for unreasonable effect on other water rights and there was no concern for potential conflict with the public interest regarding the flex account applications.

Discussion occurred within the directors that a blanket approval be considered for such applications with a letter stating details of possible issues and concerns. No action was taken on such a letter.

Kirk Heger moved to recommend approval to grant the well spacing waiver for the flex accounts, File Nos. 20127064MF and 20127065MF. Hal Scheurman seconded. Motion carried.

Tracy Streeter

Mark announced that Tracy Streeter had planned on attending the Board Meeting. However, due to the weather restrictions on a flight plan, he opted to withdraw.

Mark provided Tracy's message to the directors that Governor Brownback was very pleased with the August 20th meeting on the Ogallala. He sincerely appreciated the board's efforts in hosting the meeting and contributing to the discussion.

Governor Brownback has asked Tracy to continue facilitating discussions with individuals who are interested in having conversations regarding LEMA's and / or other local conservation initiatives.

Tracy also wanted the directors to be aware that Wheatland Electric has requested a meeting. The meeting is scheduled for October 3rd, 2012.

Discussion was held on GMD3 holding informational meetings or County meetings on the LEMA tool. Discussion would include boundaries and what the public interest is in a LEMA.

Committee Reports

Policy and Legal

Policy and Legal Chairman, Nathan Kells provided a summary of results from the Policy and legal meeting that was held September 7th, 2012 in Sublette, Ks.

Notice to neighborhood owners: Discussion was held regarding pumping authority changes proposed beyond 300 feet generating a notice to well owners of wells up to one mile from the proposed change. This notice will provide a map of the area, table of rights / uses and a list of statutory and supply issues. The question was raised, will this notice cause any conflict with DWR ½ mile courtesy letters. Since it is over a ½ mile the notice is more informational to property rights, rather than having any push one way or the other in the proposed change. However, if there is any supply or effect concern from the neighborhood owners, it needs to be heard. Discussion will continue regarding the 1 mile notification and will be considered at the next annual meeting to adopt into the by-laws.

Hearing process: The next item on the Policy and Legal agenda was a hearing process for rule exception / exemptions. A \$300.00 hearing fee could be charged to the requestor of a hearing unless made by a board member. This fee would assist in employing the hearing examiner.

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The hearing would also be audio recorded with paper notes optional at requestor's expense. After the hearing, the hearing examiners recommendation would be to the GMD3 Board of Directors. The recommendation of GMD3 Board of Directors would then be sent with the record for action by the Chief Engineer, DWR.

The director's attention was turned to the board book to review the summary of the 1982 Reconnaissance Study, Water Transfer Element of the Six State High Plains Ogallala Aquifer Regional Resources Study. Mark proposed to the board to allow him to pursue an update of the work for further consideration of a Missouri River Water Transfer project. After discussion, the consensus of the board was to continue the work of a update and further consider the project merits.

Research and Development

No meeting was held for Research and Development.

Old Business

There was no old business to discuss.

New Business

There was no new business brought up for discussion. \

Executive Director Report, Mark Rude
Governor's Conference, End of October

Mark Rude brought to the directors' attention the Governor's state water conference that will be held the end of October. KWA meeting is to be held the afternoon of the 29th, Governor's conference on the 30th, and the technical presentations and seminars on the 31st. Reservations are due to the Manhattan Hilton Inn soon.

MYFA Flow Chart

The MYFA flow chart was discussed earlier in the meeting.

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 some discussion of the Board, Alan Schweitzer moved to accept the financial report as presented and submit them for annual audit. Kirk Heger seconded. Motion passed with all in favor.

Review of Payment Vouchers

There were no payment vouchers for review.

BOARD MEMBER REPORTS

Clay announced that Grant County will hold their annual home products event on Tuesday, September 18th at 7pm at the Fairground Convention Center.

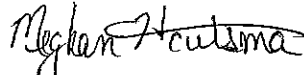
PUBLIC FORUM

No public forum discussion.

ADJOURNMENT

Meghan Houtsma made a motion to adjourn the meeting. Hal Scheuerman seconded. The meeting was adjourned at 12:05 p.m.

Respectfully Submitted,


Meghan Houtsma