

**Southwest Kansas Groundwater Management District No. 3**  
**Minutes of the Regular Meeting of the Board of Directors**  
**August 12<sup>th</sup>, 2015**

**MEETING CALLED TO ORDER**

The August 12th, 2015 Board of Directors meeting of the Southwest Kansas Groundwater Management District was called to order by President Dunn at 9:03 a.m. The meeting was held in the Board Room of Southwest Kansas Groundwater Management District NO. 3.

**Directors Present**

Kent Dunn, President, Seward County Representative

Kirk Heger, Vice President, Stevens County Representative

Mike O'Brate, Treasurer, Gray County Representative

Mike McNiece, Board Secretary, Industrial Representative

Hal Scheuerman, Kearny County Representative

Randy Hayzlett, Surface Water Representative

Zachary Gale, Hamilton County Representative

Douglass Fox, Meade County Representative

Steve Stone, Finney County Representative

Seth Nelson, Stanton County Representative

Jeff Reinert, Ford County Representative

Bret Rooney, Haskell County Representative

Fred Claassen, Morton County Representative

Clay Scott, Grant County Representative

**Directors Absent with Notice**

Alan Schweitzer, Municipal 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**

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

Jon Aquilar, KSU Research Extension Engineer

Fred Jones, City of Garden City KS

Matt Allen, City of Garden City, KS

Curtis Thoene, Cargil Dodge City, KS

TJ Curtis, Powerline Dairy Representative

Frank Mercurio, P.E., KLA Environmental Services, Inc.

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**APPROVE AGENDA**

President Dunn asked for consideration of the meeting Agenda. After some discussion, Randy Hayzlett made a motion to approve the agenda as presented. Kirk Heger seconded. The motion was approved with all in favor.

**APPROVAL OF MINUTES & MONTHLY FINANCIAL REPORT**

President Dunn drew the attention of the Board to consider July 8th, 2015 draft minutes. Mike McNiece made a motion to approve the July 8th, 2015 Board Meeting minutes. Brett Rooney seconded the motion. The motion was approved with all in favor.

President Dunn next drew the attention of the Board to review the July 2015 financial report documents. Hal Scheuerman made a motion as follows: Approve the financial reports and payments for the month of July as presented at this meeting, and to submit them for the annual audit. Clay Scott seconded the motion. The motion was approved with all in favor.

President Dunn signed and submitted the financial documents.

**President's Report, President Kent Dunn**

**Water Commissioner's Report, Commissioner Mike Meyer**

Mr. Meyer reported that some producers on MYFA have been caught over pumping. If they exceed in a MYFA before the five years is completed it is a two year suspension after the MYFA expires. Over pumping of the MYFA is the same regular over pumping penalties; for example, reduction of double the acre feet that was over pumped. If an order to shut off was evaded by the producer then a penalty fine of \$1,000 per day will be put into place. The penalty continues if the ground is sold, stays with the water right, not the owner.

Sixty plus letters have been mailed to producers regarding broken meters from last year's water use reports.

**Board Review, Term Permit 20159020, spacing waiver, Cargill Meat Solutions (action)**

Jason Norquest brought to the boards' attention a board review of spacing for term permit 20159020, Cargill Meat Solutions. Jason introduced Curtis Thoene with Cargill and welcomed him to add comments as the term permit was being discussed.

Cargill is wanting to clean up the water from this area due to high nitrate. In order to do so a run time of 30 days straight was needed, which would take them over the authorized quantity. The application requests a term permit for 50af, this is the amount needed in order to test their RO plant for KDHA approval. Spacing is not met to a couple of neighboring industrial water rights.

Curtis, added that all water will end up being used. This well is authorized only by a chain of resubmitted term permits. Permanent authority would need to be moved from the other well. Cargill is not wanting to make a permanent change. Clay Scott moved to approve the request and recommend a waiver of spacing for term permit 20159020 with the expectation or condition that

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that a permanent water right solution to authorize diversion and use would be found and the use of a term permit discontinued. Mike O’Brate seconded. Motion passed with all in favor.

**Proposed \$200+Million Milk Plant, Garden City**

Matt Allen, City Manager with the City of Garden City thanked the directors for allowing him time to discuss the Dairy Plant that is coming to Garden City, KS. Mr. Allen stated that he will focus his presentation on the benefits and effects of the water side of the plant. The plant comes in at \$235 million dollars and will process cow milk and convert it to dry powder for export. The site that was chosen is located south of the railroad tracks (also known as the Jameson Property). This site was chosen for the waste water solutions with an onsite treatment facility and option for the City treatment plant. A million gallons a day is the anticipated amount that will be recovered water. It may be sold at 35 cents per 1000 gallons.

The outcome from the plant are numerous; opportunity for oil and gas, “purple pipe” water supply solutions, good job creator.

The opening date for the plant is three years until built, from the signing contract. Fred Jones added there are a lot of resource opportunities that haven’t been approached to date.

**NRCS State CIG Proposal, Mobile Drip Irrigation**

Mark stated that Trevor Ahring and Clay Scott have designed and submitted a Conservation Innovation Grant (CIG) proposal for Mobile Drip Irrigation on the first three towers of pivot irrigation systems. Evaluate water conservation projects and strategies to incorporate that into the land treatment practices. The reality of small pumping wells proves that the middle towers are insufficient in the watering. Therefore, conversion to drip line will be beneficial for water use efficiency. \$50,000 cap for cash assistance. Mark added that the State has submitted for a National CIG proposal as well.

**Budget Hearing 10am.**

President Dunn called the Public Budget Hearing on the proposed 2016 budget for Southwest Kansas Groundwater Management District No. 3 to order at 10:00 a.m. He welcomed all those in attendance. Mr. Dunn stated that a GMD3 budget hearing is necessary and proper, according to state policy for our organized groundwater area of Kansas. Specifically, K.S.A. 82a-1030 provides for water user charges: annual assessments per acre against landowners and also this budget hearing process. The purposes of GMD3 are long standing in the history and activity of Southwest Kansas.

He described the hearing is held to receive comments on both the proposed 2016 budget and on the assessments to member land owners and water users necessary to fund the groundwater management program for the area.

He further announced that hearing announcements have been published in the newspapers of the District and presented to members at the Annual Meeting which was held this past March.

President Kent Dunn introduced Treasurer Mike O’Brate. Mike O’Brate presented the budget and assessment information on the general fund and the three proposed special budget accounts for

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each of water right retirements, Arkansas River Western Water Conservation Projects, and the Kansas Aqueduct Project.

The floor was opened for comments from the membership and or public. No comments were stated. Budget Hearing was closed at 10:05 a.m.

**Groundwater Management Program Institutions and Project Term Permits**

Mark Rude turned the boards' attention to an email that was provided to those present. The email is communication between Mark Rude and Lane Letourneau regarding Project Term Permits. Questions one through eight were submitted to Lane for response. A copy of the email with the response was made an attachment to the minutes.

Frank Mercurio with KLA Environmental Services stated that multiple stock water wells don't always pump the same all the time [in a pressure maintenance system]. In extreme situations pumps could be working against each other. However, what is seen uniformly for the project is a group of stock wells...one well could be overpumped where others are under pumped. Mr. Mercurio stated the key thing is the flexibility of quantity in the geographical area of the lot. He referenced a suggestion to consider large livestock projects as a small city. In high system stress periods when can't meet the water demand, maybe some water from irrigation could be temporarily transferred to stockwater use.

Discussion amongst the directors took place regarding the fear of chasing remaining water with paper authority, and in a highly depleted aquifer area; the need to create balance; the need to conserve water without adding excessive liberties for some that create new stress on the aquifer of all.

MOU, WCA and LEMA tools are some options to consider and review with Lane Letourneau regarding the Powerline Dairy. It was stated a recommendation from GMD3 Board of Directors is needed in the next month for the Powerline Dairy application. A consensus was to hold a Policy Committee meeting to discuss further details with the invitation extended to KLA and DWR to attend the work session.

**Kansas-Oklahoma Compact Meeting**

Mark described a letter that was presented at the Kansas-Oklahoma Compact Meeting in Langley Oklahoma July 22, 2015, with the request it be made a part of the public record of that compact meeting. He reported the letter recognizes Southwest Kansas is essentially closed to new water rights while Oklahoma Panhandle has another 6.1 million acre feet available for annual appropriation as determined by Oklahoma policy, and invites officials of both states to look at interstate aquifer management strategies for the High Plains that may be in the common interest of both states. The letter is made an attachment of these minutes for reference.

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**Committee Reports**

**Finance: Mike O'Brate, Treasurer**

President Dunn asked for consideration of the 2016 Budget, Resolution 2015-1 and approval of the assessments. Steve Stone moved to approve the 2016 Budget, 2015-1 Resolution and Assessments. Kirk Heger seconded. The motion passed with all in favor. .

Hal Scheurman moved to approve resolution 2015-2. Doug Fox seconded. Motion passed with all in favor.

**GMD/DWR Flowmeter Summit...**

A Flowmeter Summit was held at the GMD5 office in Stafford, KS July 23rd. In-field technology and compliance was a good portion of the discussion. A mobile WRIS software tool is being worked on by Burns and Mac.

**Water Plan: proposing regional goals in GMD3**

An update on the Water Plan regional goals in the GMD3 was provided by Kirk Heger and Mike O'Brate.

The Cimarron Region status was reported by Kirk Heger. He stated they left goals as stated from the previous meeting. Concepts but not necessarily amounts of reduction or years of extension was discussed.

Mike O'Brate reported the Upper Arkansas Region. He reviewed the SMART Criteria Feedback.

- Add more specific measurable criteria (extend the usable lifetime by a minimum of 25 years, slow the depletion of the aquifer by 25%)
- Clarify time-bond (future generations=30 years)

Upper Arkansas Region modified goal: By 2020 re-establish and maintain flows along the Upper Arkansas River in the amount of one cubic feet per second at the USGS gage located at Dodge City for 100% of Kansas' share of compact water and a quantified share of high flows that is currently stored in Colorado that is over and above the compact amount through management of river flows and maintenance of open channel conveyance through 100% of tamarisk control. Ensure we maintain compact compliance and enforce the compact when necessary.

**Water Congress Conference**

Water Congress Conference was held at the University of Kansas on August 6-7th, 2015.

Mark will email the slides that were presented. Mark would like to get Jim Butler out at the next Board of Directors meeting to present his presentation.

Mark stated no bill has been received for the membership of Kansas Water Congress in the pass years we have paid \$5,000. Does the board want to make payment of membership now without an invoice or wait until an invoiced is received? The consensus of the directors was to pay when the invoice is received.

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**NWRA Western Water Seminar**

National Water Resources Association (NWRA) will hold a conference on August 4<sup>th</sup> through 6<sup>th</sup> in Monterey California. Mark Rude will be attending and expenses were / will be paid by the Groundwater Management District Association and other resources. He added a bill will be processed through GMD3 but refunded by other resources. Executive Committee did approve the procedure of expenses.

**K-State Field Day**

Mark announced that K-State Field Day will be held, August 27<sup>th</sup>, 2015 from 9am to 2pm, at the K-State Research Center.

**Old Business**

There was no old business to take off the table.

**New Business**

There was no new business to bring to the table.

**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, Randy Hayzlett moved to accept the July financial report and payments as presented and submit them for annual audit. Mike O'Brate seconded. Motion passed with all in favor.

**Project Activity**

Hal Scheurman stated bids were received and reviewed by the Kearny County Farmers Irrigation Association and project cost estimates were encouraging. Bridges, Inc. from Newton was selected to complete the work.

**Board Member Report**

Mike O'Brate stated the state is pushing to start water conservation...cuts could be possible. Significant discussion on methods and outcomes ensued.

**Public Forum**

There were no public forums brought to the table.

**ADJOURNMENT**

Fred Claassen made a motion to adjourn the meeting. Zachary Gale seconded.  
The meeting was adjourned at 12:12 p.m.

Respectfully Submitted,



Mike McNiece  
GMD3 Board Secretary