

**Southwest Kansas Groundwater Management District No. 3**  
**Minutes of the Regular Meeting of the Board of Directors**  
**July 11th, 2024**

**MEETING CALLED TO ORDER**

President McCormick called to order the June 11, 2024, Board of Directors meeting of the Southwest Kansas Groundwater Management District at 9:00 a.m. The meeting was at the Southwest Kansas Groundwater Management Board Room.

**Directors Present in Person**

Chad McCormick, President, Industrial Representative  
Mike O'Brate, Treasurer, Finney County Representative  
Randy Hayzlett, Vice-President, Surface Water Representative  
Zachary Gale, Hamilton County Representative  
Clay Scott, Grant County Representative  
Andy Moser, Stevens County Representative  
Fred Jones, Municipal Representative  
Kent Dunn, Seward County Representative

**Directors Present by Phone or Zoom**

Garrett Love, Secretary, Gray County Representative  
Jacob Harshberger, Ford County Representative

**Directors Absent with Notice**

Bret Rooney, Haskell County Representative  
Carl Clawson, Meade County Representative  
Reid Shrauner, Morton County Representative  
Seth Nelson, Stanton County Representative  
Kyle Maddux, Kearny County Representative

**District Staff Present**

Mark Rude, Executive Director  
Jason Norquest, Assistant Manager  
Patty Stapleton, Office Administrator  
Chris Law, Director, Field Services  
Brandi Sneath, Office Assistant  
Trevor Ahring, Engineer

**Others in Attendance**

Mike Meyer, Water Commissioner, Division of Water Resources, Garden City, KS  
Keadron Pearson, Kansas Water Office  
Earl Lewis, Chief Engineer & Director at Kansas Department of Agriculture  
Lane Letourneau, Projects Manager at Kansas Department of Agriculture  
Kevin Salter, Division of Water Resources

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**APPROVE AGENDA**

President McCormick asked to consider the agenda for the July 11<sup>th</sup> Regular Board Meeting. Mike O'Brate asked for an Executive Session to be added under new business. **Kent Dunn made a motion to approve the revised agenda. Andy Moser seconded. The motion passed.**

**Approval of Minutes and General Financial Reports**

President McCormick drew the attention of the Board to consider the June 14, 2024, draft minutes. **Fred Jones moved to approve the June 14<sup>th</sup>, 2024; minutes as presented. Zach Gale seconded the motion, which passed.**

President McCormick next drew the attention of the Board to review the June 2024 Financial report. The amount of postage spent year to date was discussed.

**Clay Scott moved to approve the May 2024 finances and submit them to the annual audit. Andy Moser seconded. Motion passed.**

**Correspondence / Recognition / Formal Comment to the Board of Directors**

Mark brought to the board's attention the letters received from Earl Lewis regarding the High Priority Area and the approval of the updated Management Program subject to a couple of items to review/edit.

**Management Program: Reports and Recommendations**

**DWR Report: Mike Meyer, Water Commissioner**

Mike Meyer noted that business is as usual.

Kevin Salter with DWR added there has not really been any recent conservation storage at John Martin Reservoir. The recent storage has been related to Great Plains storage right for the Amity Canal (Colorado). Kansas has about 20,000 acre-feet of available stored water in John Martin Reservoir, about 11,500 from the Section 2 Account and about 8,500 from the Offset Account. As releasing this water, we are looking at that tomorrow morning. The Associated Ditches will meet tomorrow and discuss what they want to do this summer. One of the things to note is that even though there was quite a bit of water generated below Pueblo Reservoir, senior Colorado surface water users were able to utilize that for irrigation on their lands.

Lane Letourneau announced they have added two people to complete new applications. They have hit the ground running and hope to be somewhat caught up within a couple of months.

**Discussion of DWR Draft Revised Rules**

Earl Lewis spoke about the Supplement to the Proposed Impairment Regulation. He stated it was ready to be sent out about 18 months ago for comment, but they opted to hold off due to the Quivira claim. The first-in-time person/water right is fundamental to Kansas water law, really anything in the West. Our first and primary responsibility is to manage the water rights system. And, you know, going back to 1945, it was about the protection of investments in private property. However, the process has become complicated over time, making it difficult to fulfill this responsibility. For example, the current rules imply that you must fully utilize the aquifer and go to its base, which may not be fair in cases where existing users are affected financially. We should have discussions to find the best solutions instead of imposing costly requirements upfront. Additionally, we are looking to

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streamline the process without compromising the quality of the determinations we make. It is worth noting that statutes already outline the process for addressing impairments, and junior right holders are still included to provide input. This is Supplemental to what is already in the statute. The Appropriation Act has two sections addressing impairment. Section 706B follows a "first in time, first in right" principle: with a complaint, we go out and do the investigation, we find there is an impairment, and then we act. While section 717 provides additional details to the process. As a junior water right owner, you can provide information and still be engaged in the process. The Act already includes provisions for engaging junior right holders in the process, so some language has been removed from the rule to avoid duplicating what is already in the statute. This aligns the rules and statutes and reflects a different approach to rulemaking. Additionally, some changes have been self-directed, but it has been suggested that self-directed regulations are not in line with the intended purpose of regulations, which is to clarify the rules and responsibilities for the community when the statute is not clear. This change aligns the rules and statutes and reflects a different approach to rulemaking.

**Public Hearing on Revising the 2024 Budget**  
**Called to order at 9:32 a.m.**

President Chad McCormick called the Public Hearing on Revising the 2024 Budget to order at 9:32 a.m. and welcomed everyone in attendance. Patty Stapleton, Board Clerk, will record these proceedings.

The GMD3 Board is proposing a revision of the adopted 2024 budget. This requires a hearing according to state policy KSA 82a-1030. The revision is proposed to access collected and unbudgeted carryover funds from 2023 to help maintain the staffing necessary for implementing the management program, including an additional Groundwater Conservation Specialist to assist with additional groundwater conservation programs available to the board that will benefit District constituents. This hearing is to receive comments on the proposed revision of the 2024 District Budget.

No additional assessments are proposed for the revised 2024 budget.

Hearing announcements were published in the district area newspapers in compliance with State Law, and a draft revised budget was presented to members at the annual meeting, which was held this past March, with an updated version for hearing today.

Treasurer Mike O'Brate added that as illustrated on page 16 of the board packet, the current General Fund Budget is \$1,219,827.00 funded by land assessments at 5cents per acre and a water user fee of 16 cents per acre-foot of groundwater. The added funding in the proposed revised budget is from grant reimbursements, additional interest earned, some unspent carryover from 2023, and additional MOU contract service income that amount to a budget addition of \$49,352.00 for a new proposed total 2024 budget of \$1,269,179.00.

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GMD3 is preserving four special budget accounts under our cash-based budget:

1. Water Right Retirements Fund
2. Arkansas River Basin Western Water Conservation Projects fund
3. Kansas Aqueduct Project Fund
4. Grant Proceeds Fund

The floor was open for public comments.

**Budget hearing closed at 9:36 a.m.**

Discussion continued of DWR Draft Revised Rules

Earl Lewis noted it has been suggested that self-directed regulations are not in line with what regulations are intended for, which is to clarify the rules and responsibilities for the regular community when the statute is not clear. Earl added they will extend the comments to September and appreciated everyone's input today and the good discussions.

**Public Hearing on Proposed 2025 Budget**  
**Called to order at 10:00 a.m.**

President Chad McCormick called to order the Public Hearing for the 2025 budget. According to state policy, a GMD3 2025 budget hearing is necessary and proper to fund our organized groundwater program activities. Specifically, KSA 82a-1030 provides for the funding of the GMD3 through an annual water user fee per acre-foot against the water right amount not to exceed \$2.00 and an annual land assessment not to exceed five cents per acre for owners of tracts of land forty acres or more in size.

This budget hearing is being held in accordance with state statute to receive comments on the proposed 2025 budget.

Hearing announcements were published in the district newspapers in compliance with State Law, and a draft budget was presented to members at the Annual Meeting this past March. The same budget copies are available today.

President McCormick turned the floor over to Treasurer Mike O'Brate.

Mike O'Brate stated the proposed General Fund Budget is \$1,269,694.00, which is being funded by land assessments at five cents per acre and a water user fee at 22 cents per acre-foot of groundwater. This is a six-cent increase in the water user fee to add resources needed to enhance the conservation activities available to the Board on behalf of District constituents.

GMD3 budget has four special budget accounts outside the general fund created to manage special purpose funds:

1. Water Right Retirements Fund
2. Arkansas River Basin Western Water Conservation Projects fund
3. Kansas Aqueduct Project Fund
4. Grant Proceeds Fund

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**The first two funds have a current balance of zero.**

**The hearing officer opened the floor for public comments.**

Garret Love noted we are going through with the grant funding, and he does not want to see the 6-cent increase. Maybe a couple of cents to keep up with inflation for pay raises.

Chad McCormick questioned what we are going to do when we start pumping less and more verified claims are submitted.

Mike O'Brate stated the finance committee reviewed the budget thoroughly; he added that an additional six cents is \$15.00 on a circle of corn. That is not a whole lot of funds, considering what the county takes from you.

Zach Gale questioned where we are going to cut costs.

Garrett Love stated that we do not need to budget for a new position that will be funded by grants. We can adjust as needed. I would rather do a couple of cents for inflation.

There were no public comments added.

**The hearing was closed at 10:16 a.m.**

Board Discussion was held regarding the time limit for the determination of the six-cent increase to be effective for the 2025 budget year and to keep Patty Stapleton able to process assessments in a timely manner. Patty stated the deadline to get the assessments to the counties is August 15<sup>th</sup>.

Fred Jones brought the board's attention to the fact that there was not an agenda item to adopt the 2025 Budget Resolution.

**Randy Hayzlett moved to revise the agenda to add the 2025 Budget Resolution under New Business. Andy Moser seconded. Motion passed Fred Jones opposed.**

**Old Business**

Resolution Revising the 2024 Budget

**Kent Dunn moved to approve Resolution 2024-4. Garret Love seconded. Motion passed.**

Other Agency Reports

Keadron Pearson with the Kansas Water Office announced that the Upper Arkansas Regional Advisory Committee will meet on the 18th of this month at 9 a.m. in Garden City, more than likely at the Finnup Center. The Cimarron Regional Advisory Committee will meet that same day at 2:00 p.m. The location of that meeting will be announced later. Lastly, the Water Authority will meet on the 21<sup>st</sup> in Wichita.

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**Committee Reports**

**Executive**

- Reviewed the July Board Meeting Agenda
- Discussed the Two Budget hearings.
  - 2024 Revised Budget
    - Remaining 5% on three employee positions, a total of \$8,000
    - Funds added for one added conservationist position.
- Draft DOC Memorandum of Understanding-State / GMD3 RCPP Funds
  - Proposed upfront annual initial funding for each GMD of \$238,970.72
  - Annual agreements from October 1 to September 30 each year.
- Letter of Commitment
  - GMD3 RCPP submittal occurred July 2<sup>nd</sup>, 2024.
- Options for Board budget Resolutions
  - 2024 Revised and 2025 Proposed

Chad mentioned a conversation with Vijay Ramasamy about trusting the GMD3 Directors. The Chief Engineers' letter came in and is very similar to what Vijay said in person. Most of what we talked about was preparing for this meeting.

**Policy and Legal**

- Water Rights advice and assistance
  - Committee Water Rights Policy Development
    - Stock water MYFA- will be coordinating with KLS for recommendations.
    - DWR Draft Rule Reform-Impairment Regs
      - Comments due August 1<sup>st</sup>.
    - Short move spacing rule exception tweak-Jason

(c) A well shall be exempt from the minimum well spacing requirements of this regulation if the well meets either of the following conditions: (1) The well is being replaced within 300 feet of the currently authorized point of diversion. (2) The proposed replacement well location improves the spacing to all other wells for which the spacing requirement was not met on the date on which the application for a change in point of diversion was filed and continues to meet requirements for spacing to all wells for which the spacing req
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- HB 2279 Compliance
    - Smart Plan
      - Phase I Report
      - Other GMDs Submittals
      - Phase II Meetings/Reclamation Grant Contract
  - Kansas RCPP Contract with GMD3
  - Conservation Contracts
    - GMD3 RCPP AFA Submittal-GMD3 Rental Contracts
    - Permanent Partial or Full Groundwater Conservation Easements / Contracts
  - IRS Recognition of Water Right Donations Update
  - Education, Outreach and Advocacy
    - KWA Local Consult Workshop participation – June 8<sup>th</sup>, Dodge City, KS

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The Policy and Legal Committee discussed the impairments and MYFA's for Stock. Input from KLA and other groups is needed.

Finance

- DOC Early Draft MOA-Kansas RCPP
- 2024 Revised Budget Hearing
  - Purposes
  - Script
- 2025 Budget Hearing
  - Additional Cost
    - Additional staff personnel
    - Anticipated costs in developing action plans.
- State RCPP Success Measures
- Script-proposed 2025 budget.

The Board of Directors to this opportunity to recess for five minutes.

New Business

Resolution 2024-5

Mark Rude brought to the table Resolution 2024-5 to approve the 2025 budget as proposed.

Andy Moser moved to approve Resolution 2024-5 as written. Clay Scott seconded.

Zachary Gale, Jacob Harshberger, and Garret Love opposed.

Seven yes. Three no. Motion passed.

The board's consensus moved the Executive Session, which was added to the agenda under New Business, to the end of the agenda/meeting.

Executive Director Report-Mark Rude

Building and Grounds-Gutters and Trees

Mark updated everyone on the maintenance around the office grounds. He noted that the trees were cleaned up, and that was around \$1400.00. Guttering will need to be updated with screens, and he is getting three bids; he will provide those to the board at the next meeting.

President's Council of Advisors on Science and Technology (PCAST) Groundwater

Mark turned the board's attention to page 19 in the board book. He plans to attend the workshop on Monday.

KSU/ KLA/Aimpoint Conservation Strategy Meeting

Mark attended this meeting yesterday, Tuesday, July 9, 2024; he provided handouts of the worksheet that was reviewed.

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**Western Water Conservation Projects Fund Business**

The Western Water Conservation Projects will hold a meeting tomorrow in the GMD3 Board room. Fred Jones asked what the issue with the sales tax is. Mark Rude referenced the emails from Connie Owen asking for additional information on the funds for the WWCP accounts.

**Randy Hayzlett moved to approve the June 2024 finances of the Western Water Conservation Projects Fund and submit them to the annual audit. Andy Moser seconded. Motion passed.**

**Board Member Report**

Clay Scott mentioned when he attended a meeting in Salt Lake City where the States that offered buying out water rights are no longer in favor of it because of the long-term outcome to communities. Randy Hayzlett stated that short-term incentives would be better. If you sell out, the economy will not stay viable.

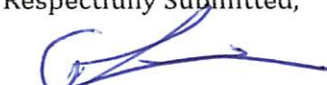
**Executive Session**

**Fred Jones moved to go into executive session for 15 minutes to discuss personnel matters with the Board of Directors only. Mike O'Brate seconded. Motion carried.**

**After 15 minutes, Fred Jones moved to go another 15 minutes. Clay Scott seconded. Motion passed.**

**Andy Moser moved to adjourn at 12:05. Zachary Gale seconded. The meeting was adjourned.**

Respectfully Submitted,

  
Garrett Love  
GMD3 Board Secretary