

39th Annual Meeting Minutes – Wolak Community Center Goodland, Kansas, February 18th, 2014

The 39th annual meeting was opened at 1:30 P.M. CST, February 18th in the Wolak Community Center, Kansas. Board members present were:

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| Scott Maurath | Dave Rietcheck | Jeff Deeds |
| Roger Zwegardt | Jon Friesen | Justin Sloan |
| Mitchell Baalman | Brent Rogers | |

Board members absent were: Shane Mann, Doug David

Others present were: Staff: Katherine Durham, Ray Luhman, Dan Simmering, Rita Wade and Jeff Mason; DWR Kelly Stewart.

There were 50 total persons in attendance. The attendance roster is available from the district office.

President Scott Maurath opened the meeting with a welcome and introductions of the board, staff, state agency staff, and former board members present.

President Maurath then turned over the meeting to Jeff Deeds for presentation of the 38th annual meeting minutes, from February 19th 2014 in Goodland Kansas. Jeff Deeds directed attention to the annual meeting minutes printed in the annual meeting packet (page 4) and gave everyone a chance to review them. There being no questions or comments, it was moved by Robin Deeds and seconded by Allen Townsend that the 38th annual meeting minutes be approved as presented. The motion passed unanimously by voice vote.

Brent Rogers next presented the 2015 proposed operating budget. Brent reported that the 2015 budget was approximately \$100,000.00 less than the budget for 2014 because the district was no longer budgeting in the new building fund. With no further questions or comments, the proposed 2015 budget of \$451,351.00 was approved on a motion by John Hendricks and a second from Bill Nondorf and a unanimous voice vote.

Mitchell Baalman next presented the 2013 calendar year audit. Mitchell directed attention to the audit report contained in the annual meeting packet at page 9 and asked everyone to review the report. He summarized by reporting that the district had brought in \$638,536.15; spent \$561,889.59; leaving \$76,646.56 that was carried over into the 2014 budget. Moreover, with a few other small cash accounts and the Foundation funds, the total at the time of this meeting was \$596,805.89. Jeff finally noted that the Foundation (not affiliated with the district) had a December 31, 2013 balance of \$520,159.33. Following review and with no questions or comments, Steve Evert moved for approval of the 2013 Audit Report. Bill Nondorf seconded the motion which passed unanimously by voice vote.

Monty Biggs next conducted the board elections. He gave the background rules and indicated each position election would be held separately. Monty opened Position 1 (Cheyenne County)

announcing that Roger Zwegardt was the single candidate that had pre-filed. Monty opened the floor for additional nominations for Position 1. With no additional nominations, Mitchell Baalman moved that nominations for Position 1 cease and a unanimous ballot be cast for Roger Zwegardt. Harlen House seconded the motion. With no further discussion, the motion passed unanimously by voice vote.

Monty Biggs opened Position 4 (Sherman/Wallace County) announcing that Dave Rietcheck was the single candidate that had pre-filed. Monty opened the floor for additional nominations for Position 4. With no additional nominations, Robin Deeds moved that nominations for Position 4 cease and a unanimous ballot be cast for Dave Rietcheck. Alan Quenzer seconded the motion. With no further discussion, the motion passed unanimously by voice vote.

Monty Biggs opened Position 6 (Thomas County) announcing that Jon Friesen was the single candidate that had pre-filed. Monty opened the floor for additional nominations for Position 6. With no additional nominations, Tom Sloan moved that nominations for Position 6 cease and a unanimous ballot be cast for Jon Friesen. Jon Hendrich seconded the motion. With no further discussion, the motion passed unanimously by voice vote.

With no contested positions, there was no need to mark ballots.

A Question was raised regarding the new building fund, and it was explained that the money was raised by assessments over a 3 year period.

GMD1 Board President Greg Graff explained the issues that GMD1 was experiencing in forming their District wide LEMA proposal. The number one issue at that time was the idea that vested water rights cannot be changed by statute. Ray Luhman from GMD4's staff explained what vested rights are and why there was not an issue concerning vested rights when forming the SD6 LEMA. Mitchell Baalman went on to explain why the GMD4 Board had also excluded Hoxie Feed Yard from the SD6 LEMA, due to the fact that it alone played such a huge role in the local Hoxie economy. There was continuous discussion regarding how the GMD4 Board of Directors should move forward in possibly establishing future LEMA efforts, several individuals felt that the solution needed to include the whole district and not just individuals within the HPA areas.

Before adjournment, President Maurath thanked everyone for their attendance and attention, and announced that the board would be reconvening its February meeting on site in the Wolak Community Center, Goodland Kansas which will be open to the public. With no objections, President Maurath declared the 39th annual meeting of the Northwest Kansas Groundwater Management District No. 4 adjourned at 2:36 P.M., Feb. 18, 2014.