

## **Minutes: Northwest Kansas Groundwater Management District 4 January 11, 2018 Board Meeting**

### **1. OPEN MEETING, ATTENDANCE AND AGENDA**

The January 11th board meeting was opened at the GMD 4 office in Colby, Kansas by President, Brent Rogers.

Board members present for some or all of the meeting were:

Jeff Deeds, Lynn Goossen, Roger Zwegardt, Mitchell Baalman, Brent Rogers, Karen Flanagin, Nate Emig, Scott Maurath, and Shane Mann

Board members absent:

Monty Biggs

Others present for some or all of the meeting were: Ray Luhman, Shannon Kenyon, Jody McCain and Dan Simmering – GMD 4 staff; Adam Dees – attorney; Kelly Stewart and Steven Walters- DWR; Dewayne Kersenbrock; Dave Rietcheck; Mike McKenna; & Doyle Sadler.

Ray Luhman requested that under New Business: d. Attorney Contract

### **2. CONSENT AGENDA**

Brent Rogers asked if there were any concerns over the consent agenda, consisting of the December 7th, Minutes and Expenditures for the month of December. A receipt of the December financial report was previously distributed showing monthly expenditures totaling \$37,369.59 in December were approved.

**Scott Maurath moved the minutes and expenditures for the month of December be accepted as presented. The motion was seconded by Mitchell Baalman and passed unanimously by voice vote (no “nay” votes).**

### **3. OPEN FORUM**

Dewayne Kersenbrock asked the board of directors what recourse do domestic well owners have with a declining aquifer. Kelly Stewart explained the domestic well impairment process and what a well owner could do to establish priority.

#### **4. MANAGER'S REPORT**

Ray Luhman reported we have not heard from the Chief Engineer on a LEMA decision. Other than that, it has been fairly slow.

#### **5. UNFINISHED BUSINESS:**

##### **a. District LEMA**

Still have not heard from the Chief Engineer and are in a holding pattern. Public comments can be viewed on the KDA website.

A producer looking to purchase a water right wanted an idea on how the board of directors would decide if he were to appeal his limited quantity. He has base acres to install an additional pivot and wants a LEMA allocation for it in addition to what the water right is already allocated under the proposed LEMA. The board expressed concern for additional appeals of this nature and would probably not allow it under an appeal.

It was also expressed that public information meetings need to be conducted when/if the LEMA Order is issued. Discussion was had on locations and what to include in those meetings.

##### **b. GIS Workshops**

Shannon Kenyon reported the new technology is officially live and being used. There are a few quirks here and there, but can be fixed under the maintenance agreement. We will send them the final installment and remove this from the agenda.

##### **c. Graham County Position**

The position was advertised in the Hill City Times with no response. Ted Nighswonger previously agreed to take the position. Brent Rogers affirmed that Ted would be a good fit to the board of directors.

**Roger Zweygardt moved to appoint Ted Nighswonger to Position 9 Graham County. The motion was seconded by Lynn Goossen and passed unanimously by voice vote (no "nay" votes).**

##### **e. Annual Meeting**

Those that hold offices will conduct their role in the annual meeting. Lynn Goossen agreed to conduct the elections. Shannon gave an overview of the presentations. Nominating petitions were collected from members present that want to run for reelection.

#### **6. NEW BUSINESS**

##### **a. Budget Hearing**

**Shane Mann moved to open the budget hearing at 11:35 am. The motion was seconded by Mitchell Baalman and passed unanimously by voice vote (no “nay” votes).**

Ray Luhman reported there was no pre-filed testimony. Ray provided his testimony and passed around the budget showing the 2017 expenses, the 2018 proposed at the annual meeting, the 2018 final assessed, and the 2018 revised to include the 2017 carry-over.

Mike McKenna asked a few questions on how the budget is calculated that were addressed by Ray Luhman and the board of directors.

**Roger Zweygardt moved to close the budget hearing at 11:50 am. The motion was seconded by Mitchell Baalman and passed unanimously by voice vote (no “nay” votes).**

**Following discussion, Lynn Goossen moved to adopt the following resolution:**

***WHEREAS the 2018 budget of \$457,515.00 approved originally on August 3, 2017 requires amending in order to incorporate the 2017 cash carryover funds; and***

***WHEREAS the district lawfully scheduled and conducted a public hearing to consider all testimony regarding the budgeting of carryover funds and other issues;***

***BE IT THEREFORE RESOLVED THAT the 2018 final operating budget shall be adopted as revised based on its presentation by GMD 4 staff during the lawfully conducted public hearing. The final 2018 operating budget of \$640,146.00 shall be:***

	2018 Revised	
<b>110 POSTAGE</b>		<b>\$5,000.00</b>
111 Newsletter	\$3,000.00	
112 General	\$2,000.00	
<b>120 PRINTING</b>		<b>\$2,800.00</b>
121 Newsletter	\$2,200.00	
122 Administrative	\$600.00	
<b>130 DUES</b>	\$500.00	<b>\$500.00</b>
<b>140 SUBSCRIPTIONS</b>	\$3,700.00	<b>\$3,700.00</b>
<b>150 INSURANCE</b>		<b>\$15,400.00</b>
151 Office	\$15,000.00	
152 Public Officials' Liability		
153 Auto		
154 Workmans' Comp.		
155 Inland Marine		
156 Unemployment	\$400.00	
<b>160 TELEPHONE</b>	\$4,500.00	<b>\$4,500.00</b>
<b>170 SALARIES AND BENEFITS</b>		<b>\$319,715.00</b>

171 Gross Sal, Kpers, SS, Etc.	\$319,715.00	
172 Health Insurance		
<b>180 TRAVEL</b>		<b>\$12,000.00</b>
181 Board	\$10,000.00	
182 Staff	\$2,000.00	
<b>190 VEHICLES</b>		<b>\$4,165.00</b>
191 Repairs/Maintenance	\$1,600.00	
192 Operation	\$2,400.00	
193 Tags	\$165.00	
194 Purchase/Lease		
<b>200 CONTRACTED SERVICES</b>		<b>\$67,900.00</b>
201 Accounting	\$5,800.00	
202 Legal	\$40,000.00	
203 Misc. Support	\$10,600.00	
204 Legislative Support	\$11,500.00	
205 Drilling		
206 Weather Modification		
<b>210 PUBLICATIONS</b>		<b>\$1,000.00</b>
211 Legal Notices	\$1,000.00	
<b>220 COOP PROGRAMS</b>		<b>\$2,000.00</b>
221 Administrative		
222 Equipment		
223 Contracted Studies		
224 Education Program	\$2,000.00	
<b>230 ADMINISTRATIVE</b>		<b>\$6,350.00</b>
231 Office Supplies	\$2,500.00	
232 Copy Machine	\$1,200.00	
233 Computer Maint	\$1,000.00	
234 Postage Meter Lease	\$650.00	
235 Bank Charges		
236 Field Supplies	\$1,000.00	
<b>240 NEW EQUIPMENT</b>		<b>\$4,000.00</b>
241 Field	\$1,000.00	
242 Office	\$3,000.00	
<b>250 CONTINGENCY RESERVE</b>		<b>\$169,276.00</b>
<b>260 FACILITY</b>		<b>\$21,840.00</b>
261 Rent	\$840.00	
262 Maintenance	\$14,000.00	
263 Remodel/Purchase	\$0.00	
264 Building Utilities	\$7,000.00	
<b>REIMBURSED EXPENSES</b>		
<b>300 FOUNDATION</b>		<b>\$0.00</b>
305 Foundation Subscriptions		
325 Foundation Telephone		
345 Foundation Accounting		
350 Foundation Legal		
370 Foundation Tech Support		
		<b>\$640,146.00</b>

2018 assessed for	456340
2017 carryover	183806
2018 Budget cap:	640146

*Shane Mann seconded the motion which passed unanimously by voice vote (no “nay” votes).*

**b. Hayden Family Farms WCA**

A copy of the proposed WCA was previously distributed for board members to review. It is more restrictive than the proposed LEMA and will be for 10 years and about a 9% water usage reduction.

**Mitchell moved to make recommendation of approval of the Hayden Family Farms WCA to the DWR. The motion was seconded by Jeff Deeds and passed unanimously by voice vote (no “nay” votes).**

**c. GAAP Resolution**

WHEREAS the Board of Directors of Northwest Kansas Groundwater Management District No. 4, Colby, Kansas, has determined that the financial statements and financial reports for the year ended 2017 to be prepared in conformity with the requirements of K.S.A. 75-1120a(a) are not relevant to the requirements of the cash basis and budget laws of this state and are of no significant value to the Board of Directors or the members of the general public of the Northwest Kansas Groundwater Management District No. 4 and

WHEREAS there are no revenue bond ordinances or resolutions or other ordinances or resolutions of the municipality which require financial statements and financial reports to be prepared in conformity with, K. S.A. 75-1120a(a) for the year ended 2017.

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of Northwest Kansas Groundwater Management District No. 4, Colby, Kansas, in regular meeting duly assembled this 11th day of January, 2018 that the Board of Directors waives the requirements of K.S.A. 75-1120aJ(a) as they apply to the Northwest Kansas Groundwater Management District No. 4, for the year ended 2017.

BE IT FURTHER RESOLVED that the Board of Directors shall cause the financial statements and financial reports of the Northwest Kansas Groundwater Management District No. 4 to be prepared on the basis of cash receipts and disbursements as adjusted to show compliance with the cash basis and budget laws of this State.

**Jeff Deeds moved to adopt the resolution. The motion was seconded by Lynn Goossen and passed unanimously by voice vote (no abstentions or “nay” votes).**

**d. Attorney Contract**

Adam Dees first informed the board of directors that he had to put the work he has done on the proposed District-Wide LEMA in a letter to his auditor. He also presented a contract showing the increase in fees for 2018 and provided explanation. He did mention that with the new contract his

paralegal can also work on GMD 4 business at a cheaper rate. The Foundation IRS debacle was also being resolved and evidence of that should be in the mail.

**Mitchell Baalman moved to sign and accept the attorney contract presented by Adam Dees. The motion was seconded by Scott Maurath and passed unanimously by voice vote (no abstentions or “nay” votes).**

## **7. Agency Reports**

Kelly Stewart discussed the proposed legislation for KDA this year. They want to eliminate having to notify all landowners within a ½ mile of all change applications except when it is a change in point of diversion over 300 feet. KDA would also like the filing deadline for the MYFA's to be December 1<sup>st</sup> instead of October 1<sup>st</sup>.

He also reported the DWR/KGS annual well measurements were wrapping up. Water Use Reports have been mailed and he encouraged everyone to file those online. The increase in fines is in effect.

## **8. OPEN SESSION-Public Questions/Comments:**

Several topics were discussed in open session. One discussion was where and how to do the educational meetings if/when the District-Wide LEMA Order is issued.

Another discussion was had on WCA's and DWR's efforts to market them.

Mike McKenna and Doyle Sadler had a discussion with the board on some of their concerns. Mike is worried the District-Wide LEMA will welcome an IGUCA. He has read several newspaper articles that have incorrect information. Doyle's concern is that it does not save water and doesn't treat everyone equally.

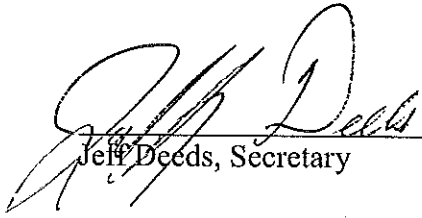
## **9. Scheduling Future Meetings:**

A board meeting and annual meeting was scheduled for February 7th, 2018. The first half of the monthly meeting will be at the GMD 4 office and the annual meeting at City Limits in Colby.

## **10. ADJOURNMENT**

***With no other business and no objections, Karen Flanagan moved to adjourn the meeting. The motion was seconded by Jeff Deeds and passed unanimously by voice vote (no “nay” votes).***

Respectfully submitted:



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Jeff Deeds, Secretary

