Public Informational meeting
Hays/Russell Changes applications

Welcome and overview

Greensburg, Kansas, June 21, 2018

David Barfield, Chief Engineer

Division of Water Resources
Kansas Department of Agriculture
Outline of the meeting

• Welcome & overview
• Cities’ presentation
• DWR summary of draft, proposed approval documents
• Questions and Answers
• Break
• Public comment period
Hays/Russell Changes - Overview

• Second water transfer in state history; the first under current requirements.

• Proposal to change 7,647 acre-feet (AF) of water from irrigation use on the R9 Ranch to municipal use for Hays/Russell

• As the Cities propose to move more than 2000 acre-feet of water greater than 35 miles, two approvals required:
  1) contingent approval from KDA-DWR to change applications
  2) then from Transfer Panel for water transfer approval.

• The Cities filed their 30 water right change applications covering 57 points of diversion during June 2015 and their Water Transfer application during January 2016.
City of Hays / R9 Ranch Water Right Changes and Water Transfer Application

The City of Hays purchased the approximately 7,000-acre R9 Ranch and its thirty water rights in southwestern Edwards County in 1995 with the intention of someday using the water as part of the City's water supply.

During June 2015, the City submitted applications to KDA-DWR to change the use made of water from irrigation to municipal use for the R9 Ranch water rights. As these proposed changes envision moving greater than 2,000 acre-feet more than 35 miles, during January 2016, the cities of Hays and Russell submitted an application to transfer water from Edwards County to the cities of Hays and Russell pursuant to the Water Transfer Act (K.S.A. 82a-1501, et seq.).

The water right change applications, the water transfer application, and other information are available in the table below. KDA-DWR will update this page as new information becomes available.

As of April 5, 2016, there is no set timeline to complete the processing of the water right change applications or to hold the water transfer hearing. As those dates are set, this page and the timeline below will be updated accordingly.

In response to a request by a basin stakeholder, the chief engineer has agreed to hold a meeting in the basin prior to his action to contingently approve the change applications. No date has been set for this meeting as KDA-DWR is still working with the City of Hays to clarify its applications (see the correspondence included in the table below).

The water transfer proceeding will not be initiated until the change applications are contingently approved.
Meeting purpose

• This meeting concerns itself with the change applications filed by the Cities of Hays and Russell to change water rights of the R9 Ranch from their current irrigation use on the Ranch to municipal use for the Cities.

• While not required as part of the change application process, due to the scope and complexity of the changes:
  • I am holding this informational meeting to provide more information on the proposed changes and
  • I am providing the expanded opportunity to take public comment on the proposed changes.

• When the change applications can be contingently approved, the Water Transfer Process will follow, which includes a formal public hearing.
Changes in water rights

K.S.A. 82a-708b. Application for change in place of use, point of diversion or use; fee; review of action on application.

(a) Any owner of a water right may change the place of use, the point of diversion or the use made of the water, without losing priority of right, provided such owner shall:

(1) Apply in writing to the chief engineer for approval of any proposed change;

(2) demonstrate to the chief engineer that any proposed change is reasonable and will not impair existing rights;

(3) demonstrate to the chief engineer that any proposed change relates to the same local source of supply as that to which the water right relates; and

(4) receive the approval of the chief engineer with respect to any proposed change...
Change application decision

• Are the proposed changes reasonable?
• Will the terms and conditions proposed for the changes approval prevent impairment?
• Do the change applications relate to the same local source of supply?

If a city or industry within 35 miles needed this water, under what terms and conditions could these rights be changed to meet that need?

Water Transfer questions will come later.
Hays/Russell Changes - Process ahead

• June 21 – Today’s public meeting
• Next 3 weeks - Receive written stakeholder input
• August 2018 – GMD input and recommendation on the change applications.
• Fall 2018 - Contingent approval of the change applications.
• When contingently approved, initiate the Water Transfer proceeding (9-15 months to complete).
Public Informational meeting
Hays/Russell Changes applications

Overview of Draft, Proposed Approval Documents
Greensburg, Kansas, June 21, 2018

David Barfield, Chief Engineer
Division of Water Resources
Kansas Department of Agriculture
Why draft, proposed approval documents

• Our normal process (within GMDs):
  • DWR reviews applications for completeness, conformity to rules
  • When application complete, gather public comment from nearbys
  • Sent package to GMD for recommendations [draft approval documents not normally provided]
  • Decision

• Due to the complexity of the project, draft approval documents provided to help public to fully understand the proposed terms and conditions being considered.

• No decision has been made, but we have worked hard to develop a set of potential terms that meets the Cities’ needs and meets statutory and regulatory requirements.
DRAFT PROPOSED MASTER ORDER DATED 5-4-18; FOR DISCUSSION ONLY

In the Matter of the City of Hays’ and the City of Russell’s
Applications for Approval to Change the Place of Use, the Point of Diversion or the
Use Made of the Water Under an Existing Water Right,
regarding the following existing water rights:

FILE NOS.
21,729-D1; 21,729-D2; 21,730; 21,731; 21,732-D1; 21,732-D2; 21,733; 21,734; 21,841; 21,842; 22,325; 22,326; 22,327; 22,329; 22,330; 22,332; 22,333; 22,334; 22,335; 22,338; 22,339; 22,340; 22,341; 22,342; 22,343; 22,345; 22,346; 27,760; 29,816; 30,053; and 30,084.

MASTER ORDER CONTINGENTLY APPROVING CHANGE APPLICATIONS REGARDING R9 WATER RIGHTS

The Chief Engineer of the Division of Water Resources, Kansas Department of Agriculture, after giving careful consideration to the Change Applications submitted by the Cities in the above matter, makes the following factual findings, legal conclusions, and order, which are contingent on the approval of the Cities’ Water Transfer Application and on other conditions, as explained herein.

CONTENTS

CHANGE APPLICATIONS REGARDING R9 WATER RIGHTS .......................................................... 1
Definitions .......................................................................................................................... 3
Summary of proposed terms and conditions

• Changes to the water rights' use made of water from irrigation to municipal use.

• Changes to the places of use from just the R9 Ranch to the Cities and their immediate vicinities, in addition to the Ranch.

• Changes to the points of diversion from the existing 56 irrigation wells to 14 consolidated municipal wells.
  • The order provides flexibility in locating the municipal wells up to 1,000 feet, as long as will meet all existing requirements in rules as well as a spacing of at least ½ mile to the locations of existing wells just outside the R9 Ranch.
Summary of proposed terms (con’t)

• As a result of changing the use made of water, reductions to the authorized quantities under 15 of the water rights, with a total authorized quantity of all rights of 6756.8 AF/year.

• Principally based on our rules related to consumptive use (K.A.R. 5-5-9 through K.A.R. 5-5-12)

• Cities demonstrated many of the circles irrigated alfalfa.

• See Table 1
# Appendix B:

## Table 1

<table>
<thead>
<tr>
<th>DWR File No.</th>
<th>Circle No.</th>
<th>Well Location</th>
<th>Section, Township &amp; Range</th>
<th>Crop</th>
<th>Acre Feet Converted from Irrigation to Municipal Use by Water Right (authorized quantity after change)</th>
<th>Acre Feet Converted from Irrigation to Municipal Use By Well</th>
<th>New Well Location</th>
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<tr>
<td>21,729-D1</td>
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<td>NC NW/4</td>
<td>Sec.29-T25S-R19W</td>
<td>Alfalfa</td>
<td>86.0</td>
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<td>A</td>
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<td></td>
<td></td>
<td></td>
<td>NE/4 SW/4 NW/4</td>
<td></td>
<td>102.0</td>
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<td>A</td>
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<td></td>
<td>9</td>
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<td>Sec.29-T25S-R19W</td>
<td>Alfalfa</td>
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<td><strong>21,729-D1 Totals</strong></td>
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<td></td>
<td></td>
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<td><strong>376.0</strong></td>
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<td>Sec.29-T25S-R19W</td>
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<td><strong>376.0</strong></td>
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</table>
Summary of proposed terms (con’t)

• Imposition of a **10-year rolling aggregate limitation of 48,000 AF** (an average of 4,800AF/year), based on the reasonable long-term yield of the R9 Ranch.

• The order explains the basis of this determination.

• The order includes terms to allow this amount of water to be increased by the Chief Engineer in the future, based on improved science, and

• The order includes terms for the limitation to be removed if the basin is opened to new appropriations or the restrictions of the Arkansas River IGUCA are lifted.
Summary of proposed terms (con’t)

• Imposition of reasonable municipal need limitations of 5670.23 AF/year and 1841.3 AF/year for Hays and Russell, respectively.

• The order allows for these values to be increased in the future based on an explicit method using defined, objective data and documentation regarding any increased municipal need of the Cities.
# Appendix E: Calculation of Hays’ Reasonable-Need Limitation

The following calculation illustrates the result of the formula in Master Order Subsection XII.B.b., “Method to Establish Reasonable-Need Limitation,” as applied to Hays.

<table>
<thead>
<tr>
<th>Region 5 Hays, Kansas</th>
<th>2012-2021 Reasonable Need</th>
<th>2022-2031 Reasonable Need</th>
<th>2032-2041 Reasonable Need</th>
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<tr>
<td>Hays’ 2016 U.S. Census Bureau Estimated Population (Used for the initial Reasonable-Need Limitation calculation only.)</td>
<td>21,027</td>
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<td>2% growth multiplier for 4 years (1.02^4) (Used for the initial Reasonable-Need Limitation calculation only.)</td>
<td>1.0624322</td>
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<td>2% growth multiplier for 10 years (1.02^10)</td>
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<td>1.2189944</td>
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<tr>
<td>Hays’ Assumed Population (Based on 2% growth over 10 years.)</td>
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<td>22,760</td>
<td>27,744</td>
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<td>Hays’ Estimated End-of-Decade Population (Starting point for the Reasonable-Need Limitation calculation)</td>
<td>22,760 (Based on 2% growth over 4 years for the initial)</td>
<td>27,744 (Based on 2% growth over 10 years)</td>
<td>33,820 (Based on 2% growth over 10 years)</td>
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</table>
Summary of proposed terms (con’t)

• Various reductions and limitations regarding rates of diversion.
• Table 2 specify the rates for the consolidated municipal wells.
• Table 3 provides specifics of the rate limitations imposed in the proposed individual approvals. Table 3 also shows the flexibilities that the Cities potentially would have, via future change applications, should they need to restore one or more wells to meet the needed rates and/or operational flexibility.
<table>
<thead>
<tr>
<th>FILE NO.</th>
<th>AUTHORIZED RATE PER IRRIGATION WELL (GPM)</th>
<th>MUNICIPAL WELL (TABLE 2)</th>
<th>MUNICIPAL WELL RATE (TABLE 2) (GPM)</th>
<th>RATE BY WELL AND BY RIGHT (GPM)</th>
<th>NET RATE REDUCTION BY RIGHT (GPM)</th>
<th>RATE LIMITATION BY WELL AND BY RIGHT (GPM)</th>
<th>POTENTIAL FUTURE CHANGES BY WELL</th>
<th>POTENTIAL FUTURE CHANGES BY RIGHT</th>
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<td>21,729 D1</td>
<td>615</td>
<td>A</td>
<td>945</td>
<td>945</td>
<td>NONE</td>
<td>NONE</td>
<td>Up to 3 wells with a total combined rate of 945 GPM</td>
<td>Up to 3 wells with a total combined rate of 945 GPM</td>
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<td></td>
<td>325</td>
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<td>TOTAL RATE</td>
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<td>945</td>
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<td>21,729 D2</td>
<td>720</td>
<td>A</td>
<td>945</td>
<td>945</td>
<td>945</td>
<td></td>
<td>Up to 3 wells with a total combined rate of 945 GPM</td>
<td>Up to 3 wells with a total combined rate of 945 GPM</td>
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<tr>
<td></td>
<td>360</td>
<td>A</td>
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<td>TOTAL RATE</td>
<td>LIMIT TO 1,685</td>
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<td>G</td>
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<td>TOTAL RATE</td>
<td>795</td>
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<td>795</td>
<td>0</td>
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<tr>
<td>21,731</td>
<td>380</td>
<td>H</td>
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<td></td>
<td>Up to 5 wells with a total combined rate of 765 GPM</td>
<td>Up to 7 wells with a total combined rate of 1,805 GPM</td>
</tr>
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</table>
Summary of proposed terms (con’t)

• Prescribed **reporting requirements**, including a **monitoring plan**.
• Imposition of a **delayed effective date**.
  • The order to change these water does not become effective unless and until both a final, non-appealable Transfer Order is issued by the transfer panel, and Hays enters into a written contract to begin construction of the project.
  • If these events do not occur by December 31, 2029 (or by any authorized extension), or if before then the Cities expressly abandon the project, then the changes do not become effective and the water rights revert back to their original characteristics.
APPROVAL OF APPLICATION
TO CHANGE
THE PLACE OF USE, THE POINT OF DIVERSION OR THE USE MADE
OF THE WATER UNDER AN EXISTING WATER RIGHT

WATER RIGHT
FILE NO. 21,729-D1

The Chief Engineer, Division of Water Resources, Kansas Department of Agriculture, after due consideration of the written Application for Approval to Change the Place of Use, the Point of Diversion or the Use Made of the Water Under an Existing Water Right, submitted by Toby Dougherty, City Manager, on behalf of the City of Hays, 1507 Main Street, Hays, Kansas 67601, and by Jon Quinday, City Manager, on behalf of the City of Russell, 133 W. 8th Street, Russell, Kansas 67665, and received in this office on June 26, 2015, as amended (the “Change Application”), for approval of changes in the location of the place of use, the point of diversion, and the use made of water under the Certificate of Appropriation issued on June 5, 1987 (the “Certificate”), pursuant to the application for permit to appropriate water for beneficial use regarding the above-mentioned Water Right, File No. 21,729-D1 (the “Water Right”), as modified and amended by the Order of the Chief Engineer dated January 17, 2018, dividing Water Right, File No. 21,729, into File Nos. 21,729-D1 and 21,729-D2 (the “Division Order”), finds that the changes requested in the Change Application are reasonable and will not impair existing rights, that such changes relate to the same local source of supply, and that the Change Application
# Change Application Processing

<table>
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<tr>
<th>Description</th>
<th>Document File</th>
<th>File Size</th>
<th>Date Posted</th>
<th>Provided by</th>
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<tr>
<td>DWR summary and tentative timeline concerning review of Hays/Russell R9 Ranch change applications</td>
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<td>Transmittal to GMD No. 5</td>
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<td>46 KB</td>
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<td>Draft proposed master order</td>
<td>Draft proposed master order</td>
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<td>Draft proposed master order exhibits</td>
<td>Draft proposed master order exhibits</td>
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<td>Letter to DWR confirming intent to amend change applications</td>
<td>Intent to amend change applications</td>
<td>80 KB</td>
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<td>Notice of posting modeling report and modeling files</td>
<td>R9 Notice of Posting Modeling Report</td>
<td>40 KB</td>
<td>02/19/2018</td>
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<td>R9 Ranch Groundwater Modeling Report</td>
<td>R9 Ranch Modeling Report</td>
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<td>KDA-DWR letter with comments from its initial review of the change applications 01/21/2016</td>
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<td>DWR Additional Comments</td>
<td>2 MB</td>
<td>04/08/2016</td>
<td>DWR</td>
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</table>
Hays/Russell Changes - Process ahead

• June 21 – Todays’ public meeting

• Next 3 weeks - Receive written stakeholder input

• August 2018 – GMD input and recommendation on the change applications.

• Fall 2018 - Contingent approval of the change applications.

• When contingently approved, initiate the Water Transfer proceeding (9-15 months to complete).
Questions