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Re: Hays/Russell Water Transfer – Change Applications for Water Right files numbered: 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; 22,331; 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; 30,083; and 30,084.

Dear David, Aaron, and Brent,

Since filing the original Change Applications in preparation for the Transfer, additional facts have come to light and we have engaged in significant negotiations over the terms and conditions of the Master Order approving the contingent Change Applications.

The Cities are submitting amendments to the Change Applications for each of the referenced Water Rights. The Change Applications, as amended, are made up of the following:

- A. This Cover Letter;
- B. the original Change Applications filed on June 26, 2015, and April 27, 2018, with the substitute pages being transmitted today replacing the relevant pages

- of the original Applications and the substitute pages filed in November of 2016;
- C. the Exhibits attached to the substitute pages filed in November of 2016, generally consisting of maps showing the proposed location of the new municipal wells; and
- D. the additional Exhibits attached to the substitute pages being filed today, generally consisting of the KGS WWC-5P well-plugging reports for most of the irrigation wells on the R9 Ranch.

The Change Applications, as amended, are contingent on (a) the entry of the Master Order as a Final Order with terms that are acceptable to the Cities and (b) the occurrence of the contingencies in the *Effective Date and Expiration Date* Section of the Master Order.

The content of this letter is incorporated into each of the Change Applications by reference and supersedes the June 25, 2015, cover letter transmitting the original Change Applications. The Cities respectfully request DWR's contingent approval of the Applications as amended.

|    |    |      |       |  | Page |
|----|----|------|-------|--|------|
| [. | S  | Supp | leme  | ntal information for the Cities' amended Change Applications                 | 3    |
|    | A. | Paı  | agrap | ph 2. Name of Applicants   | 3    |
|    | B. | Paı  | agrap | oh 3. The proposed changes are needed for the following reasons              | 4    |
|    |    | 1.   | Exis  | ting sources do not meet present needs—the City of Hays                      | 4    |
|    |    | 2.   | Exis  | ting sources do not meet present needs—the City of Russell                   | 6    |
|    |    | 3.   | Dro   | ught and the prospect of long-term mega-droughts                             | 8    |
|    |    | 4.   | Reas  | sonable per capita water use   | 9    |
|    |    | 5.   | Prox  | cimity to an adequate source matters   | 9    |
|    |    | 6.   | Ave   | rage annual water use by Kansas municipalities                               | 11   |
|    |    |      | a.    | Water use is inversely proportional to annual precipitation                  | 11   |
|    |    |      | b.    | Per capita use by large Kansas utilities is much higher than small utilities |      |
|    |    |      | c.Ot  | her than Hays, larger cities in Region 5 need more water than smaller cities |      |
|    |    |      | d.    | Water use depends on access to adequate sources                              |      |

|     |      | Reasonable per capita water use-City of Hays    |      |
|-----|------|---|------|
|     | 8.   | Reasonable per capita water use-City of Russell | . 17 |
| II. | Conc | lusion  | . 21 |

## I. Supplemental information for the Cities' amended Change Applications

The numbered paragraphs below correspond to the paragraph numbers in DWR's change application form and are incorporated in each of the applications unless otherwise indicated.

#### A. Paragraph 2. Name of Applicants

Please direct all correspondence to the lawyers for the City of Hays on all issues related to the Change Applications as follows:

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# B. Paragraph 3. The proposed changes are needed for the following reasons

## 1. Existing sources do not meet present needs—the City of Hays

The City of Hays owns water rights in the Smoky Hill River alluvium south of Hays, in the Big Creek alluvium in Hays, in the Dakota formation southwest of Hays, and is currently using water from a KDHE Dry Cleaner Trust Fund remediation project.<sup>1</sup>

Hays has water rights totaling an annual quantity of approximately 3,735<sup>2</sup> acrefeet, limited to no more than 3,675 acrefeet, and further limited by the Smoky Hill IGUCA.<sup>3</sup> But production from the City's wells is decreasing, and in recent years Hays

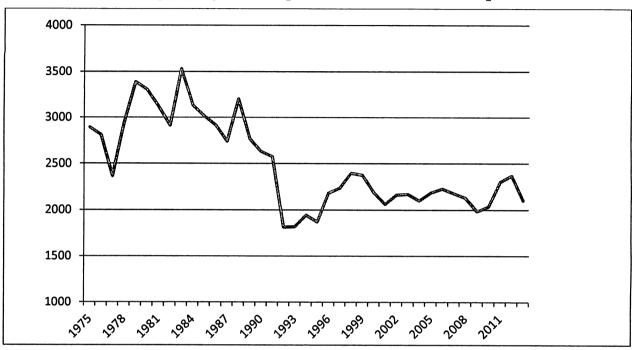
<sup>&</sup>lt;sup>1</sup> Water from this source is being diverted under a temporary water appropriation right.

<sup>&</sup>lt;sup>2</sup> Some of the later water appropriation rights held by the City of Hays include a limitation to a total quantity of 3,675 acre-feet when combined with other rights and the Smoky Hill water rights are limited by DWR's IGUCA.

<sup>&</sup>lt;sup>3</sup> See Exhibit B to the June 25, 2015 Cover Letter transmitting the original Change Applications.

Page 5

has been unable to produce more than 2,000 to 2,200 acre-feet of water per year because of the significant depletion of its Big Creek and Smoky Hill alluvial sources. Total municipal water use in Hays is shown in the following graph.



City of Hays Municipal Water Use in Acre-Feet per Year

Construction of Cedar Bluff Reservoir on the Smoky Hill River in Trego County and modern farming practices that significantly reduce runoff in the Smoky Hill basin have each contributed to the depletion of the City's water sources. This forced Hays to implement drought-induced conservation ordinances that drove homeowners to drill thousands of domestic wells in the Big Creek alluvium. Ironically, these domestic wells are now directly competing with Hays for the same water, which has impaired the City's water rights.

Hays has been the poster child for water conservation in Kansas since the early 1990s, when it imposed significant restrictions on water use. Hays is the only city in Kansas to adopt the green plumbing code and implement landscaping requirements that significantly limit the area and type of vegetation that is routinely grown and irrigated in other Kansas communities. To keep consumption rates low, Hays has enacted stringent water conservation measures, mandated the use of water-saving devices, and implemented a program that pays part of the owners' cost to purchase and install these devices.

In addition, both Hays and Russell have water-rate ordinances with increasing block structures. While the first gallon of water is relatively inexpensive, as

consumption increases, so does the incremental rate. This approach has dramatically decreased the per capita water use by residents.

Hays residents have embraced these conservation efforts, and take pride in their accomplishments, but carrying the banner as the statewide leader in conservation has created a widely held perception that Hays lacks water. The City is at the effective limits of conservation for this part of the country. If Hays pushed even harder by adopting some of the draconian tactics used by cities like Las Vegas and Phoenix, it would be thrust even farther away from its peer communities in Kansas, further repelling private and commercial investment.

Hays is the economic engine of Northwest Kansas; its continued growth and economic viability are crucial to the entire state. This is only possible if Hays has access to a water supply consistent with the reasonable expectations of citizens in other Kansas communities.

While abundant water does not guarantee that economic development will occur, development cannot occur without it. Hays has no interest in reverting to wasteful practices—conservation is, and will always be, a part of the culture in Hays. Instead, Hays is looking for additional water to ensure the long-term viability of the community and the region.

In order to grow, Hays must change the perception that it is short of water, which cannot be done until Hays changes the *reality* that it is short of water. Additional water resources will assure current and prospective businesses that water supplies meet and exceed current and long-term needs.

## 2. Existing sources do not meet present needs—the City of Russell

The discussion about Hays applies to the City of Russell as well. Russell is located in an arid climate where, like Hays, the evaporation rate exceeds the average annual rainfall.

Russell's water rights are designated with the following DWR file numbers: RS008; 1,267; 1,861; 7,628; 17,586; 17,587; and 36,680. These water rights provide Russell with the following quantities:

| Cedar Bluff Reservoir | 2,000 acre-feet | storage right |
|-----------------------|-----------------|---------------|
| Smoky Hill River      | 1,086 acre-feet | surface water |
| Smoky Hill River      | 961 acre-feet   | groundwater   |
| Fossil Lake           | 410 acre-feet   | surface water |
| Big Creek             | 1,767 acre-feet | surface water |

While the City of Russell has water rights totaling an annual quantity of approximately 5,814 acre-feet, it is limited to no more than 1,840 acre-feet per year from all sources combined.

Moreover, these sources are highly susceptible to drought. Big Creek is particularly unreliable because it frequently runs dry during the summer months. The Pfeifer well field is capable of supplying the water demand for a very short duration but could be permanently damaged if demand increases too much.

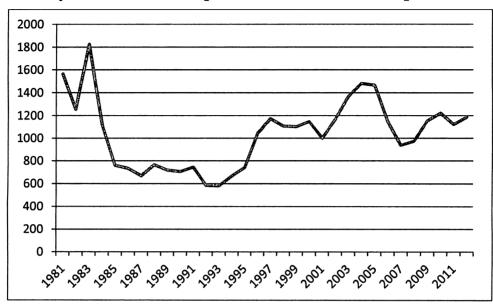
Russell has been able to manage its two main water sources effectively, but water use has been highly restricted over the last several years. Russell was in a Stage 3 Critical Water Stage or Stage 4 Water Emergency for 8 consecutive years.

The City of Russell and its citizens have responded to the City's warnings about their water supply and have significantly reduced their consumption. The industrial sector was able to reduce water consumption by 63% over 10 years. The residential/commercial sector was able to reduce their water consumption by 30% over the same time period. The exemplary conservation efforts have been well documented in the media. In fact, in 2013, Russell's total water consumption dropped by 22 percent over the previous five years, with more than one-third of its residents using rain barrels to collect and reuse rainwater.

Russell's water use peaked in the early 1980s, then dropped off precipitously in the mid-1980s.

<sup>&</sup>lt;sup>4</sup> Rick Montgomery, Capturing Every Drop: Russell, Kan., Learns to Live with Drought, The Kansas City Star (June 1, 2014), http://www.kansascity.com/news/state/kansas/article446882/Capturing-every-drop-Russell-Kan.-learns-to-live-with-drought.html. See also Kansas Community Launches Educational Campaign to Help Promote Water Conservation, AM Conservation Group (Jan. 20, 2014), http://www.amconservationgroup.com/blog/kansas-community-launches-educational-campaign-to-help-promote-water-conservation; Associated Press, Russell seeks to conserve water (July 11, 2012), http://cjonline.com/news/2012-07-11/russell-seeks-conserve-water.

<sup>&</sup>lt;sup>5</sup> Montgomery, Capturing Every Drop, supra note 33.



City of Russell Municipal Water Use in Acre-Feet per Year

Russell's governing body recognizes the importance and scarcity of water in this region. In addition to investing in infrastructure, Russell looked to its neighbors to the west and their conservation efforts. In 2013, the City of Russell began offering free low-flow showerheads to its customers and implemented a new water-conservation education program for middle school science classes. In 2014, Russell implemented a water-conservation rebate program, which promoted the purchase and proper installation of high-efficiency toilets.

As with other cities in this region, Russell must change the perception that it is short of water. This cannot be accomplished until it changes the reality that it is short of water. A reliable, sustainable, 100-year water source will assure current and prospective residents and businesses that Russell can sustain current and long-term needs.

#### 3. Drought and the prospect of long-term mega-droughts

Historically, the water shortages in Hays and Russell have been cyclical. But the drought that began in 2010 was extremely hard on the Cities' water sources and water shortages are now part of Hays' and Russell's daily life. Though those shortages become extreme during droughts, the Cities have entered a "new norm" that will extend beyond the current situation. In fact, with changing rainfall patterns and new farming practices it is hard to envision a time when the available alluvial aquifers will

 $<sup>^6\</sup> http://www.amconservationgroup.com/blog/kansas-community-launches-educational-campaign-to-help-promote-water-conservation.$ 

ever produce the quantities authorized or even sufficient quantities to meet the Cities' existing and future needs.

A recent Kansas Geological Survey ("KGS") article that analyzed paleoclimatological data concluded that "we should expect decadal droughts on average two times a century in western Kansas." More severe droughts will tax existing systems beyond their ability to cope; both Cities must take steps to protect their citizens from future droughts.

#### 4. Reasonable per capita water use

Extreme conservation, while laudable, is not the standard on the High Plains and is not conducive to economic-development efforts. Hays and Russell residents have sacrificed in ways that other Kansans have not. The Cities should not have to maintain this strict conservation once a new source of water becomes available. Instead, the communities' reasonable needs must balance the virtues of conservation with the reasonable expectations of other Kansas communities. Moreover, existing and prospective businesses have a legitimate interest in how water is used in their communities. Water use affects lifestyle which, in turn, affects employers' ability to attract new employees and the Cities' efforts to attract new employers.

#### 5. Proximity to an adequate source matters

DWR considers significantly higher per capita water use quantities to be reasonable for municipal use in other areas of the State—in fact, in *all* other areas of the State. A reasonable quantity in Hays and Russell should not be different than the reasonable quantities in Dodge City,<sup>8</sup> Pratt,<sup>9</sup> or Larned.<sup>10</sup>

As shown in Table 1, every Kansas county with a population in excess of 15,000 in the 2010 census—except Ellis County—is (a) on or east of U.S. Highway 81, the traditional dividing line between eastern and western Kansas; (b) over or near a major aquifer; or (c) both.

<sup>&</sup>lt;sup>7</sup> Anthony L. Layzell, A thousand years of drought and climatic variability in Kansas: Implications for water resources management, Kansas Geological Survey, 2012, p. 10 (emphasis in original).

<sup>&</sup>lt;sup>8</sup> Dodge City averaged 199 GPCD during 2007–2011. DWR's 2011 Municipal Water Use Report ("Report"), p. available at: http://agriculture.ks.gov/docs/default-source/dwr-water-appropriation-documents/2011\_ks\_ municipal\_water\_use.pdf ?sfvrsn=2.

<sup>&</sup>lt;sup>9</sup> Pratt averaged 195 GPCD during 2007-2011. *Id.*, p. 18.

<sup>&</sup>lt;sup>10</sup> Larned averaged 203 GPCD during 2007-2011. *Id.*, p. 13.

Page 10

Russell is even more isolated from viable sources. While it has very slightly more annual rainfall than Hays, its smaller size makes the economics of a long-distance pipeline more problematic.

|              |                           | Table 1   |               |                               |
|--------------|---------------------------|---|---------------|-------------------------------|
| County       | Population in 2010 Census | East of Highway 81  | On Highway 81 | Has access to a major aquifer |
| Johnson      | 544,179                   | X   |               |                               |
| Sedgwick     | 498,365                   |   | Χ             | Equus Beds                    |
| Shawnee      | 177,934                   | X   |               |                               |
| Wyandotte    | 157,505                   | X   |               |                               |
| Douglas      | 110,826                   | X   |               |                               |
| Leavenworth  | 76,227                    | X   |               |                               |
| Riley        | 71,115                    | X   |               |                               |
| Butler       | 65,880                    | X   |               |                               |
| Reno         | 64,511                    |   |               | Equus Beds                    |
| Saline       | 55,606                    |   | X             |                               |
| Crawford     | 39,134                    | X   |               |                               |
| Finney       | 36,776                    |   |               | Ogallala                      |
| Cowley       | 36,311                    | X   |               |                               |
| Montgomery   | 35,471                    | X   |               |                               |
| Harvey       | 34,684                    |   | X             | Equus Beds                    |
| Geary        | 34,362                    | X   |               |                               |
| Ford         | 33,848                    |   |               | Ogallala                      |
| Lyon         | 33,690                    | X   |               |                               |
| Miami        | 32,787                    | X   |               |                               |
| McPherson    | 29,180                    |   | Х             | Equus Beds                    |
| Ellis        | 28,452                    | 1. A.A. 1. A.A. 1. A.A.A. 1. A.A.A.A. |               |                               |
| Barton       | 27,674                    |   | •             | Ogallala                      |
| Franklin     | 25,992                    | X   |               |                               |
| Sumner       | 24,132                    |   | Х             |                               |
| Seward       | 22,952                    |   |               | Ogallala                      |
| Labette      | 21,607                    | X   |               |                               |
| Pottawatomie | 21,604                    | X   |               |                               |
| Cherokee     | 21,603                    | X   |               |                               |
| Dickinson    | 19,754                    | X   |               |                               |
| Jefferson    | 19,126                    | X   |               |                               |
| Atchison     | 16,924                    | X   |               |                               |
| Neosho       | 16,512                    | X   |               |                               |
| Osage        | 16,295                    | X   |               |                               |
| Bourbon      | 15,173                    | X   |               |                               |

#### 6. Average annual water use by Kansas municipalities

The reasonable quantity of water needed for municipal use in Kansas is dependent on average annual rainfall, proximity to a source, and population. More rainfall reduces water needs, and larger cities use more water per capita than smaller cities. DWR has deemed larger quantities to be "reasonable" in communities that have abundant supplies.

The following analysis demonstrates that a reasonable quantity of water for municipal use in Hays is about 200 gallons per capita per day ("GPCD").

DWR publishes an annual report on municipal water use in Kansas. The report divides the state into eight separate water-use "regions." Based on average annual precipitation and on per capita use, the report compares average use by water utilities in each of these similar geographic areas. 12

Region 1 is the western-most tier of counties and Region 8 is the eastern-most tier. <sup>13</sup> Hays is located in Region 5; Russell is in Region 6. <sup>14</sup>

Regions 7 and 8 are subdivided into small, medium, and large utilities with large utilities serving more than 10,000 people.<sup>15</sup> Hays would fit in the "large" category if Region 5 were so divided but would be the only such utility in that group.<sup>16</sup> Region 6 is divided into small and medium-large cities; Russell is in the medium-large category.<sup>17</sup>

### a. Water use is inversely proportional to annual precipitation

The Report asserts that GPCD use is much higher in the west than in the east "primarily due to differences in precipitation." Average annual precipitation in Region 1 (the far western tier of counties) ranges from below 18 inches to 21 inches. 19 Average

<sup>&</sup>lt;sup>11</sup> *Id.*, p. 38.

<sup>&</sup>lt;sup>12</sup> *Id.*, p. 3.

<sup>&</sup>lt;sup>13</sup> *Id.*, p. 38.

<sup>&</sup>lt;sup>14</sup> *Id*.

<sup>15</sup> Id., p. 4.

<sup>16</sup> Id.

<sup>&</sup>lt;sup>17</sup> Id.

<sup>&</sup>lt;sup>18</sup> *Id.*, p. 3.

<sup>&</sup>lt;sup>19</sup> Annual Normal Precipitation, 1971–2000, prepared by the Kansas Department of Agriculture, Administrative Services, October 30, 2009. http://agriculture.ks.gov/docs/default-source/dwr-water-appropriation-documents/precip7100\_3in.pdf.

Page 12

annual precipitation in Region 8 (the two eastern tiers) is roughly double the rainfall in Region 1, ranging from 36 inches to over 45 inches.<sup>20</sup>

Table 2 is taken from the 2011 Report.<sup>21</sup> The fact that per capita water use declines from west to east is the most-apparent conclusion from this data.

|              | Table 2  |      |      |      |      |         |  |  |  |  |  |  |  |
|--------------|--|------|------|------|------|---------|--|--|--|--|--|--|--|
| AVE          | AVERAGE GPCD USE FOR KANSAS PUBLIC WATER SUPPLIERS |      |      |      |      |         |  |  |  |  |  |  |  |
|              | BY REGION AND SIZE, 2007–2011                      |      |      |      |      |         |  |  |  |  |  |  |  |
| Dogion       |  |      | Year |      |      | Average |  |  |  |  |  |  |  |
| Region       | 2007   | 2008 | 2009 | 2010 | 2011 |         |  |  |  |  |  |  |  |
| 1            | 272  | 273  | 228  | 259  | 282  | 263     |  |  |  |  |  |  |  |
| 2            | 245  | 241  | 199  | 224  | 237  | 229     |  |  |  |  |  |  |  |
| 3            | 241  | 229  | 195  | 223  | 229  | 223     |  |  |  |  |  |  |  |
| 4            | 170  | 168  | 156  | 168  | 196  | 172     |  |  |  |  |  |  |  |
| 5            | 149  | 142  | 139  | 137  | 149  | 143     |  |  |  |  |  |  |  |
| 6-ML         | 135  | 133  | 131  | 139  | 151  | 138     |  |  |  |  |  |  |  |
| 6 <b>-</b> S | 126  | 121  | 117  | 114  | 134  | 122     |  |  |  |  |  |  |  |
| 7-L          | 135  | 128  | 124  | 134  | 140  | 132     |  |  |  |  |  |  |  |
| 7-M          | 101  | 96   | 94   | 98   | 103  | 98      |  |  |  |  |  |  |  |
| 7-S          | 92   | 89   | 87   | 87   | 93   | 90      |  |  |  |  |  |  |  |
| 8-L          | 130  | 123  | 122  | 125  | 130  | 126     |  |  |  |  |  |  |  |
| 8-M          | 98   | 92   | 89   | 93   | 94   | 93      |  |  |  |  |  |  |  |
| 8-S          | 82   | 81   | 78   | 79   | 81   | 80      |  |  |  |  |  |  |  |
| Kansas       | 119  | 115  | 109  | 114  | 122  | 116     |  |  |  |  |  |  |  |

 $<sup>^{20}</sup>$  *Id.* There are two small areas, one in northwest Brown County and the other in eastern Doniphan County, that dip below 36 inches per year.

<sup>&</sup>lt;sup>21</sup> 2011 Report, p. 4.

## b. Per capita use by large Kansas utilities is much higher than small utilities

For the period 2007–2011, large water utilities in Region 8 used 135% of the quantities used by medium utilities in that Region and 158% of the quantity used by small utilities. In Region 7, large utilities needed between 135% and 147% as much water as medium and small utilities.

|          | Table 3                   |  |  |  |  |  |  |  |  |  |  |
|----------|---------------------------|--|--|--|--|--|--|--|--|--|--|
| Region   | Average GPCD from Table 1 | Percent of 7-L and 8-L   |  |  |  |  |  |  |  |  |  |
| 7-Large  | 132                       | 122 CDCD : 1250/ (   |  |  |  |  |  |  |  |  |  |
| 7-Medium | 98                        | 132 GPCD is 135% of use in 7-Medium and 147% of use in 7-Small Communities |  |  |  |  |  |  |  |  |  |
| 7-Small  | 90                        | 147% of use in 7-5mail Communities   |  |  |  |  |  |  |  |  |  |
| 8-Large  | 126                       | 12( CDCD := 12(0) = ( : 0 M = 1: 1   |  |  |  |  |  |  |  |  |  |
| 8-Medium | 93                        | 126 GPCD is 136% of use in 8-Medium and                                    |  |  |  |  |  |  |  |  |  |
| 8-Small  | 80                        | 158% of use in 8-Small Communities   |  |  |  |  |  |  |  |  |  |

Table 4 summarizes the comparison of water use in Hays from 1993 through 2012 to the average use in Regions 5, 6-ML, 7-L, and 8-L for that same period.<sup>22</sup> Conservation measures enacted by the City of Hays resulted in average water use that is 14.9%–42.7% lower than large users in all of the Regions, which is in direct contrast to the overall statewide trend that per capita water needs decline as average rainfall increases from west to east.

|         | Table 4 |        |         |        |         |        |         |        |         |  |  |  |  |
|---------|---------|--------|---------|--------|---------|--------|---------|--------|---------|--|--|--|--|
|         |         |        |         | Region |         | Region |         | Region |         |  |  |  |  |
|         |         | Region |         | 6-ML   | Percent | 7-L    | Percent | 8-L    | Percent |  |  |  |  |
|         | Hays    | 5 Ave. | Percent | Ave.   | Below   | Ave.   | Below   | Ave.   | Below   |  |  |  |  |
|         | GPCD    | GPCD   | Below   | GPCD   | Region  | GPCD   | Region  | GPCD   | Region  |  |  |  |  |
|         | 1993–   | 1993–  | Region  | 1993–  | 6- ML   | 1993-  | 7-L     | 1993-  | 8-L     |  |  |  |  |
|         | 2012    | 2012   | Ave.    | 2012   | Ave.    | 2012   | Ave.    | 2012   | Ave.    |  |  |  |  |
| Highest | 112     |        | -26.0%  |        | -24.5%  |        | -20.8%  |        | -14.9%  |  |  |  |  |
| Lowest  | 85      | 151.35 | -43.8%  | 148.35 | -42.7%  | 141.4  | -39.9%  | 131.65 | -35.4%  |  |  |  |  |
| Ave.    | 97      |        | -35.7%  |        | -34.4%  |        | -31.2%  |        | -26.1%  |  |  |  |  |

# c. Other than Hays, larger cities in Region 5 need more water than smaller cities

Even though Hays is the only "large" user in Region 5 and "large" utilities need between 135% and 158% more water than medium and small users, its average use is far lower than the average water use in its own Region 5. In fact, as shown in Tables 5,

<sup>&</sup>lt;sup>22</sup> Data was extracted from several Annual Reports that were provided by DWR.

6, and 7, the average GPCD water use in Hays from 2007 through 2011 is lower than any of the Region 5 utilities that would be considered "medium" and lower than all but 5 of the 23 "small" providers.

Tables 5, 6, and 7 show the GPCD for all cities in Region 5 for which 2010 population figures were available, sorted by size.<sup>23</sup> Average need from 2007–2011 for "medium" sized cities was 153.5 GPCD; "small" cities averaged 128.5 GPCD. In Regions 7 and 8, large utilities need 135% of the water used by medium utilities and 152% of the water needed by small utilities. If Hays had access to plentiful water, it would normally use in the range of 200 GPCD instead of just 93 GPCD.<sup>24</sup>

|      | Table 5            |        |      |      |      |      |      |         |  |  |
|------|--------------------|--------|------|------|------|------|------|---------|--|--|
|      | 2010<br>Population | Region | 2007 | 2008 | 2009 | 2010 | 2011 | Average |  |  |
| Hays | 20,510             | 5      | 96   | 92   | 85   | 91   | 99   | 93      |  |  |

|              | Table 6                                      |        |       |       |       |       |       |         |  |  |  |  |  |
|--------------|--|--------|-------|-------|-------|-------|-------|---------|--|--|--|--|--|
|              | Cities with population between 500 and 9,999 |        |       |       |       |       |       |         |  |  |  |  |  |
|              | 2010<br>Population                           | Region | 2007  | 2008  | 2009  | 2010  | 2011  | Average |  |  |  |  |  |
| Larned       | 4054   | 5      | 211   | 203   | 176   | 200   | 225   | 203     |  |  |  |  |  |
| Phillipsburg | 2581   | 5      | 195   | 130   | 121   | 114   | 139   | 140     |  |  |  |  |  |
| Ellis        | 2062   | 5      | 90    | 93    | 91    | 97    | 101   | 94      |  |  |  |  |  |
| Plainville   | 1903   | 5      | 134   | 123   | 130   | 146   | 149   | 136     |  |  |  |  |  |
| Kinsley      | 1457   | 5      | 119   | 128   | 121   | 118   | 126   | 122     |  |  |  |  |  |
| La Crosse    | 1342   | 5      | 127   | 123   | 125   | 139   | 145   | 132     |  |  |  |  |  |
| Stockton     | 1329   | 5      | 149   | 114   | 98    | 101   | 115   | 115     |  |  |  |  |  |
| Victoria     | 1214   | 5      | 107   | 107   | 95    | 105   | 110   | 105     |  |  |  |  |  |
| Coldwater    | 828  | 5      | 178   | 165   | 189   | 208   | 226   | 193     |  |  |  |  |  |
| Greensburg   | 777  | 5      | 223   | 173   | 242   | 259   | 309   | 241     |  |  |  |  |  |
| Haviland     | 701  | 5      | 169   | 185   | 154   | 154   | 174   | 167     |  |  |  |  |  |
| Logan        | 589  | 5      | 172   | 173   | 134   | 167   | 174   | 164     |  |  |  |  |  |
| Protection   | 514  | 5      | 176   | 180   | 194   | 175   | 196   | 184     |  |  |  |  |  |
| Averag       | e Annual GP                                  | CD     | 157.7 | 145.9 | 143.8 | 152.5 | 168.4 | 153.5   |  |  |  |  |  |

<sup>&</sup>lt;sup>23</sup> See http://factfinder2.census.gov/faces/nav/jsf/pages/community\_facts.xhtml#none. Data were not available for the Rural Water Districts, the City of Belvidere, or "Hays City Suburban."

 $<sup>^{24}</sup>$  153.5 GPCD used by medium sized utilities in Region 5 times 135% equals 207 GPCD; 128.5 GPCD used by small utilities in Region 5 times 152% equals 195 GPCD.

Page 15

|                 | Table 7            |        |               |             |              |       |       |         |  |  |
|-----------------|--------------------|--------|---------------|-------------|--------------|-------|-------|---------|--|--|
|                 |                    | Regio  | on 5 Cities w | ith populat | ion below 50 | 00    |       |         |  |  |
|                 | 2010<br>Population | Region | 2007          | 2008        | 2009         | 2010  | 2011  | Average |  |  |
| Lewis           | 451                | 5      | 117           | 138         | 114          | 136   | 154   | 132     |  |  |
| Otis            | 282                | 5      | 204           | 184         | 136          | 152   | 268   | 189     |  |  |
| Palco           | 277                | 5      | 140           | 118         | 106          | 126   | 111   | 120     |  |  |
| Agra            | 267                | 5      | 103           | 89          | 91           | 101   | 115   | 100     |  |  |
| Bison           | 255                | 5      | 0             | 78          | 94           | 89    | 74    | 84      |  |  |
| Mullinville     | 255                | 5      | 211           | 266         | 206          | 242   | 266   | 238     |  |  |
| Burdett         | 247                | 5      | 151           | 191         | 134          | 169   | 178   | 165     |  |  |
| Schoenchen      | 207                | 5      | 0             | 0           | 0            | 0     | 72    | 72      |  |  |
| Offerle         | 199                | 5      | 152           | 101         | 135          | 158   | 183   | 146     |  |  |
| McCracken       | 190                | 5      | 72            | 78          | 77           | 82    | 67    | 75      |  |  |
| Kirwin          | 171                | 5      | 98            | 90          | 82           | 146   | 125   | 108     |  |  |
| Rush<br>Center  | 170                | 5      | 110           | 116         | 135          | 140   | 155   | 131     |  |  |
| Rozel           | 156                | 5      | 156           | 161         | 150          | 230   | 238   | 187     |  |  |
| Woodston        | 136                | 5      | 222           | 255         | 250          | 157   | 92    | 195     |  |  |
| Long Island     | 134                | 5      | 196           | 180         | 210          | 193   | 202   | 196     |  |  |
| Prairie<br>View | 134                | 5      | 144           | 159         | 123          | 107   | 133   | 133     |  |  |
| Damar           | 132                | 5      | 0             | 0           | 0            | 119   | 100   | 110     |  |  |
| Liebenthal      | 103                | 5      | <b>7</b> 5    | 78          | 66           | 63    | 78    | 72      |  |  |
| Glade           | 96                 | 5      | 123           | 106         | 99           | 124   | 69    | 104     |  |  |
| Belpre          | 84                 | 5      | 110           | 109         | 107          | 130   | 174   | 126     |  |  |
| Timken          | 76                 | 5      | 125           | 69          | 47           | 59    | 67    | 73      |  |  |
| Alexander       | 65                 | 5      | 100           | 78          | 93           | 114   | 99    | 97      |  |  |
| Speed           | 37                 | 5      | 99            | 89          | 129          | 87    | 109   | 103     |  |  |
| Average         | e Annual GPO       | CD     | 117.7         | 118.8       | 112.3        | 127.1 | 136.0 | 128.5   |  |  |

### d. Water use depends on access to adequate sources

One cause of the disparity in water use in Region 5 is distance from an adequate water source. Utilities in Region 5 that use the most water are located near sources that are adequate for the population served. The following table shows the average GPCD for 2007 through 2011 for the 12 communities in Region 5 that use the most water. In each case, there is an abundant supply of water nearby.

Page 16

|                 | Table 8                      |                        |   |  |  |  |  |  |  |  |
|-----------------|------------------------------|------------------------|---|--|--|--|--|--|--|--|
| City            | Average<br>GCPD<br>2007–2011 | 2010<br>Populatio<br>n | Assumed Source  |  |  |  |  |  |  |  |
| Greensbu<br>rg  | 241                          | 777                    | High Plains Aquifer   |  |  |  |  |  |  |  |
| Mullinvill<br>e | 238                          | 255                    | High Plains Aquifer   |  |  |  |  |  |  |  |
| Larned          | 203                          | 4054                   | High Plains Aquifer and the Arkansas River alluvium                       |  |  |  |  |  |  |  |
| Long<br>Island  | 196                          | 134                    | Prairie Dog Creek alluvium and High Plains Aquifer                        |  |  |  |  |  |  |  |
| Woodston        | 195                          | 136                    | Alluvium of the South Fork of the Solomon River                           |  |  |  |  |  |  |  |
| Coldwate<br>r   | 193                          | 828                    | High Plains Aquifer and the Calvary Creek alluvium                        |  |  |  |  |  |  |  |
| Otis            | 189                          | 282                    | Walnut Creek alluvium   |  |  |  |  |  |  |  |
| Rozel           | 187                          | 156                    | Alluvia of the Pawnee River and Sawmill Creek and the High Plains Aquifer |  |  |  |  |  |  |  |
| Protection      | 184                          | 514                    | Alluvia of the Cimarron River and Kiowa Creek                             |  |  |  |  |  |  |  |
| Haviland        | 167                          | 701                    | High Plains Aquifer   |  |  |  |  |  |  |  |
| Burdett         | 165                          | 247                    | Pawnee River alluvium and possibly the High Plains Aquifer                |  |  |  |  |  |  |  |
| Logan           | 164                          | 589                    | Alluvium of the North Fork of the Solomon River                           |  |  |  |  |  |  |  |

At the other end of the spectrum are the 12 communities in Region 5 that use the least amount of water. They are all in Ellis, Phillips, or Rush Counties, where both surface and groundwater are scarce.

|            | Table 9  |                        |                 |  |  |  |  |  |  |  |  |
|------------|----------|------------------------|-----------------|--|--|--|--|--|--|--|--|
| City       | County   | Average GCPD 2007–2011 | 2010 Population |  |  |  |  |  |  |  |  |
| Victoria   | Ellis    | 105                    | 1214            |  |  |  |  |  |  |  |  |
| Glade      | Phillips | 104                    | 96              |  |  |  |  |  |  |  |  |
| Speed      | Phillips | 103                    | 37              |  |  |  |  |  |  |  |  |
| Agra       | Phillips | 100                    | 267             |  |  |  |  |  |  |  |  |
| Alexander  | Rush     | 97                     | 65              |  |  |  |  |  |  |  |  |
| Ellis      | Ellis    | 94                     | 2,062           |  |  |  |  |  |  |  |  |
| Hays       | Ellis    | 93                     | 20,510          |  |  |  |  |  |  |  |  |
| Bison      | Rush     | 84                     | 255             |  |  |  |  |  |  |  |  |
| McCracken  | Rush     | 75                     | 190             |  |  |  |  |  |  |  |  |
| Timken     | Rush     | 73                     | 76              |  |  |  |  |  |  |  |  |
| Schoenchen | Ellis    | 72                     | 207             |  |  |  |  |  |  |  |  |
| Liebenthal | Rush     | 72                     | 103             |  |  |  |  |  |  |  |  |

#### 7. Reasonable per capita water use-City of Hays

At a minimum, Hays is entitled to plan future water use based on the Region 5 average of 143 GPCD; but in fairness, the average should be increased because communities with populations below 500 are included in that average. When those small communities are excluded from the calculation, Hays should be able to plan based on at least 153.5 GPCD.

Hays' estimated cost to produce 1,000 gallons of water from current sources is about \$1.60. Water transferred from the Ranch will cost more, and could approach \$5.00 per 1,000 gallons. This high cost will undoubtedly deter waste by water consumers in Hays.

### 8. Reasonable per capita water use-City of Russell

Russell's reported per capita water use falls near the middle of medium-large cities in Region 6. But this presents an inaccurate picture of water use in Russell.

The City of Russell has two principle sources of water: Big Creek surface water and groundwater from the Pfeifer well field. Big Creek surface water is transported in a 16-inch line from the Big Creek pump station to a surface water treatment plant in Russell 22 miles away. Water from each of several wells in the Pfeifer well field flows into a common "collector well." Water is then pumped out of the collector well and transported in an 18-inch line to an electrodialysis reversal water treatment plant ("EDR plant") in Russell. Both lines are shown on Exhibit C to the June 25, 2015 Cover Letter transmitting the original Change Applications.

Each of the Pfeifer wells is metered, as is the water withdrawn from the collector well and pumped to Russell. There are significant losses from the collector well but that water is not lost. All of the wells are located near the Smoky Hill River as shown on Exhibit C to the June 25, 2015 Cover Letter transmitting the original Change Applications. They draw water from the alluvium, and losses from the collector well return to the alluvial aquifer.

Table 10 shows the actual GPCD for the City of Russell from 2007–2014. After removing the quantity of water lost in the collector well, the average water use in Russell for this period was just 102.8 GPCD. At the depth of the drought in 2013, usage dipped to 78.6 GPCD.

<sup>&</sup>lt;sup>25</sup> The "collector well" was originally designed as a Ranney collector well. It is now used to collect water from the well field and as a pump station.

Page 18

| Table 10<br>(1000s)   |              |         |         |         |         |                                       |             |          |  |
|---|--------------|---------|---------|---------|---------|---------------------------------------|-------------|----------|--|
|   | 2007         | 2008    | 2009    | 2010    | 2011    | 2012                                  | 2013        | 2014     |  |
| Raw Surface Water from Big Creek  | 233,585      | 151,361 | 233,548 | 235,666 | 186,446 | 119,504                               | 125,836     | 173,561  |  |
| Raw Groundwater from Pfeiffer Wells                                       | 71,747       | 172,019 | 142,242 | 162,334 | 179,291 | 267,262                               | 119,129     | 153,728  |  |
| Total Raw Water Diverted  | 305,331      | 323,380 | 375,790 | 398,000 | 365,737 | 386,766                               | 244,965     | 327,288  |  |
| Metered Quantity  |              | 1       | T       | r       | T       | T                                     | T           | <u> </u> |  |
| Diverted from Pfeiffer<br>Collector Well                                  | 57,002       | 122,335 | 97,797  | 115,894 | 127,695 | 180,049                               | 87,758      | 109,662  |  |
| Raw Surface Water from Big Creek  | 233,585      | 151,361 | 233,548 | 235,666 | 186,446 | 119,504                               | 125,836     | 173,561  |  |
| Untreated Water Delivered to Russell Treatment Plants                     | 290,587      | 273,696 | 331,345 | 351,560 | 314,141 | 299,553                               | 213,594     | 283,223  |  |
| D:(C 1 )  | <del>r</del> |         | ,       | Т       |         | 1                                     | T           | r        |  |
| Difference between Pfeifer Wells and Quantity from Pfeifer Collector Well | 14,745       | 49,684  | 44,445  | 46,440  | 51,596  | 87,213                                | 31,371      | 44,066   |  |
|   |              |         |         |         |         |                                       |             |          |  |
| Water Sold to Industrial, Stock, and Bulk Customers                       | 138,500      | 115,315 | 144,277 | 147,069 | 133,661 | 138,513                               | 85,176      | 105,295  |  |
| Water Sold to<br>Residential and<br>Commercial Customers                  | 127,625      | 122,388 | 123,343 | 124,806 | 131,012 | 119,999                               | 108,382     | 108,743  |  |
| Other Metered Water   | 18,710       | 19,189  | 18,907  | 19,786  | 22,150  | 23,421                                | 17,677      | 19,944   |  |
| Total Metered Water   | 284,835      | 256,892 | 286,527 | 291,661 | 286,823 | 281,933                               | 211,235     | 233,982  |  |
| T. (10) (1: );  | 1            |         |         |         |         | · · · · · · · · · · · · · · · · · · · | <del></del> |          |  |
| Total Quantity Not Accounted For  | 20,496       | 66,488  | 89,263  | 106,339 | 78,914  | 104,833                               | 33,730      | 93,306   |  |
| Water Loss in Collector<br>Well   | 14,745       | 49,684  | 44,445  | 46,440  | 51,596  | 87,213                                | 31,371      | 44,066   |  |
| Actual Quantity Not<br>Accounted For                                      | 5,752        | 16,804  | 44,818  | 59,899  | 27,318  | 17,620                                | 2,359       | 49,241   |  |
|   | <del></del>  |         |         |         |         |                                       |             |          |  |
| Percent Total Raw Water Diverted Not Accounted For                        | 1.9%         | 5.2%    | 11.9%   | 15.1%   | 7.5%    | 4.6%                                  | 1.0%        | 15.0%    |  |

Page 19

| Table 10<br>(1000s)   |         |         |         |         |         |         |         |         |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|
|                       | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    |
| Population            | 4522    | 4514    | 4506    | 4498    | 4490    | 4482    | 4474    | 4475    |
| Residential,          |         |         |         |         |         |         |         |         |
| Commercial, Other     |         |         |         |         |         |         |         |         |
| Metered, and          |         |         |         |         |         |         |         |         |
| Unaccounted for Water | 152,087 | 158,381 | 187,068 | 204,491 | 180,480 | 161,040 | 128,418 | 177,928 |
| GPCD                  | 92.14   | 96.13   | 113.74  | 124.56  | 110.13  | 98.44   | 78.64   | 108.93  |

As shown in Table 11, the actual per capita water use places Russell very near the bottom of the list for medium to large cities in Region 6ML.

Page 20

|                      |     | Table | = 11 |      |      |      |      |
|----------------------|-----|-------|------|------|------|------|------|
|                      |     | 2007  | 2008 | 2009 | 2010 | 2011 | Ave. |
| Attica               | 6ML | 179   | 215  | 200  | 245  | 272  | 222  |
| Mitchell Co. RWD #02 | 6ML | 215   | 190  | 193  | 197  | 193  | 198  |
| Pratt                | 6ML | 184   | 192  | 187  | 203  | 210  | 195  |
| Lyons                | 6ML | 189   | 180  | 161  | 173  | 253  | 191  |
| Medicine Lodge       | 6ML | 201   | 199  | 164  | 179  | 180  | 185  |
| Mankato              | 6ML | 171   | 170  | 205  | 189  | 184  | 184  |
| Kiowa                | 6ML | 166   | 184  | 172  | 163  | 157  | 168  |
| Downs                | 6ML | 141   | 160  | 166  | 160  | 149  | 155  |
| Smith Center         | 6ML | 138   | 146  | 162  | 158  | 168  | 154  |
| South Hutchinson     | 6ML | 156   | 130  | 155  | 151  | 173  | 153  |
| Osborne              | 6ML | 157   | 159  | 136  | 124  | 144  | 144  |
| St. John             | 6ML | 136   | 135  | 123  | 154  | 166  | 143  |
| Little River         | 6ML | 136   | 119  | 142  | 158  | 149  | 141  |
| Russell (reported)   | 6ML | 107   | 133  | 151  | 166  | 146  | 141  |
| Russell Co. RWD #03  | 6ML | 130   | 127  | 121  | 162  | 153  | 139  |
| Anthony              | 6ML | 156   | 128  | 130  | 131  | 139  | 137  |
| Harper               | 6ML | 129   | 119  | 121  | 139  | 165  | 135  |
| Lincoln Center       | 6ML | 141   | 138  | 142  | 136  | 114  | 134  |
| Claflin              | 6ML | 131   | 117  | 123  | 134  | 158  | 133  |
| Hutchinson           | 6ML | 126   | 110  | 111  | 165  | 155  | 133  |
| Rice Co. RWD #01     | 6ML | 122   | 168  | na   | 109  | 133  | 133  |
| Macksville           | 6ML | 122   | 132  | 133  | 140  | 135  | 132  |
| Pretty Prairie       | 6ML | 130   | 125  | 136  | 129  | 142  | 132  |
| Haven                | 6ML | 137   | 120  | 119  | 124  | 140  | 128  |
| Ellsworth            | 6ML | 132   | 128  | 130  | 127  | 117  | 127  |
| Stafford             | 6ML | 133   | 118  | 114  | 121  | 151  | 127  |
| Buhler               | 6ML | 117   | 111  | 120  | 130  | 143  | 124  |
| Great Bend           | 6ML | 131   | 130  | 120  | 117  | 122  | 124  |
| Kingman              | 6ML | 114   | 108  | 114  | 129  | 131  | 119  |
| Wilson               | 6ML | 108   | 104  | 106  | 110  | 109  | 107  |
| Russell (actual)     |     | 92    | 96   | 114  | 125  | 110  | 107  |
| Ellinwood            | 6ML | 101   | 100  | 97   | 108  | 125  | 106  |
| Hoisington           | 6ML | 97    | 98   | 94   | 98   | 113  | 100  |
| Beloit               | 6ML | 90    | 80   | 84   | 84   | 126  | 93   |
| Sterling             | 6ML | 92    | 82   | 82   | 95   | 107  | 92   |
| Nickerson            | 6ML | 67    | 86   | 69   | 68   | 84   | 75   |
| Barton Co. RWD #02   | 6ML | 47    | 57   | 37   | 45   | 60   | 49   |

At a minimum, Russell is entitled to plan future water use based on the Region 6ML average of 138 GPCD excluding any quantity lost to the aquifer in the Pfeifer collector well.<sup>26</sup>

#### II. Conclusion

The Cities of Hays and Russell respectfully ask DWR to contingently approve the Change Applications on the terms and conditions requested in the Change Applications as amended, this letter, and in the negotiated Master Order contingent on the occurrence of the contingencies in the *Effective Date and Expiration Date* Section of the Master Order.

Very truly yours,

FOULSTON SIEFKIN LLP

David M. Traster

C: Toby Dougherty, City of Hays
Jon Quinday, City of Russell
Jeff Lanterman, DWR Stafford Field Office Water Commissioner
Orrin Feril, GMD5 Manager
John T. Bird, Hays City Attorney
Ken Cole, Russell City Attorney
Brian Meier, Burns and McDonnell
Lynn Preheim, GMD5 Attorney

<sup>&</sup>lt;sup>26</sup> See Table 2, supra.