

CHARTER OF THE CENTRAL KANSAS
WATER BANK ASSOCIATION

PREAMBLE

We, the water users within the Big Bend Groundwater Management District #5 (district), in order to further promote water conservation and the wise use of the groundwater resources, and to provide increased flexibility to the water users of the district, hereby establish this

CHARTER OF THE CENTRAL KANSAS WATER BANK ASSOCIATION

ARTICLE I

NAME AND RIGHTS

Section 101

Not-For-Profit Corporation

Central Kansas Water Bank Association (association) constitutes a private – not-for-profit corporation that 1) leases water from water rights that have been deposited in the association; and 2) provides safe deposit accounts. Under this charter, the Central Kansas Water Bank Association has all rights and powers provided by this charter and the Kansas Water Banking Act authorized by K.S.A. 82a-761 through 82a-773, and amendments thereto.

Section 102

Petition for Formation

Before the chief engineer, Division of Water Resources, Kansas Department of Agriculture (division), in the matter of the proposed Central Kansas Water Bank Association, we submit the attached petition as documentation for establishment.

Section 103

Exercise of Powers

Only a board of directors (board) or other agents, officers and employees of the association acting under their respective authorities or under the authorities provided by this charter or the laws of this state may exercise the powers mentioned in Section 101 of this charter. In the exercise of these powers, water users representing both public and private interests located within the boundaries of the association shall be accorded equal treatment in all matters under the jurisdiction of the association.

Section 104

Eligible Voters

An eligible voter shall be any person who meets the definition of water user as per K.S.A. 82a-1021(k), as amended, within the boundaries of the association. An individual can become an eligible voter by obtaining a term permit through the association's program. Each qualified voter shall be entitled to vote for as many candidates as the number of directors are to be elected, but may cast only one vote for each director. Qualified

representatives may also cast one vote for estates, trusts, municipalities, and public corporations with water rights. Proxy voting shall not be allowed.

Unless known to or approved by the election officer, any person requesting a ballot(s) on behalf of any estate, trust, municipality, or public or private corporation will be required to furnish written proof of voter status as follows: 1) for an estate, the person must be an executor or administrator; b) for a trust, the person must be a trustee; c) for a municipality, the person must be a duly authorized representative appointed by the elected governing body, or d) for a public or private corporation, the person must be a corporate officer. In each case such approved voter authority shall be construed to be effective for that election only, and pre-arranging such voting status in advance of the voting event is highly recommended.

Section 105 Name and Boundaries

The corporate name is “Central Kansas Water Bank Association” and it shall be thus designated in all actions and proceedings touching its rights, powers, properties, liabilities, and duties. Its boundaries as of the effective date of this charter are described as the same boundaries prescribed for the district and shall be effective until otherwise changed in accordance with law (Figure 1). The Association boundaries do not overlap any other bank boundaries.

An Intensive Groundwater Use Control Area (IGUCA) that extends both in and out of the association boundary shall be considered for inclusion in the association. Inclusion of an IGUCA in the association shall not conflict with the provisions set forth in such IGUCA order. Extension of the association’s boundary would need to be considered when evaluating an IGUCA.

Section 106 Location

The principal office of the association shall be located at 125 South Main, Stafford, Kansas.

ARTICLE II BOARD OF DIRECTORS

Section 201 Steering Committee

A steering committee consisting of five members, representing both public and private interests was formed to carry out the organization of the association required by the act. The following steering committee began to function in December 2001.

John Janssen, Chair	411 S Pine	Director Position #1, Public	Greensburg, Kansas
Richard Wenstrom	Rt. 1 Box 107	Director Position #2, Private	Kinsley, Kansas
Dennis Holl	Rt. 1 Box 92	Director Position #3, Private	Radium, Kansas
Curtis Tobias	1114 Grand	Director Position #4, Private	Lyons, Kansas
Vernon Hirt	12640 NW	Director Position #5, Private	

Section 202 Composition and Election of Board

In not more than ninety days after the approval of this charter, and annually thereafter, a meeting open to all eligible voters shall be held for the election of a board of directors, for the association. A notice of the meetings shall be published in a newspaper of general circulation within the association area.

The board shall be composed of five members. Each eligible voter shall be entitled to vote for as many candidates as the number of directors to be elected. The board shall be nominated and elected at large by the qualified eligible voters located within the entire association boundary at an annual meeting.

Section 203 Powers of Board

Except as set forth in the provisions of Section 303 and 404, all powers exercised by the association are vested in the board. The board is responsible for the administrative enforcement of the charter, which responsibility may be delegated and the officials and employees so charged shall have the authority conferred upon them by the board.

Section 204 Board to Act as Body

In all its functions and deliberations, the board shall act as a body and has no power to delegate any of those functions and duties to a smaller number of its members than by a majority of the whole. Three members shall constitute a majority of the whole.

Section 205 Term of Board Members

Board positions shall be for a term of three years except that positions #1 and #2 of the original board shall initially serve for a term of one year, positions #3 and #4 shall initially serve for a term of two years, and position #5 shall serve for a term of three years. The elected board shall fill any vacancy occurring on the board prior to the expiration of the term of any director by selecting a replacement from among the eligible voters of the association to serve for the unexpired term.

Section 206 Qualifications of Board

A board member shall be an eligible voter within the association's boundary and shall represent both public and private interests of water within the described boundary. At least one member must represent the public interest which includes any public body or entity that owns a water right or a representative of Big Bend Groundwater Management District. A board member must be replaced when he or she no longer meets the eligible voter criteria.

Section 207

Compensation of Board

Board members shall serve without compensation but shall be allowed actual and necessary expenses incurred in the performance of their official duties.

Section 208

Special Audits

In addition to annual audits required by state law, the board at any time may order the examination or audit of the accounts of the association.

ARTICLE III

ADMINISTRATIVE ORGANIZATION

Section 301

Supervision and Control

Except as otherwise provided in this charter, the board shall implement all administrative activities of the association.

Section 302

Length of Charter

The intent of the association is to be perpetual. However, the initial association shall not be chartered for more than seven years. Any extension of the charter must be approved by the chief engineer and in accordance with K.S.A. 82a-767, as amended.

Section 303

Amendments to Charter

This charter may be amended by the board or upon approval by 10% of the eligible voters of the association at any annual meeting. Any amendments to the charter must be approved by the chief engineer prior to becoming effective.

Section 304

Dissolution of Association

The following procedure shall be utilized in determining how the remaining deposits and safe deposit accounts will be distributed, if the association should be dissolved after the initial seven-year period.

- A. The association shall meet the contractual obligation of all leases.
- B. Leases shall be limited to ten years from the date the charter is adopted or extended.
- C. Safe deposit accounts shall be extended for up to three years after the date of dissolution.
- D. No leases or deposits shall be accepted after the date of dissolution.

If the association is dissolved after seven years, the district shall fulfill any contract obligations with association patrons and maintain the necessary records to fulfill the reporting requirements set forth in the K.S.A. 82a-766, as amended, of the act. An agreement shall be developed between the association and the district to set forth procedures to accomplish this task.

Section 305 Reorganization

The board shall have the authority to change the administrative organization of the association and the number of board positions at any annual election provided notice is given by public notice prior to any such election. Approval of any changes shall require a majority of the eligible voters at such annual meeting, and be consistent with K.S.A. 82a-765(b)(3), as amended, and K.A.R. 5-17-10(a)(4).

Section 306 Rules of Practice and Procedure

The board shall adopt rules of practice governing its procedures. The rules of practice shall be consistent with this charter, the act, and any rules and regulations adopted by the chief engineer.

Section 307 Appeals from Decisions of the Board

Any party aggrieved by a decision of the board may appeal such decision to the board. All appeals shall be in writing and submitted within thirty days of a board decision. The board shall review the appeal and shall make a final decision within 30 days from the date the appeal was received. The final decision of the board shall be in writing and shall be served to all interested parties by certified mail. The time frames may be waived or extended upon written consent by all parties.

Section 308 Budget and Finance

The fiscal or budget year and the tax year of the association shall be the calendar year.

Section 309 Payment of Certain Costs And Contractual Agreements

The association is intended to be self-supporting. Any person utilizing the association facilities shall be subject to all applicable fees. A schedule depicting a range of estimated fees shall be developed to set forth all potential costs incurred by association participants. The fee schedule shall be subject to change when deemed necessary by the board. Table 1 reflects the potential charges necessary to cover administrative costs incurred by the association and other participating agencies.

The association board shall seek to develop memorandums of understanding between the district, the division, and the Kansas Water Office to set forth the framework for related costs of the association's program. A contract and any additional agreements will be developed between the association and the district to set forth any contractual obligations and operational procedures in the administration of the program.

ARTICLE IV

CONSERVATION PROGRAM

Section 401

Program Objectives

The 1997 Kansas Water Plan states the following as a goal for water right banking. "Efficiently allocate water resources to achieve economic growth while protecting the public interest in such resources through encouraged conservation and management of existing water rights". The reduction in water use through the conservation elements and the careful consideration of where water would be leased will insure consistency with the provisions of the Kansas Water Plan, the Kansas Appropriation Act, rules and regulations of the chief engineer, and the Kansas Water Banking Act. This program establishes a marketplace approach to conservation while allowing flexibility to the water user.

A comprehensive water conservation program shall be developed to meet the conservation requirements set forth in the act, and the Kansas Water Plan. The conservation requirements should minimize any hydrologic impacts from the operation of the association.

Procedures shall be developed to provide for the conservation element of groundwater through the deposit and lease program. The conservation element is a portion of a deposit that is taken out of use for the duration of the deposit and is not allowed to be withdrawn and used by subsequent users (K.S.A. 82a-762 (e)). The act requires a minimum ten percent savings in the bank, pursuant to water rights deposited in the association, excluding groundwater located within an intensive groundwater use control area where corrective control provisions have reduced the allocation of groundwater to less than the quantity previously authorized by water rights in the area (K.S.A. 82a-765 (b) (7)).

Using 85% of the actual reported water use for individual water rights to determine the amount available for deposit will ensure that K.S.A. 82a-765(b)(10) is being met.

Section 402

Hydrologic Units

K.A.R. 5-6-15 is hereby adopted for administrative purposes in defining the hydrologic units within the association boundaries. (Attachment A).

Any water leased must be used within the association boundary, in the same hydrologic unit and from the same source of supply from which the water right authorizing diversion of the water is deposited (K.S.A. 82a-762 (h)). Water right deposits and leases

from multiple aquifer wells may be considered only if reviewed and approved by the board.

Several factors must be considered in each hydrologic unit including: total saturated thickness, water level changes, distance to the major stream, and sustainable yield. These factors have the greatest impact on water use in specific areas and potential impact to existing water users from the association's activities. These factors will also be reviewed for potential benefits to the hydrologic systems. Recognition of these hydrologic parameters will protect sensitive areas within each hydrologic unit, eliminating the need to divide the units into smaller segments.

Section 403

Hydrologic Unit Descriptions

The Great Bend Prairie Aquifer underlies most of the association's boundary and is considered the principal aquifer. There are however several stream systems entering from the west and others exiting to the south and east that supports defining the hydrologic units in accordance to K.A.R. 5-6-15 for the purpose of water banking. Units where special programs have been developed are defined separately to explain the necessary conservation elements required by the association. Steps were taken by the district in 1998 to protect base flow to several streams within the district (K.A.R. 5-25-2(a)(2)). Many of the hydrologic units in the eastern and southern part of the association are maintaining sustainable yield with water levels being stable. Assignment of the base flow node system continues to protect the streams in those areas. All major streams within the association area will be protected to assure banking activities will not have any negative impacts. Table 2 sets forth requirements stipulating where the diversion of leased water will be prohibited and sets forth the legal descriptions where stream restrictions are established.

1. Middle-Arkansas River Unit – The Middle Arkansas unit covers approximately 713,000 acres (28.5% of the association area). Conservation efforts to reduce water use are currently being addressed in a special plan for this unit by a group of local representatives. Additional savings through the banking programs will enhance these efforts. Due to concerns regarding stream flow in this unit, no water shall be leased within two miles of the river up to the Rice County line and within ¼ mile of the river for the remaining area with in the bank.
2. Rattlesnake Creek Unit – The Rattlesnake Creek unit covers approximately 688,600 acres (27.5% of the association area). A special plan was developed for this unit calling for a reduction of water use in order to increase stream flow and stabilize water levels. The chief engineer, Division of Water Resources has declared the aquifer in this unit to be in need of recovery as per K.S.A. 2-1915(a)(2)(A). No water will be leased within two miles of the stream.
3. Pawnee River Unit - The Pawnee River unit covers 85,800 acres (3.41% of association area) and is in an intensive groundwater use control area (IGUCA).

The order is being reviewed to include a drought contingency plan being developed by a local group of representatives. Banking activities in this unit shall not conflict with any revised IGUCA order. No waters shall be leased within one mile of the river.

4. Walnut Creek Unit – The Walnut Creek unit covers approximately 67,600 acres (2.70% of association area) and is in an intensive groundwater reuse control area. That order has reduced groundwater rights but allows temporary transfers of up to ten miles within the unit. Due to the nature of this IGUCA order, no banking activities can take place in this unit. Water users may however, utilize the bulletin board for posting temporary transfers.
5. North Fork Ninescah – This unit covers approximately 407,600 acres (16% of the association area). Water levels have remained stable in the eastern portion of this unit. Quarter-mile spacing from the stream restrictions are set for the North Fork Ninescah and Goose Creek.
6. South Fork of the Ninescah – This unit covers approximately 184,000 acres (7.37%) where water levels have also remained stable. Stream nodes have been established on the South Fork and a major tributary named Painter Creek. The quarter-mile spacing from the stream restrictions will apply to both streams.
7. Cow Creek Unit – The unit encompasses over 200,000 acres (8%) of the association area. There will be a quarter-mile spacing from the restriction set on that part of the stream in Rice County. There are no streamflow restrictions for that part of the Cow Creek unit in Barton County.
8. Chikaskia – This unit encompasses approximately 51,000 (2.5%) within the association boundaries. Quarter mile spacing from the stream restrictions are set for both the Chikaskia River and Sand Creek.
9. Medicine Lodge - This hydrologic unit covers approximately 100,000 acres (4%) within the association boundaries. Although the Medicine Lodge River itself is located outside the association area, there are several tributaries within the association area that are protected. Tributaries Turkey Creek West, Turkey Creek East, the main stem of Turkey Creek, Elm Creek West, Elm Creek North, Spring Creek, Soldier Creek and the Thompson will all have quarter-mile spacing from the stream restrictions set.

Section 404

Bankable Water Rights

Water rights must be vested or have a certificate of appropriation issued and must be in good standing and not abandoned, based on past water use and compliance with the terms of the holder's permit (K.S.A. 82a-764, as amended). All conditions, limitations, on each water right shall be adhered to in determining amount of water to be considered bankable.

The base period of 1987 through 1996 shall be used as the representative past period. The amount determined to be bankable for all deposits shall be 85% of the average individual water use for the base period. The association shall review all water rights proposed for deposit to determine the individual's use for the representative period. Water rights not permitted during the entire representative past period may select a different representative past period, but the bankable portion shall be the lesser of either of the following:

a) the annual quantity of water perfected

b) the average percentage of water lawfully used under water rights determined to be bankable for all water rights in that hydrologic unit that were permitted during the representative period.

Table 3 reflects preliminary information on average water use in each hydrologic unit for years 1987 through 1996.

Table 4 reflects potential for water banking participation.

If a portion of a water right is deposited, an agreement that the quantity of water pumped under the portion of the water right that is deposited shall not exceed the difference between the bankable portion of the water right and the amount deposited (K.A.R. 5-17-3).

Section 405

Conservation Requirements

Due to the variability in the hydrologic conditions within each hydrologic unit, it is difficult to apply the same conservation requirements in all areas. Each unit shall have programs designed to minimize any effects of the association on stream flow and area groundwater level fluctuations.

Table 5 sets forth a points system approach in the determination of the conservation components required on all proposed deposits and leases within each hydrologic unit. Sections A and B depict the potential points a proposed deposit or lease would earn to determine the associated conservation component in Section C. The potential points are added together in each section and then divided by the number of categories. That number is then used to determine the conservation component for the proposed deposit or lease.

The requirements outlined in Tables 2 and 5 for each hydrologic unit may be amended by the board or at the request of a minimum of 10% of the eligible voters of any hydrologic unit if presented at an annual meeting. Any amendments to the charter would be subject to approval by the chief engineer.

Average saturated thickness and water level change figures will be assigned to the center of each one-mile section within the association boundary. These figures will be derived from ArcGIS analysis techniques that utilize the most current data on bedrock

elevations and pre-development and current water level changes. Maps and databases will be generated and updated periodically to depict aquifer conditions and will be used in the determination of the conservation components. Sustainable yield calculations shall be determined following K.A.R. 5-25-4.

Section 406

Conservation Credit

Credit shall be given to those individual water users that implemented water conservation practices during their past representative period. The credit shall be based upon the actual conservation practice and the number of years the practice was applied during the period.

Table 6 depicts the conservation percentage associated with each practice and shall be used to determine the conservation credit applied to each deposit. The actual percentage derived from that calculation shall be added to the individual's net consumptive use available for deposit, but shall not total more than 100% of the individual's average water use for the past representative period.

Section 407

Donation of Water Rights

In order to optimize conservation efforts, water users may want to deposit all or a portion of a water right for placement into the association as a donation. No payments shall be made for the donated water and the water saved through the donations shall not be leased out or calculated in the minimum annual 10% conservation component. Donation of a water right that is bankable pursuant to K.S.A. 82a-764, as amended, into the association shall constitute due and sufficient cause for non-use.

Section 408

Protection of Water Quality

Areas with known water quality problems shall be evaluated to determine effects of potential changes in water use. Wells known to be producing water with over 300 mg/l chlorides shall not be authorized to participate in the lease program. However, deposits from these wells should be encouraged.

Water samples may be required if necessary to determine the quality of water proposed in a lease application. K.A.R. 5-25-7, 5-25-10, and 5-25-16 of the district's regulations shall be used in governing leases of water through the association.

ARTICLE V

PROGRAMS

Section 501

Deposits, Leases, and Safe Deposit Accounts

Each hydrologic unit within the boundaries of the association has been analyzed separately to reflect the authorized quantities and water use in acre-feet (Tables 3 and 4).

Actual water use from the approved past representative period is to be used to calculate savings, and to determine bankable water for deposits. The hydrologic unit calculated average for the past representative period or certified amount, whichever is less, shall be used for all wells not permitted during the entire representative period.

Each deposit and lease will be independently evaluated to determine the required conservation element and associated requirements as outlined in tables 2 and 5. All applications for a contract for deposit, permit for lease, and safe deposit account shall use the guidelines set forth in each of the following sections.

All well spacing regulations adopted and in effect for the district shall be followed in the review of applications for leases. Well logs may be required in the determination of the source of supply for both deposits and leases.

A procedure shall be developed to process the contracts for deposit, applications for term to lease, and contracts for safe deposit accounts in a timely manner based upon date received.

Section 502 Water Use Reporting

Any water user who has entered into a contract to open a safe deposit account, an approved contract to deposit water, or a term permit to lease water shall file annual water use reports with the association for the duration of the contract or permit. The reports shall be due no later than December 1 for irrigation and January 10 for non-irrigation following the recorded year of water use.

Section 503 Deposits

The association shall allow for deposits of water rights in the bank in exchange for financial compensation. The association shall accept for deposit only a water right, or portion of a water right, that has been determined to be a bankable water right as defined by K.S.A. 82a-764, as amended, and Article IV, Section 404 of this charter.

The depositor sets the price for a deposit, and will only receive compensation for such deposit when the water is leased from the association. The deposit will be posted on the association's bulletin board when all fees required with the deposit are paid in full to the association. Annual deposits posted to the bulletin board and not contracted for lease at the end of the calendar year shall only be extended when appropriate fees are paid in full.

Section 504 Rules for Depositors

The deposit shall be for a period of not more than five years.

The deposit must be posted on the bulletin board on or before December 31, of the year preceding the first calendar year that the deposit will be made. All deposits must be for increments of full calendar years.

The proposed deposit is from: 1) a certified water right or vested right 2) is bankable 3) is from a hydrologic unit designated by the association and 4) within the association's boundary.

A contract between the association and the depositor shall be required that sets forth all penalty provisions for breach of any contract conditions.

The deposit shall be subject to such terms and conditions, and such approval by the chief engineer, as provided by rules and regulations of the chief engineer.

The depositor shall complete an application for contract to deposit on a form prescribed by the association and approved by the chief engineer. The application shall include, but not be limited, to the following:

- A. The water right file number and hydrologic unit
- B. Calendar years that the water right will be on deposit not to exceed five years
- C. Whether the water right is a vested right or certified right
- D. Any CRP contracts or WRCP contracts that were in effect any part of the representative period
- E. Any water conservation measures conducted from 1987 through 1996.
- F. Any violation of the water right within the last five years.
- G. Quantity of water proposed for deposit
- H. If partial deposit, amount remaining under bankable portion of original water right.
- I. Accurate water use, purpose of use, and acres irrigated (if for irrigation) during the last two years preceding the date the application is filed
- J. Terms of payment
- K. Source of supply
- L. Amount of water right that is bankable (average water use in past representative period)

All contracts for partial deposits shall set forth conditions limiting the total quantity of water pumped remaining under the right and the amount deposited to the bankable amount.

Section 505

Leases

The association shall be authorized to lease water that has been deposited into the bank in exchange for a fee. The association shall only lease out that portion of deposits available after all conservation elements and other limitations have been applied. The association shall not lease more than 90% of all deposited water in any calendar year. The association shall certify to the chief engineer for each lease that sufficient deposits exist

within the hydrologic unit where leased water will be used. shall not be used to determine approval of a lease as per (amended).

The proposed use of water K.S.A. 82a-763 (b) (5), as

Section 506

Rules for Leases

The proposed lease is from water rights on deposit from the same hydrologic unit designated by the association and within the association's boundary.

The lease shall be subject to such terms and conditions, and such approval by the chief engineer, as provided by rules and regulations of the chief engineer.

The lessee shall complete an application for contract to lease water on a form prescribed by the association and approved by the chief engineer. The applications shall be filed with the association and shall include the following:

- A. The hydrologic unit designation of leased water
- B. Calendar year that water is proposed to be leased
- C. Number of acre-feet proposed for lease, and the purpose of use
- D. Location where leased water will be used, including point of diversion, place of use, acres (if irrigation) current authorized rate (if existing well - proposed rate if new well)
- E. A current water level measurement
- F. Aquifer unit (source of supply)
- G. File numbers of all other water rights that authorize use of water from that point of diversion

Each approved contract shall set forth penalty provisions for breach of contract conditions.

In order to prevent an increase in consumptive use, application to lease water for a use other than the authorized use of the deposited water proposed for lease shall comply with K.A.R. 5-5-9 and 5-5-10.

Section 507

Safe Deposit Accounts

The association is authorized to enter into contracts with water users for the establishment of safe deposit accounts. A safe deposit account program allows a water user to place unused water from a water right into an account for use at a later date. A water right must be deemed bankable as per K.S.A. 2001 Supp. 82a-764, as amended before it is considered eligible for a safe deposit account. The operation of safe deposit accounts within the association shall not increase the amount of net consumptive use of water in any hydrologic unit. The amount of water right that can be deposited in any safe deposit account shall be calculated using the following formula.

$((WR * .85) - WU) * .25 = \text{Amount of water that can be deposited}$

where WR = certified quantity on water right
where .85 represents the trigger value
where WU = actual annual water use
where .25 = percent of quantity between WU and .85
available for deposit annually

Table 7 gives an example of a safe deposit account.

Section 508

Rules for Safe Deposit Account Holders

Water users wishing to utilize the safe deposit account program shall enter into a contract with the association by December 31st of the year preceding the first year the water user wishes to make a deposit. An application for term permit shall be required prior to withdrawal of any water over and above the certified amount on a water right or vested right. The application for term permit shall be filed with the division.

Only water that was unused in the past immediate year can be deposited into a safe deposit account and it must be less than the amount authorized by the water right. Water shall be deposited in the account no later than March 1 of the year following the calendar year in which the water was not used.

Only water from one water right shall be placed in a safe deposit account. Linked water rights that have common points of diversion or place of use may be placed in one account.

A ten percent conservation element shall be subtracted from the amount remaining in the account at the end of each year.

The total amount of water accumulated in a safe deposit account shall not exceed the maximum annual quantity authorized to be diverted under the water right or the aggregate maximum quantity authorized to be diverted under all linked water rights from which water is deposited in the account (K.S.A. 82a-763(c)(5)).

The deadline to sign up for the safe deposit program shall be by December 31 of the year preceding the first year the owner desires to make a deposit in the safe deposit account.

All applications for contract received by the bank for use of the safe deposit account program shall include the following:

- A. past two years water use
- B. type of use

- C. place of use, and acres irrigated, if for irrigation
- D. water right number
- E. the hydrologic unit
- F. and any other information deemed necessary by the board and chief engineer

Section 509

Bulletin Board

The association shall create a bulletin board system to facilitate postings of water right deposits for lease. The bulletin board system shall provide proper methods of communication to all water users in the association to insure a fair and impartial process. Water that has been contracted for deposit shall be posted to the bulletin board on the date the contract has been approved. Payments for contracted water shall be made when a contract to lease water is approved. Table 8 gives an example of how the bulletin board might function.

ARTICLE VI

ACCOUNTING PROCESSES

Section 601

Water Right Accounting

1987 through 1996 shall be used as the past representative period pursuant to water rights deposited to measure the savings in water use resulting from the association's activities.

The association shall maintain an accounting system designed to fulfill the annual reporting requirements outlined in the act. The system shall be designed to assure that all deposits and leases are tracked effectively relative to each hydrologic unit. Accurate accounting of all safe deposit box accounts shall be required. All accounting programs shall document amount and length of both deposits and leases; the hydrologic unit and associated conservation elements to ensure the minimum conservation component has been applied. The aggregate of all deposits shall equal or exceed the aggregate of both leases and conservation components for each hydrologic unit annually. The accounting system developed shall comply with K.S.A. 82a-765.

As established, the charter will ensure that the total amount of groundwater leased each year from each hydrologic unit does not exceed 90% of the historic average annual amount collectively diverted pursuant to all deposited water rights or portions of water rights from such unit for a representative past period (K.S.A. 82a-765(b)(10)).

An annual analysis of all deposits and leases to determine savings in consumptive use shall be conducted in each hydrologic unit by comparing 85% of the annual water use of all deposits and leases to the authorized past representative period of such deposits and leases. A ten percent savings must be achieved. Tables 9a, 9b, and 9c represent examples of the annual reporting method that will be used by the association.

The required ten percent savings shall be achieved by utilizing the association's points system and by limiting the available deposit amount of each individual water right to their net consumptive use. The points system mandates that all deposits and leases shall be required to have at least a five percent conservation component, and a maximum conservation component of 12.00%. This will ensure that any successful deposit/lease transaction will have a combined conservation in water of at least ten percent, and a maximum combined conservation in water of 22.17%. The conservation component along with the 15% savings derived from the net consumptive use shall result in a combined savings of at least 25%, and a maximum saving of 37.17% for each deposit/lease transaction each calendar year.

For all deposits and leases on record during a calendar year, the association shall maintain a database that includes the following but not be limited to:

1. Water right file number
2. Amount authorized
3. Type of use
4. Hydrologic unit
5. Current year's use
6. Current acres irrigated (if for irrigation)
7. Previous two years use, type of use, acres irrigated (if for irrigation) prior to depositor lease agreements.
8. Amount of depositor lease
9. Associated conservation element
10. Aquifer unit
11. Water use and past representative period.
12. Crop type

ARTICLE VII

HYDROLOGIC REVIEW

Section 701

Hydrologic Review Criteria

Climatic conditions and water use can have an impact on water levels within each hydrologic unit.

Water level measurements shall be taken on an annual basis and utilized to document changes in the water levels. There are approximately 138 wells within the association's boundary where water level measurements are taken either monthly, quarterly or annually (Figure 2). There are approximately 229 state wells measured annually (Figure 3). A total of 367 well sites will be used to monitor water levels. A representative number of such wells will be measured as necessary to reliably determine water levels and water level changes.

Precipitation records from the district's ten weather station network shall be used to determine precipitation trends (Figure 4). Data from state monitored precipitation sites will also be used.

An annual review and analyses of any changes in water levels shall be made to determine any impact from the association's activities. Water level change maps will be generated and compared to locations where deposits and leases were made.

All water use in each hydrologic unit must be analyzed to determine if water users not participating in the program increased their use over the hydrologic unit average and if that water use had any impact on the change in water levels.

Consideration must be given to development after the approved past representative period in respect to any hydrological impacts of the association. Water rights that were enrolled in the Conservation Reserve Program or other conservation programs during the past representative period and brought back into production should also be considered when reviewing any hydrologic impacts of the association.

ARTICLE VIII

COMPLIANCE AND ENFORCEMENT

Section 801

Procedure for Non-Compliance

A. The association's board or manager, any eligible voter or any person 18 years or older residing within the association may file a written complaint with the association alleging a violation of the Water Banking Act, charter and any amendments. The written complaint shall be filed at the association office.

B. Within 30 days following the filing of the complaint, a representative of the association designated by the board shall investigate the complaint. If the representative of the association finds that a violation exists or did exist, the representative shall file a written report with the board with a recommendation on a resolution to resolve the complaint.

C. If a violator fails to come into compliance with an approved resolution, the board may seek the assistance of the attorney general's office to bring the violator into compliance.

Section 802

Third Party Impacts

Although, the association is structured to prevent any impact to a third party, a procedure shall be developed to address the issue. Current rules and regulations of the district and the division should also be used to address third party impacts. Water users within one-half mile shall be notified of all leases requesting more than 50% annually of the water users current appropriated amount. Leases and associated term permits for a new point of diversion shall also require notification of all water users within one-half mile.

ARTICLE IX

PENALTY PROVISIONS

Section 901

Breach of Contracts

Failure of any water user to abide by all contract provisions shall result in forfeiture to participate in any future association activities. All violations of the act, charter, and any applicable rules and regulations may be processed through Section 801 of this charter, and K.A.R. 5-17-13.