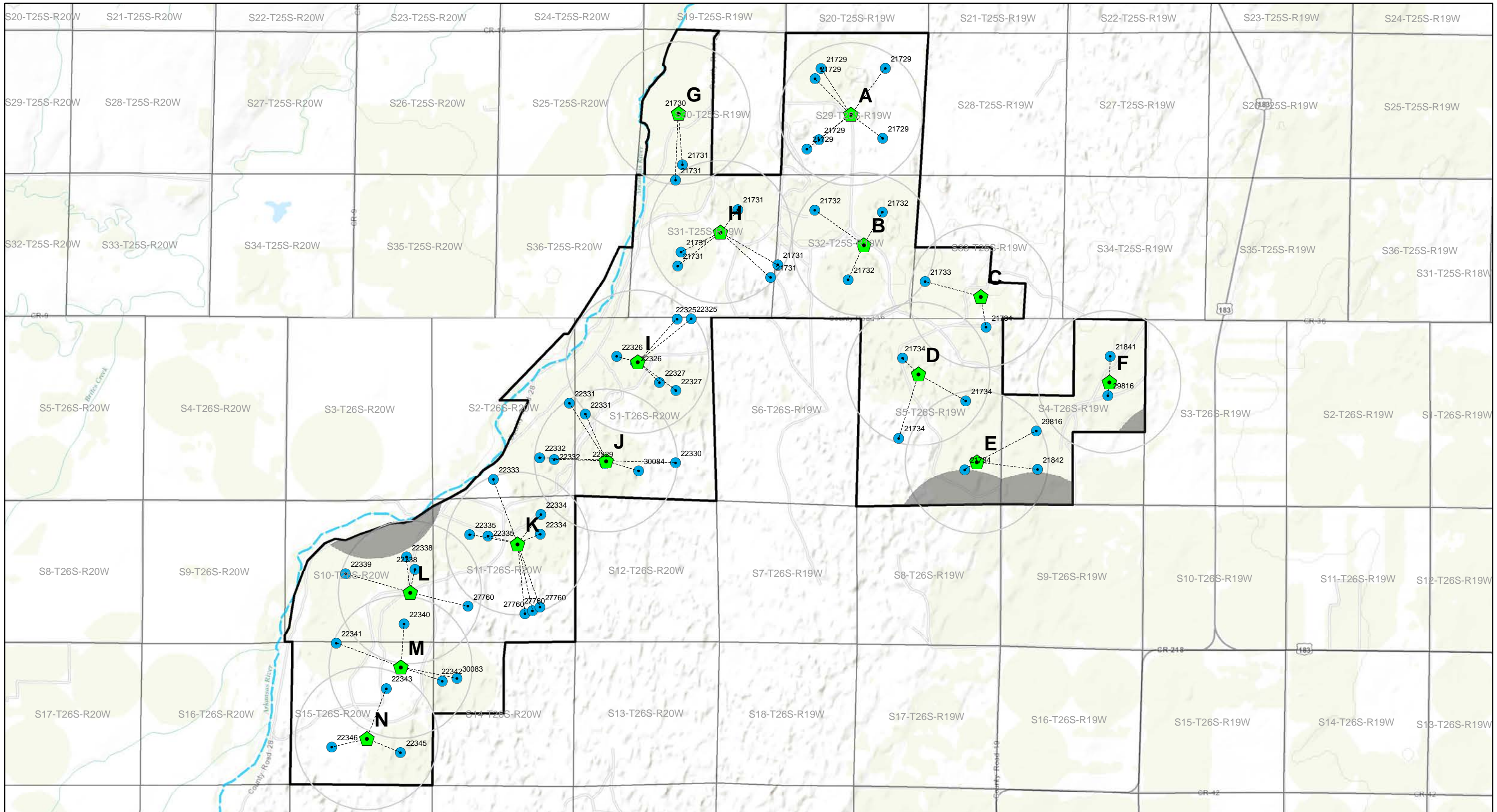


**DWR Summary of Hays/Russell R-9 Ranch Project
and Related Draft Proposed Approval Documents**









May 15, 2018

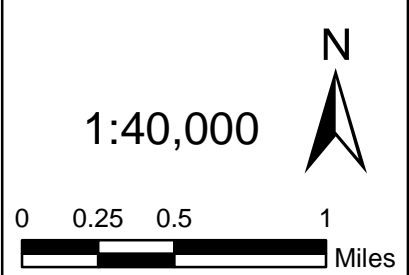
- The Cities' desired water-transfer project will require both: (1) contingent approval from KDA-DWR of change applications to convert the R-9 Ranch water rights to the new proposed use and related changes, and (2) approval under the state's Water Transfer Act. Consideration of the change applications is done first.
- The Cities originally requested that 7,647 acre-feet (AF) of water be changed to municipal use from the existing irrigation use. The Cities later amended their request and now ask that 6,756.3 AF be converted to and available for municipal use.
- The Cities initially filed 30 water-right change applications (covering 56 points of diversion) during June 2015 and filed their water-transfer application during January 2016. The Cities filed two additional change applications in April 2018, to account for two water rights that were created as the result of water rights that were divided in January 2018.
- Due to the scope and complexity of the proposed changes, the additional requirements of the Transfer Act, the long-term nature of the project, the possibility that the project may not ultimately move forward, etc., the Cities and KDA-DWR have negotiated detailed, draft proposed approval documents designed to meet the Cities' long-term needs while protecting the public interest.
- These draft proposed approval documents are being presented to the public at this stage in the Chief Engineer's review of the Cities' change applications, to allow GMD 5 and the public to fully understand the proposed terms and conditions associated with any approval of the change applications.
- The draft proposed master order has the following major provisions regarding contingent changes to the R9 Water Rights:
 - 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 more flexibility in locating the municipal wells (up to 1,000 feet) than normally allowed, without filing a subsequent change application, provided that the new location 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.
 - 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.
 - Imposition of a **10-year rolling aggregate limitation** of 48,000 AF (an average of 4,800 AF/year), based on the reasonable long-term yield of the R9 Ranch. The order explains the basis of this determination. The Cities' modeling report shows the projected effects under various future conditions. The order includes terms to allow this limitation to be increased by the Chief Engineer in the future, based on improved science, and for the limitation to be removed if the basin is opened to new appropriations or the restrictions of the Arkansas River IGUCA are lifted.
 - 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 limitations 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.
- Various reductions and limitations regarding **rates of diversion**. Tables 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.
 - Prescribed **reporting requirements**, including a monitoring plan.
 - Imposition of a **delayed effective date**. The order 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.
- KDA-DWR is maintaining the following web site with information on the project and our processes: <http://agriculture.ks.gov/HaysR9>.



Legend

-  Proposed Municipal Wells (A-N)
-  Existing R9 Ranch Points of Diversion
-  1/2 Mile Buffer Around Proposed Wells
-  Water Rights Consolidation Lines
-  Area Excluded From Proposed Wells
-  River Centerline
-  R9 Ranch Property Boundary
-  PLSS Sections



**EXHIBIT
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