

MANAGEMENT PLAN

For the Designation of a Water Conservation Area (WCA)
PI WCA; Sherman County, KS
January 2018 through December 2022

In order to conserve and extend the productive life of the aquifer in our region and increase the value and viability of our water rights and water resources for future generations we, the undersigned water right owners propose the following management plan, pursuant to K.S.A. 82a-745 (WCA Law), to form the basis of a Consent Agreement and Order Designating a Water Conservation Area (WCA).

Expression of Conservation Goals

Water right owners desire to conserve and extend the productive life of the Ogallala Aquifer within Sherman County. The purpose of the Pillango Investments WCA is to maintain production and profitability while reducing water use over the term of the WCA. Pillango Investments will facilitate the execution of the goals through more flexible and efficient use of the water resources as outlined in this management plan.

Pillango Investments recognize the need to conserve the Ogallala Aquifer within Sherman County as water table declines continue at an unsustainable rate. Pillango Investments is committed to conserve water and extend the life of the Ogallala Aquifer. Pillango Investments has owned and operated the water rights since 2014; as such an accurate water use history is not attainable. Pillango Investments is proposing an allocation based on the tenants management of a similar farm within 2 miles of the boundaries of the WCA. This farm averaged 15.42 inches per acre from 2003-2015. Thus, Pillango Investments is proposing a 14 inch per acre allocation on 1110 acres. Pillango Investments proposes a 5-year WCA commencing on January 1st, 2018 and ending on December 31st, 2022. The proposed allocation equates to a maximum quantity of 6475 acre-feet or 70 inches on 1110 acres. Any unused allocation may be carried over into a subsequent WCA. The quantity will be the lesser of 1 years' worth of allocation as defined by the current WCA plan or any more restrictive conservation plans that may be instituted in the future limited to a maximum of 1295 AF or 14 inches on 1110 acres.

Based on the currently proposed district-wide Local Enhanced Management Area (LEMA) Plan all of the water rights are located in townships with greater than 2% decline and would receive 14.5 inches per irrigated acre. The proposed district-wide LEMA plan would allocate a total of 6676 acre feet. Pillango Investments recognizes that this quantity is not sustainable long term and desires to reduce water use below long term averages and below the currently proposed LEMA allocation. Pillango Investments also recognizes the proposed WCA plan is the first step in reducing water usage and additional reductions may be necessary in future WCA plans to extend the productive life of the Ogallala Aquifer within Sherman County.

Water Rights Enrolled and Geographical Boundaries

The Pillango Investments WCA shall include the water rights listed in the attached document. This list includes details of all points of diversion associated with those water rights; as well as legal descriptions of the locations of the points of diversion and/or well identification numbers.

Water Right#	Owner	PDIV#	Sect-Twp-Range	Authorized Annual Quantity (AF)
10526	Pillango	23993	28-09S-41W	600
13213	Pillango	31541	27-09S-41W	397
13213	Pillango	84296	28-09S-41W	241
15244	Pillango	69029	28-09S-41W	472
17241	Pillango	80355	21-09S-41W	231
24290	Pillango	21967	21-09S-41W	162
25728	Pillango	41632	26-09S-41W	320
26599	Pillango	14707	28-09S-41W	250
Totals				2673

The current total appropriations authorized for all water rights included in this WCA are 2673 acre-feet per year. Pillango Investments acquired the water rights associated with the WCA prior to the 2014 growing season. Prior to 2014, the water rights were used intermittently if used at all therefore an accurate representation of historical water use is not feasible.

The geographic boundary for the place of use for use in this WCA is shown on the attached map and is described as follows:

WCA Authorized Place of Use																			
S	T	R	NE¼				NW¼				SW¼				SE¼				TOTAL
			NE	NW	SW	SE													
21					40	40	40	40	40	40	40	40	40	40	40	40	40	35	555
26								40	40	40	40								160
27									40	40									80
28			40	40	40	40	40	40	40	40	40	40	40	40	37	40	40	40	637
Total Authorized Acres																		1432	

Findings Regarding Groundwater Conditions

We understand that the WCA Law requires a finding that one of the following circumstances be present within the area geographic boundaries of this WCA; specified in K.S.A. 82a-1036 (a) through (d):

- a) Groundwater levels in the area in question are declining or have declined excessively;

- b) The rate of withdrawal of groundwater in the area equals or exceeds the rate of recharge within such area;
- c) Preventable waste of water is occurring or may occur within the area in questions; or
- d) Unreasonable deterioration of the quality of water is occurring or may occur within the area in question

and amendments thereto, exist, or include a finding or findings that the area within the geographic boundaries described in paragraph (1) has been closed to new appropriations by rule, regulation or order of the Chief Engineer.

We have been informed that the following conditions exist:

- Groundwater levels in the area in question are declining or have declined excessively; Water levels in this area of Sherman County have declined approximately 20 feet from 2007 to 2016.
- The rate of withdrawal of groundwater in the area exceeds the rate of recharge.
- The area has been closed to new appropriations by rule, regulation or order of the Chief Engineer

These conditions suggest the advisability of implementing this WCA.

See the attached maps and figures supporting these findings and observations. Such attached documents shall include:

- Location maps with place of use defined
- Detailed table with description of place of use
- List of all water rights and description of legal locations
- Summary of water use history of water rights in WCA
- Changes in water levels (if available)
- Estimated useable life maps (if available)
- KGS Observation well(s) data (if applicable)
- KDA-DWR This analysis report(s) (if applicable)

Per the Corrective Control Provisions and Plan for Conservation section, under this WCA management plan no water right, or point of diversion, is allowed any additional authorities than is currently authorized in the base water right. Therefore, it is determined that no further analysis, to determine possible impairments, needs to be completed for this WCA.)

Due Consideration for Past Conservation

We acknowledge that as described in the law, a water conservation area (WCA) management plan shall give due consideration to water users who have previously implemented reductions in water use resulting from voluntary conservation measures.

We, the water right owners are committed to best water management practices and ask for consideration of past water conservation in determining these allocations with the aim of, the conservation of the Ogallala aquifer and to preserve the viability of irrigated agriculture. Previous ownership, with their sporadic usage, was still flood irrigating. Underground drip irrigation was installed on some of this property prior to Pillango purchasing. Since 2012, Pillango has continued to improve water use efficiency by eliminating any additional flood

irrigation and replacing with drop nozzle center pivots. As enumerated below we, the owners, request that its further conservation under this plan be considered in any LEMA proposed for the area or in a subsequent WCA under the terms herein.

Corrective Control Provisions and Plan for Conservation

We acknowledge that the following corrective controls will be in effect within this WCA during the term of the WCA period listed:

1. Water rights, at the discretion of the owners, may be pumped as directed by the owner, provided that:
 - a. All points of diversion are limited to their annual authorized quantity.
 - b. All points of diversions are limited to their current authorized pumping rates.
 - c. The sum of water use under all water rights combined shall be limited to no more than 6475 acre-feet or 70 inches on 1110 acres every five (5) years.
2. The corrective control provisions of this WCA cannot conflict with the rules and regulations of the local GMD that result in greater overall conservation of water resources. If a Local Enhanced Management Area (LEMA) plan or an Intensive Groundwater Use Control Area (IGUCA) is formed after the initiation of this WCA, and the WCA is partially or wholly within the LEMA or IGUCA, the corrective control provisions that result in the greater overall conservation of water resources shall prevail. However, any LEMA or IGUCA must give due consideration to the conservation achieved by WCA participants pursuant to 82a-745(a)(6). The Chief Engineer is authorized to amend the provision of the WCA to conform to any rules, regulations, or requirements that result in greater conservation of the water resource subject to the foregoing due consideration for past and current conservation.

We, the water right owners enrolling in this WCA understand we may gain the following flexibilities in consideration for our conservation.

3. Should an order of designation for a LEMA be implemented for the area including the WCA prior to or after December 31st, 2022, the applicant requests that the due consideration of its voluntary conservation under this plan be provided via an additional allocation within the LEMA allocation period in the amount of any unused water based on the average annual WCA allocation per year before a LEMA is implemented. [e.g. if a WCA precedes a LEMA by two years and the total two-year use is 2400 acre-feet then the additional carry over into a LEMA can be as much as 190 acre-feet {2x average WCA average annual allocation (2x 1295 AF) minus the total two-year water use (2400 AF)= 195 AF}].
4. Should an order of designation for a LEMA not be implemented prior to December 31st, 2022, up to 1/5th (1295 acre-feet) of the 5-year WCA allocation may be carried over into a subsequent WCA. In order to for the carryover quantity to be included into a subsequent WCA, Pillango Investments must enter into an agreement to participate in a subsequent WCA by December 31st, 2022.

Compliance Monitoring and Enforcement

We, the owners, understand that the following compliance monitoring and enforcement provisions are proposed. This section also includes any specific provisions regarding measuring or reporting water usage.

There is one recognized observation well within two (2) miles of this WCA boundary that has for many years been measured annually by the Kansas Geological Survey (KGS). See attached water right area map for locations. The well will continue to be measured annually and the data collected will help in evaluating the effectiveness of the WCA. An onsite observation well may be necessary to monitor the local water level more accurately.

We will submit an annual report no later than March 1st and maintain a spreadsheet detailing the following information for each well and all wells combined: beginning and ending meter readings, quantity of water diverted, acres irrigated, the inches per acre, and the quantity of water remaining for the WCA period listed. These records will be available to KDA-DWR upon request.

We will ensure backup measurements will be supported or an alternate measurement device will be available to be put into service in case the water flowmeter record for any given well is questionable or not reliable.

We acknowledge that water flowmeters within the WCA may be sealed to the measurement chamber by KDA-DWR during the duration of this management plan to ensure an accurate water use record.

We, water right owners within this WCA shall be responsible for ensuring the water flowmeters comply with state and local law(s). Any water right owner or authorized designee who finds a flow meter that is inoperable or inaccurate shall within 48 hours contact the KDA-DWR concerning the matter. Whenever an inoperable or inaccurate meter is repaired or replaced, the owner or authorized designee shall notify the KDA-DWR within seven (7) days on a form prescribed by the Chief Engineer of the water flowmeter installation and any water flowmeter repair or replacement event.

We acknowledge that failure to abide by the terms of this agreement may result in the termination of the WCA. Failure to abide by the terms, conditions, and limitations of the individual water rights will be subject to the civil penalties outlined in K.A.R. 5-14-10.

Review of Effectiveness

We acknowledge that a review of this WCA shall be completed prior to November 1st of the final year of the WCA period listed to ensure the above terms remain appropriate and are achieving the stated goals of this WCA. Should the Chief Engineer find that the terms are no longer appropriate or that no progress has been made towards the stated goal, the Chief Engineer may refuse to renew a WCA and may suggest new terms and goals. We understand that upon review, and a finding by the Chief Engineer that the WCA has achieved or made progress towards its

goals and that the same terms may be included in a subsequent WCA for another designated period. The terms of the WCA may be continued as long as this WCA is in good standing with its most recent WCA period and upon formal approval by the Chief Engineer. The Chief Engineer shall issue findings addressing the terms and goals of the existing management plan prior to any renewal of an subsequent WCA.

We acknowledge that unless terminated under the provisions below (e.g. due to the development of a LEMA), the WCA will be in effect for the listed period with an evaluation at the end of every WCA period. We understand that KDA-DWR will conduct this evaluation to ensure compliance and conservation. The evaluation will determine total water use during the WCA period.

We acknowledge that should an order of designation for a LEMA be implemented prior to end of this WCA period, an evaluation of this WCA will be conducted the year prior to the start of a LEMA. This evaluation may be used to determine an additional allocation amount of water to be carried over into a LEMA; should this be the case.

Member addition, withdrawal, and removal

We acknowledge that water right owners and their associated water rights and geographic boundaries may be added to the WCA upon written notification to the Chief Engineer by the owners of each enrolling water right with legal descriptions of the areas to be added. A member may withdraw from the WCA through written notification to the Chief Engineer signed by the owners of the participating water right or rights to be withdrawn from the WCA.

If the addition or withdrawal of water rights requires modification to the water allocation quantities, geographical boundaries, places of use, terms, or conditions of the original WCA, the management plan shall be revised to incorporate such changes and the associated consent agreement shall be reaffirmed by all parties, after opportunity for comment on the proposed revisions by the applicable GMD.

Termination

We acknowledge this WCA agreement may be terminated by written notification, signed by all then-existing members of the WCA, to the Chief Engineer of the intent to terminate.

We also acknowledge that the Chief Engineer may terminate this WCA upon findings that it is not being upheld to its terms. Such termination shall give notice and require a full evaluation of the WCA and water rights associated to ensure follow up actions.

State Law

We acknowledge that this WCA is subject to compliance with all other applicable state laws.

Notification to Nearby Owners

We acknowledge that, by statute, the Chief Engineer is required to provide written notification to all water right owners with a point of diversion within ½ of a mile, or farther if deemed necessary, by a rule and regulation of the Chief Engineer, of the boundaries of this WCA.

Assurances

We acknowledge this WCA will not alter the terms, conditions, and limitations of the base water rights.

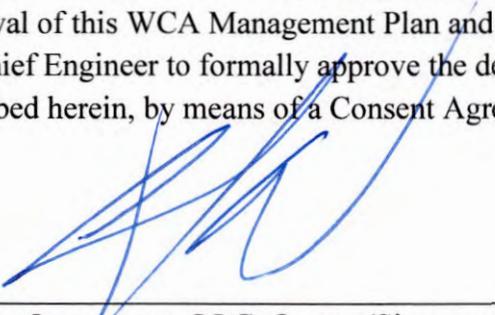
Review of Other Applicable Requirements

We acknowledge that upon review, this WCA management plan was found to effect equal or greater overall conservation than applicable GMD regulations, LEMA, and IGUCA requirements.

Participant's Agreement

By signing below, we, the water right owners, agree that this Water Conservation Area Management Plan is fair and equitable. This management plan, provided to the Chief Engineer and water right owners, is the expressed written intent of the parties and the whole agreement between the parties. We, the water right owners agree to be bound by all the terms contained in this WCA Management Plan and understand that the provisions of this agreement shall be construed to give effect to the provisions listed. We, the water right owners also agree that this management plan is the basis for a consent agreement among the Chief Engineer and the undersigned water right owners, and therefore any order and consent agreement issued by the Chief Engineer, designating this WCA, shall be binding upon all parties as the necessary formal implementation of this management plan.

FOR THE PARTICIPANTS: All participating water right owner(s) signing below, affirm their approval of this WCA Management Plan and if approved by the Chief Engineer allow consent to the Chief Engineer to formally approve the designation of this Water Conservation Area, described herein, by means of a Consent Agreement and Order.

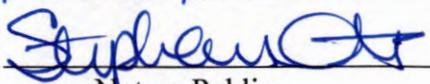
 Date: 4/17/18

Pillango Investments LLC, Owner (Signature)
Water Right No(s). 10526, 13213, 15244, 17241, 24290, 25728, 26599

PO Box 4184, Greenwich, CT 06831-0403
Full Mailing Address

(Email Address) tap@interactivebrokers.com (Phone Number) _____
Email Address Phone Number

ACKNOWLEDGMENT OF NOTARY

State of ^{CT} Kansas)
) SS
County of Fairfield)
Acknowledged before me on April 17, 2018
by Christopher Z. Uzen
Signature: 
Notary Public

My commission expires: May 31, 2018
(Notary Seal)

STEPHANIE ACUNTO
Notary Public, State of Connecticut
My Commission Expires May 31, 2018

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2018, copies of the foregoing were sent via first class, U.S. mail, to the following:

Pillango Investments
PO Box 4184
Greenwich, CT 06831-0403

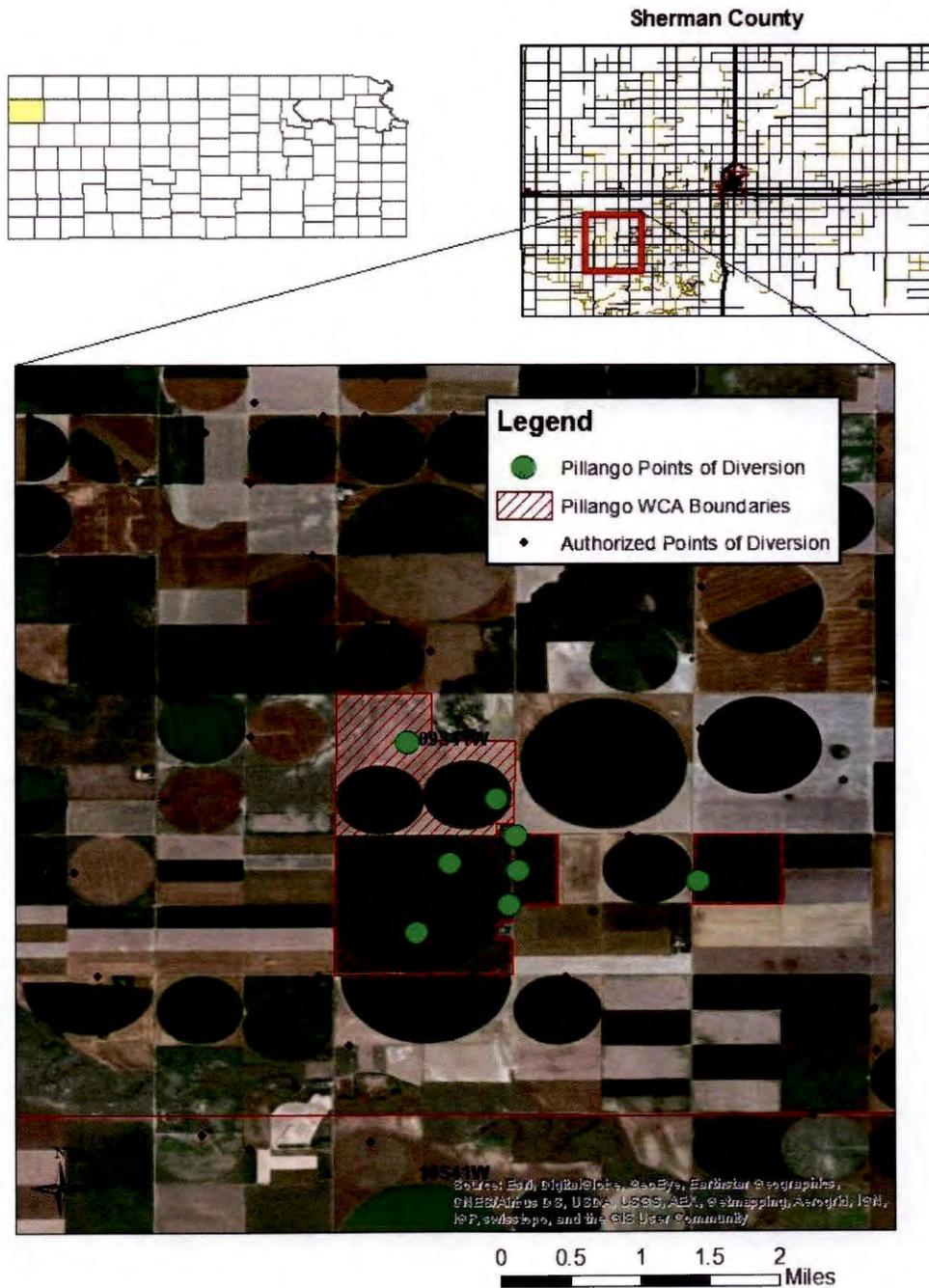
Groundwater Management District No. 4

DWR-KDA Water Commissioner, Stockton Field Office

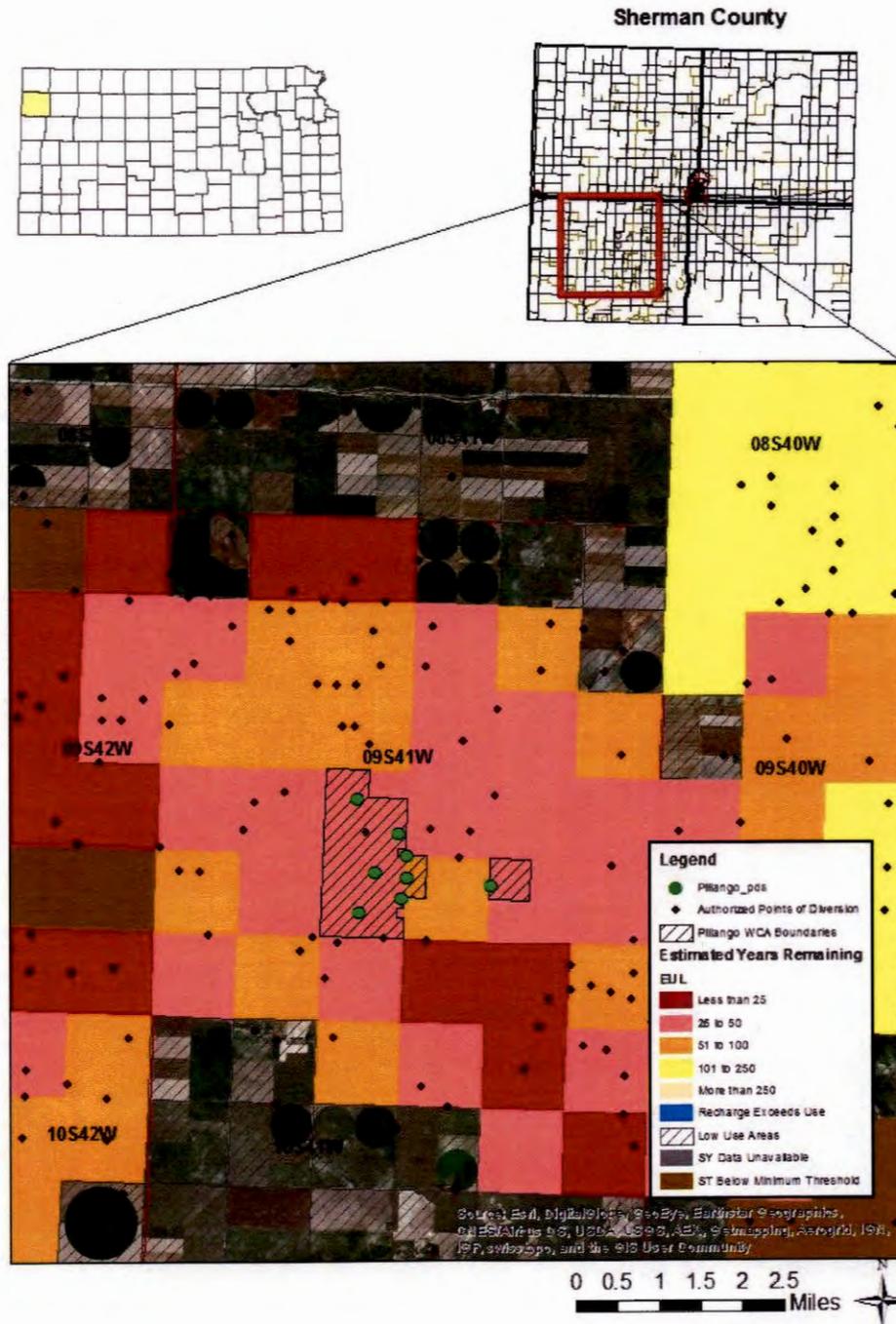
Kansas Department of Agriculture
Staff Person

Attachment A

Water Right Area Location Map- Pillango Investments Water Rights & Authorized Place of Use

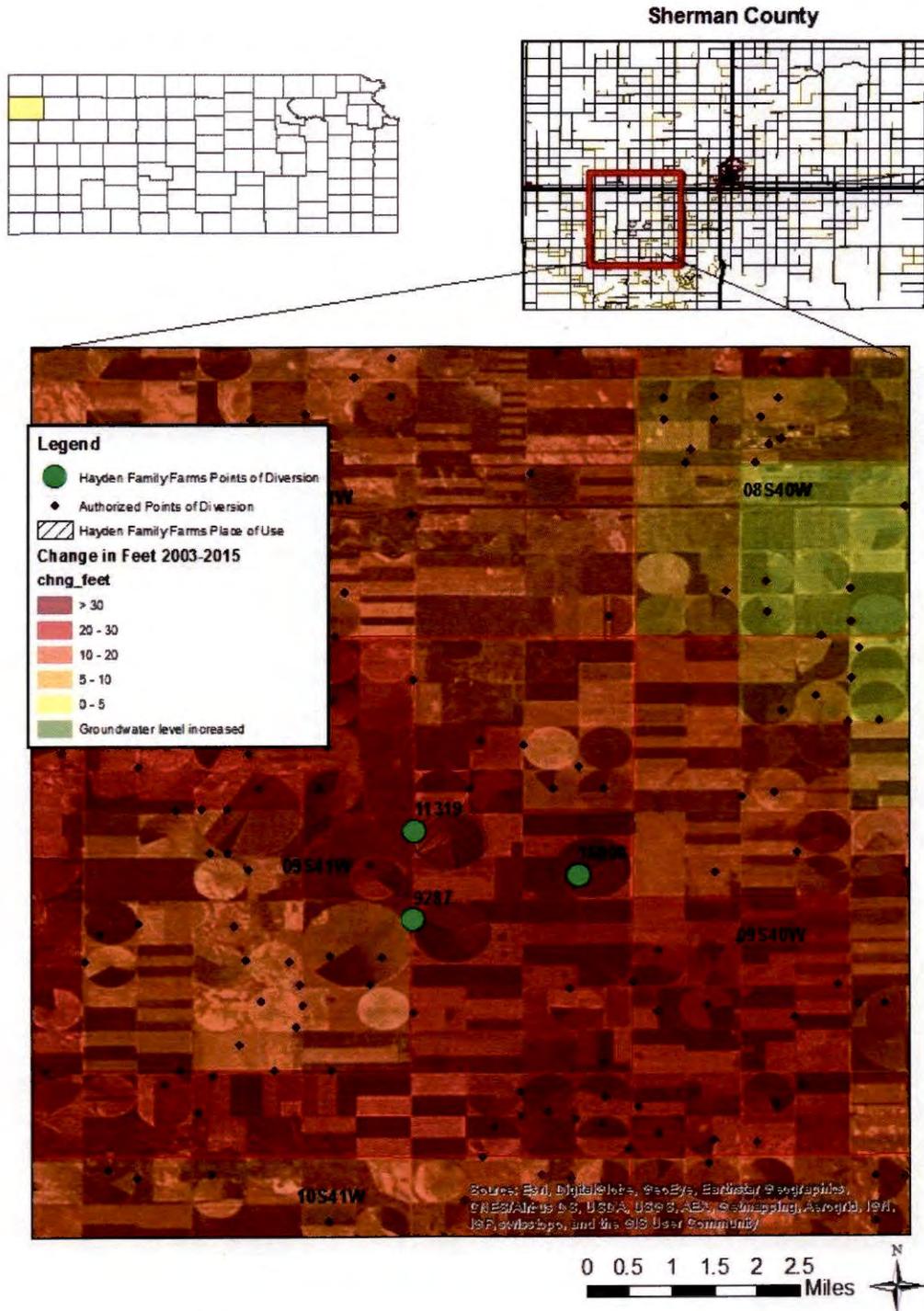


Attachment B
 Estimated Usable Life to Support 400 GPM



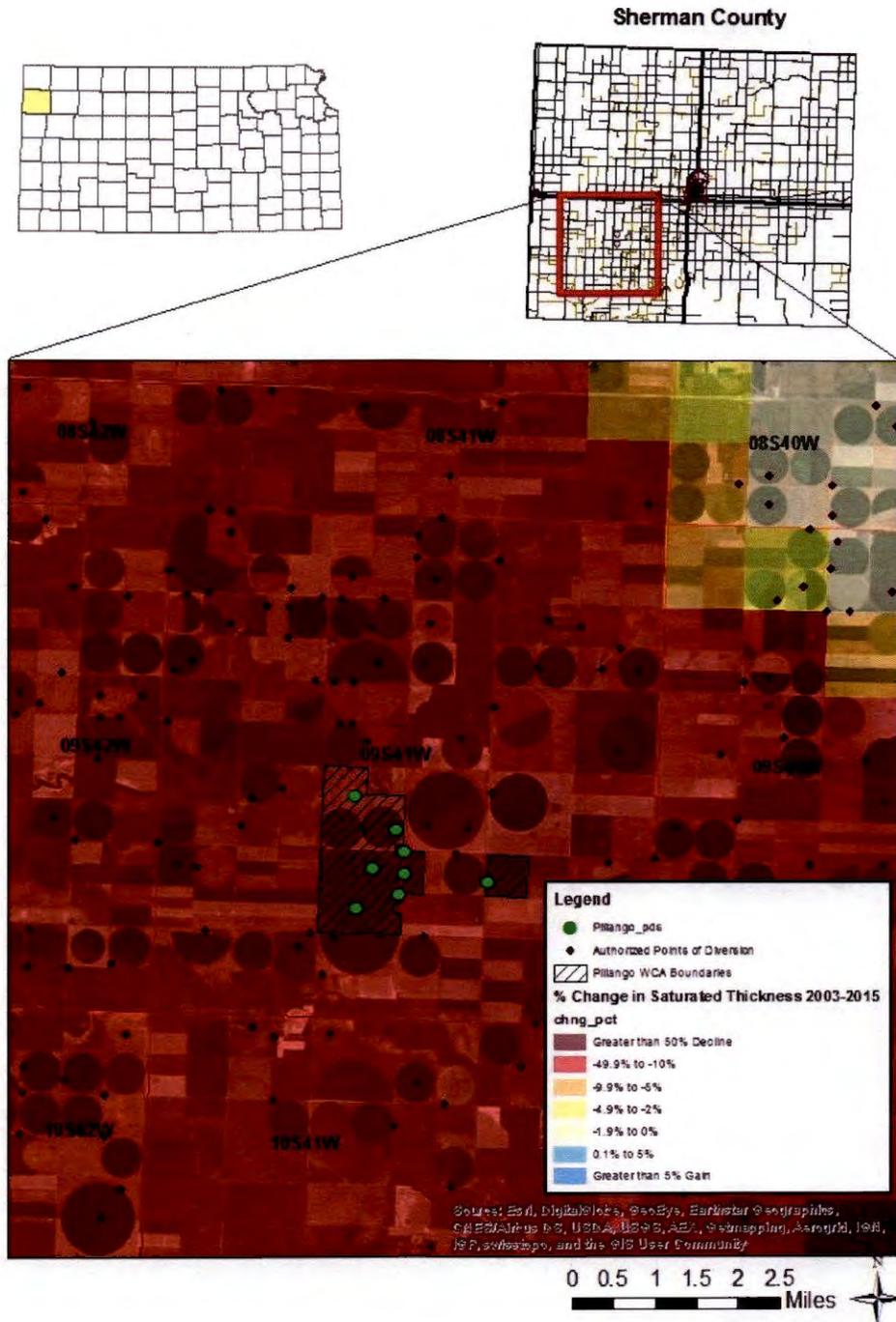
Attachment C1

Changes in Water Level (ft) from 2003 to 2015



Attachment C2

Percent Change in Saturated Thickness from 2003 to 2015



Attachment D

Summary of Water Use History- Pillango Water Use

Pilango WUR 2003-2016

Overlapped in PU																	
FILE #	25728		22316		24290		13213 - ID 2		13213 - ID 1/5*		10526		15244		26599		17
YEAR	AF	Acres	AF	Acres	AF	Acres	AF	Acres	AF	Acres	AF	Acres	AF	Acres	AF	Acres	AF
2016	177	120			127	125	212	208	76	75	149	146	240	240	135	132	65
2015	190	120	238	160	136	125	195	215	0		175	215	248	215	133	120	71
2014	202	120	242	155	120.36	100	284.57	200	0		211	200	288	200	195.05	120	75
2013	128	120	218	155	159.75	100	18.824	200	0		101	0	253		53.725	260	72
2012	145	120	245	190	96.44	170	156.42	200	0		125	120	175	120	47.584	260	56
2011	116	120	143	190	134.11	170	52.865	200	0		191	120	151	120	159.42	260	122
2010	0		143	190	94.177	170	262.5	200	0		0	0	0		230.5	260	127
2009	67	156	163	190	71.255	170	196.87	200	0		51	160	63	146	162	260	187
2008	37	155	236.98	190	145.83	170	177.87	200	0		22	145	23	165	223.81	260	243
2007	0		130.22	190	101.83	170	122.39	200	0		0	0	0	0	138.51	200	0
2006	0		111.12	190	97.959	170	113.47	200	0		0	0	0	0	127.56	200	0
2005	0		104.86	190	107.63	170	129.12	200	0		0	0	0	0	143.99	200	0
2004	0		0	0	0	0	321	200	0		0	0	0	0	0	0	0
2003	262.5	120	225.38	190	143.62	190	325.31	280	0		262.5	110	241.29	195	212.12	220	144.82
AVERAGE	147.17	127.89	183.38	181.67	118.15	153.85	181.25	207.31	76.00	75.00	143.06	135.11	186.92	155.67	150.94	211.69	129.54
Average AF/Acre	1.15		1.01		0.77		0.87		1.01		1.06		1.20		0.71		0
Average Inches/	13.81		12.11		9.22		10.49		12.16		12.71		14.41		8.56		8
Auth. Quantity (total)	320.00		340.00		162.00		397.00		241.00		600.00		472.00		250.00		23
Avg. % Appr.	46%		54%		73%		46%		32%		24%		40%		60%		5

Attachment E

KGS Index Well Data - 09S 41W 14BBC 01

Water Right No. 11319-00

USGS ID:	391632101522601	KGS Local Well ID:	09S 41W 14BBC 01
County:	Sherman	PLSS Description:	9S 41W 14 SWNWNW
HUC 8 Code:	10250012	GMD:	Northwest Kansas GMD #4
Longitude:	-101.874854	Lat/Long Source:	GPS (within 50 feet)
Latitude:	39.274651	Lat/Long Accuracy:	5 seconds
Surface Elevation (ft):	3835	Depth of Well (ft):	300
Geological Unit Codes:	TO	USGS Map Name:	Ruleton SE
Use of Site:	Withdrawal of Water	Use of Water:	Irrigation
WWC5 Links:	None	WIMAS Link:	15364

