

**PROPOSED AGENDA
BOARD OF DIRECTORS MEETING**

EQUUS BEDS GROUNDWATER MANAGEMENT DISTRICT NO. 2

**Tuesday, January 31, 2017 – 1:00 p.m.
Conference room**

**313 Spruce Street • Halstead, KS 67056-1925
Phone: (316) 835-2224 • Fax: (316) 835-2225 • E-mail: equusbeds@gmd2.org
Website: www.gmd2.org**

- 1. APPROVAL OF MINUTES**
- 2. APPROVAL OF AGENDA**
- 3. FINANCIAL REPORT**
- 4. APPROVAL OF EXPENDITURES**
- 5. PUBLIC FORUM** – Persons may present written or verbal comments concerning non-agenda business. Please state your name and address. Presentations are limited to five minutes.
- 6. APPEAL REVIEW** – None
- 7. OLD BUSINESS** –
 - a) Blazefork Farms LLC, Application No. 49178, NE 02-22S-3W, Harvey Co.
 - b) Circle S Farm, Application No. 49099, SE 04-22S-2W, Harvey Co.
 - c) Larry L. Stucky, Application No. 48965, NE 10-21S-3W, McPherson Co.
 - d) Burrton IGUCA Boundaries Expansion
- 8. NEW BUSINESS**
 - a) GMD2 Sustainability Assessment – Jim Butler, Kansas Geological Survey
 - b) Proposed Nickerson Effluent Holding Cells – Don Hellar, EBH & Associates
 - c) Audit Accounting Resolution – GAAP Waiver
 - d) Board Nominating Committee
 - e) Kansas Groundwater Management Districts' Legislative Reception – February 8, 2017
 - f) February & March Meeting Dates & Times
 - g) KDA/DWR Proposed Legislation & Rules & Regulations Update
- 9. AGENCY & COMMITTEE REPORTS**
 - a) Division of Water Resources
 - b) Kansas Water Authority
 - c) Equus – Walnut Regional Advisory Committee
- 10. MANAGER'S REPORT**
 - a) ASR Project Report
 - b) Administrative and Field Tasks
 - c) Review of Term Permit Applications
 - d) Monthly Information and Service Report
- 11. ADDITIONS TO THE AGENDA**
- 12. BOARD ROUND TABLE DISCUSSION** – Fred Seiler, President

NOTICE

A Board of Directors meeting and any portion thereof is open to the public, except for closed or executive meetings, as prescribed by K.S.A. 75-4319.

Please complete a meeting notice form if you wish to be notified of Board of Directors meetings, hearings, work sessions or other business meetings. Notice forms may be obtained by contacting the Equus Beds Groundwater Management District #2.

**EQUUS BEDS GROUNDWATER MANAGEMENT DISTRICT NO. 2
JANUARY 31, 2017**

The Board of Directors for the Equus Beds Groundwater Management District No. 2 held a monthly meeting January 31, 2017, in the conference room of the Equus Beds Groundwater Management District No. 2 in Halstead, Kansas. President Fred Seiler called the meeting to order at 1:00 p.m.

Directors and staff present during all or portions of the meeting:

Fred Seiler, President	Bob Seiler, Member
Vin Kissick, Vice-President	Joe Pajor, Member
Jeff Winter, Secretary	Tom Adrian, Attorney
Mike McGinn, Treasurer	Tim Boese, Manager
David Bogner, Member	Steve Flaherty, Hydrogeologist
David Stroberg, Member	Rebecca Wilson, Admin. Assistant
Alan Burghart, Member	

Directors absent: None

Others attending the meeting or portions thereof were:

Jeff Lanterman, KDA - DWR Stafford
Matt Meier, KDA – DWR Stafford
Don Whittemore, KGS
Jim Butler, KGS
Brian Klager, USGS
Daniel Clement, Burns & McDonnell
Brian Meier, Burns & McDonnell
Alan King, City of Wichita
Don Hellar, EBH Engineers
Gary Regier, Moundridge
Josh Regier, Moundridge
Brian Bretz, Moundridge
Ryan Reiff, Buhler
Gordon Schmidt

ITEM 1 -- APPROVAL OF DECEMBER 13TH MEETING MINUTES

Moved by Mike McGinn and seconded by David Stroberg to approve the Minutes. Motion carried with 8 Directors for, 0 Directors against, 0 Director abstained, and 1 Director absent.

ITEM 2 -- APPROVAL OF AGENDA

Moved by Vin Kissick and seconded by Alan Burghart to approve the Agenda. Motion carried with 8 Directors for, 0 Directors against, 0 Directors abstained, and 1 Director absent.

ITEM 3 -- FINANCIAL REPORT

December Financial Report

Moved by David Stroberg and seconded by David Bogner to approve the December Financial Report. Motion carried with 8 Directors for, 0 Directors against, 0 Directors abstained, and 1 Directors absent.

ITEM 4 -- APPROVAL OF EXPENDITURES

Moved by Jeff Winter and seconded by Vin Kissick to approve the January expenditures. Motion carried with 8 Directors for, 0 Directors against, 0 Directors abstained, and 1 Director absent.

ITEM 5 -- PUBLIC FORUM

Alan King, City of Wichita, addressed the Board to provide information regarding the Wichita ASR Project. Alan stated that the City of Wichita's consultant reviewed the model feedback from the GMD2 staff and placed the feedback into three (3) categories: 1) Good ideas which needed to be and which were incorporated into the model, but did not create a significant change in the outcome of the model; 2) Information which was more extensive in terms of effort, but which would not cause a big change in results of the model, and 3) Feedback that the City did not agree with as being necessary changes to the model. The City sent the District a letter expressing appreciation for the time and effort District staff spent evaluating the model. Alan stated that based on an earlier meeting that he attended regarding recharge credits pumping scenarios outcomes, Alan feels that the City has met the burden of proof to show that their model is valid, and the City will now be moving forward with ASR water permit modifications request to the Chief Engineer. The District will be copied on the letter being sent to the Chief Engineer, which should be mailed within a week or two. Alan expressed the City's willingness to continue to work with the District and include the District in that process. Alan stated that the letter to the Chief Engineer will outline and characterize all three areas of feedback. Alan also stated that the permit modifications requested will include a lowering of the minimum aquifer level at which recharge credits can be pumped, as well as operational credits. Alan stated that the City will ask for Recharge Credits for water withdrawn from the river and sent to town, as opposed to having to make a hole in the aquifer in which to put their Recharge Credits. The City's goal is to use as much water as possible from Cheney to keep the aquifer level during non-drought years as full as possible.

ITEM 6 -- APPEAL REVIEW - NONE

ITEM 7 -- OLD BUSINESS

- a) BLAZEFORK FARMS, LLC, APPLICATION NO. 49178, NE 02-22S-3W, HARVEY COUNTY**
- b) CIRCLE S. FARM, APPLICATION NO. 49099, SE 04-22S-2W, HARVEY COUNTY**
- c) LARRY L. STUCKY, APPLICATION NO. 48965, NE 10-21S-3W, MCPHERSON COUNTY**

Tim Boese, Manager, recommended that all three applications be tabled until the February 2017 meeting to allow the Board time to review the KGS report being presented today. Tim also mentioned that the January 2017 water level measurements were recently completed, and that information would be available for review and consideration for the next Board meeting. Brian Bretz, Blazefork Farms, LLC, was present and addressed the Board to make three (3) points: 1) Brian feels that this process has taken too long at the local level, 2) the issues with the neighboring water permit have been resolved well with a positive outcome for everyone, and 3) the Pretty Prairie Application Processing Moratorium should set a precedence on how to proceed with his application.

Moved by Vin Kissick and seconded by Alan Burghart to table all three applications until the February, 2017 Board meeting. Motion carried with 7 Directors for, 2 Directors against, 0 Directors abstained, and 0 Directors absent.

d) BURRTON IGUCA BOUNDARIES EXPANSION

Steve Flaherty, Hydrogeologist, reviewed the maps and graphs regarding the Burrton Chloride Plume levels, as well as additional slides showing a time step of the plume movement between the years of 2000-2016. Discussion by the Board followed.

Tim Boese, Manager, recommended expanding the boundaries to the East now, leaving the West boundary as is until the next review, and either expanding the boundaries to the South now or revisit at the next review.

Moved by Bob Seiler and seconded by Vin Kissick to recommend to the Chief Engineer that the IGUCA boundaries are expand only to the five (5) East sections (Sections 23, 26, and 35 in T23S-R3W and Sections 2 & 11 in T24S, R3W). Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

ITEM 8 -- NEW BUSINESS

a) GMD2 SUSTAINABILITY ASSESSMENT – JIM BUTLER, KANSAS GEOLOGICAL SURVEY

Jim Butler, KGS, provided a review the GMD2 Sustainability Assessment report. Discussion by the Board followed. District staff will review the report and will provide a timeframe for review and recommendations to the Board at the next Board meeting.

b) PROPOSED NICKERSON EFFLUENT HOLDING CELLS – DON HELLAR, EBH & ASSOCIATES

Don Hellar, EBH & Associates, presented the Board with information regarding the proposed plan to add two (2) additional cells (4 and 5) to the West side of the current Nickerson Effluent Holding Cells. Cell 4 will be a treatment cell, and the bottom will be sealed with bentonite. Cell 5 will not be sealed, as it will be a wetland cell, which will have an open bottom. This bottom should be approximately five to six feet above groundwater. Don stated that they expect very little, if any, flow from Cell 4 to Cell 5. District staff presented hydrographs and information from nearby monitoring wells. Discussion by the Board followed. Don stated that this specific plan has not yet been submitted to KDHE, but that KDHE previously approved their initial concept. Don anticipates that this new plan will be submitted to KDHE within the next month. Tim Boese, Manager, will research the KDHE regulations and provide a report to the board.

c) AUDIT ACCOUNTING RESOLUTION – GAAP WAIVER

Tim Boese, Manager, reviewed the GAAP Waiver. Moved by Mike McGinn and seconded by David Stroberg to approve the resolution for the current year, as well as going forward, unless a change is deemed necessary by the District Manager or Auditor. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

d) BOARD NOMINATING COMMITTEE

Fred Seiler, President, stated that he does not intend to run for another term. Fred has spoken to Dale Schmidt of McPherson, who intends to run for a Board position, and Mr. Schmidt had contacted Tim Boese regarding the necessary paperwork. Joe Pajor and Jeff Winter will both run again to retain their respective Board positions. It was the consensus of the Board that a Nominating Committee will not be necessary. Tim Boese, Manager, will update the Board on any new candidates if they apply.

e) KANSAS GROUNDWATER MANAGEMENT DISTRICTS' LEGISLATIVE RECEPTION – FEBRUARY 8, 2017

Tim Boese, Manager, advised that the GMDs' Legislative Reception is February 8, 2017, and that he will attend. Board President Fred Seiler advised he was planning on attending and Board members David Bogner, Bob Seiler, Vin Kissick, and Mike McGinn advised that they will try to attend the reception as well.

f) FEBRUARY & MARCH BOARD MEETING DATES & TIMES

The Board discussed moving the February Board Meeting due to conflicts with schedules, as well as setting the date and times for the March Board Meeting and Annual Meeting. Moved by Joe Pajor and seconded by Alan Burghart to schedule the February Board Meeting for Wednesday, February 22, 2017 at 10:00 a.m., and to schedule the March Board Meeting for Thursday, March 16, 2017 at a time to be determined depending on the agenda, with the Annual Meeting following that evening at 7:00 p.m. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

g) KDA/DWR PROPOSED LEGISLATION & RULES & REGULATIONS UPDATE

Tim Boese, Manager, provided information on Senate Bill 48 and House Bill 2099, which deal with impairment claims. No action was taken by the board. Tim then provided information on Senate Bill 46 and House Bill 2100, which would modify the Water Conservation Areas statutes. No action was taken by the board. Tim also provided information regarding House Bill 2032, which proposes increased fees on commercial fertilizer, agricultural chemical registration, water sold by public water supply system, and water used for industrial or stockwatering purposes, with the increased fees to be used to increase funding for the State Water Plan. Board member Joe Pajor, representing the City of Wichita, attended the hearing this morning in Topeka regarding this bill, and he provided an update including that the City of Wichita opposed the bill. Moved by Bob Seiler and seconded by David Bogner for the District to oppose this bill. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

ITEM 9 -- AGENCY & COMMITTEE REPORTS

a) DIVISION OF WATER RESOURCES

Jeff Lanterman, DWR - Stafford, reported that they have been working on the Quivira Impairment case, Hays R-9 Ranch water transfer, and they finished measuring the annual cooperative water levels.

b) KANSAS WATER AUTHORITY

Board Vice President, Vin Kissick, reported that the Kansas Water Authority met on December 15, 2016 in Wichita, and January 24, 2017 and January 25, 2017 in Topeka, where Vin met with 12 legislators. The Blue Ribbon Funding Task Force recommended to designate 1/10 of 1% sales tax to implement the water vision over the next several years. Vin also mentioned that there may be changes to the composition of the KWA in coming years. Vin stated that he went to a Farm Bureau Luncheon where he was able to briefly discuss with a few legislators the potential bill to increase the GMD assessment caps. Tim Boese, Manager, provided updates regarding his discussions with the other GMDs, as well as with Farm Bureau, regarding the potential bill to increase the assessment caps. Tim then provided a timeline for the potential bill within the legislature. Tim also discussed the possible fees associated with hiring a lobbyist to assist with the bill. Discussion by the Board followed. Moved by Mike McGinn and seconded by David Stroberg to have Tim begin the process of moving forward with the potential bill, and then discuss hiring a lobbyist at a later date, if needed. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

c) EQUUS – WALNUT REGIONAL ADVISORY COMMITTEE

Bob Seiler, Member, reported that the next Equus-Walnut RAC meeting is scheduled for February 27, 2017 at 1:00 p.m. The location is still pending.

ITEM 10 -- MANAGER'S REPORT

a) ASR PROJECT REPORT

Tim Boese, Manager, advised that in December, there was no recharge in Phase I or Phase II. Cheney Reservoir: Conservation pool is full and flood pool is 4.47% full. Cheney release is 0 CFS. Flow today: Little Ark - Highway 50 is 36 CFS; Valley Center is at 98 CFS.

b) ADMINISTRATIVE FIELD TASKS

Tim Boese, Manager, reported that in December, staff reviewed 11 new/change applications, provided 15 application assistance, including several MYFAs, completed eight Safe Yield evaluations, and processed a total of 25 files including VI cards, new applications, and dismissal recommendation requests from DWR. Staff also completed 21 water permit consultations and six abandoned well inspections/pluggings. Tim also gave an update on the Management Program revisions, yearly audit, and water-level measurements, as well as a brief overview of the GMDA Conference he attended in Fort Worth, Texas.

c) REVIEW OF TERM PERMIT APPLICATIONS

Tim Boese, Manager, reviewed two term permit applications that the District staff had reviewed and recommended for approval based on the Board's November 8, 2016, resolution. The resolution allowed District staff to review and make recommendations of approval for replacement/renewal term permits under certain conditions. The term permit applications were: No. 20169015 for dewatering at Cargill Grain elevator and No. 20169071 for remediation by the City of Hutchinson. Tim advised that both term permit applications were reviewed and recommended for approval, as both met the stipulations of the Board's resolution.

c) MONTHLY INFORMATION & SERVICE REPORT

Tim Boese, Manager, presented customer service requests for the month of December.

ITEM 12 -- BOARD ROUND TABLE DISCUSSION – FRED SEILER, PRESIDENT

Tim Boese, Manager, discussed a Reno County Land Assessment protest letter which was received by the Reno County Treasurer from the U.S. Bureau of Reclamation for the Cheney area. Tim is unsure of whether or not they have paid in the past, but the current amount is approximately \$700.00. District staff will research the issue and report back to the board.

District staff is also reviewing the ASR report received at the beginning of the month, and they will schedule for Board review when they are done with the review.

Board member Mike McGinn stated that regarding the City of Wichita and their intentions to move forward with ASR water permit modification, he would like the District staff and Board to review the letter when it comes from the City, and then send comments to DWR. Board member Vin Kissick stated that he is glad that the District is being copied on the correspondence, and he feels like the District's relationship with the City of Wichita is healthier than it was a year and a half ago. Manager Tim Boese questioned Joe Pajor whether or not the District would receive a copy of the updated model. Joe Pajor responded that he did not know if that would happen or not. Moved by Mike McGinn and seconded by Bob Seiler that upon receipt of the letter from the City of Wichita, if the revised model is not attached, Manager Tim Boese should draft a letter to the City of Wichita requesting a copy of the revised model so that the District can review the revised model. Motion carried with 8 Directors for, 0 Directors against, 1 Director abstained (Joe Pajor), and 0 Directors absent.

Moved by David Stroberg and seconded by Jeff Winter to adjourn the meeting. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent. Fred Seiler, President, adjourned the Board meeting at 5:02 p.m.



Jeff Winter
Secretary
JW/TDB/rsw