

**EQUUS BEDS GROUNDWATER MANAGEMENT DISTRICT NO. 2**  
**JULY 12, 2017**

The Board of Directors for the Equus Beds Groundwater Management District No. 2 held a monthly meeting July 12, 2017, in the conference room of the Equus Beds Groundwater Management District No. 2 in Halstead, Kansas. President Jeff Winter called the meeting to order at 9:31 a.m.

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

Jeff Winter, President	Vin Kissick, Vice President
Mike McGinn, Treasurer	David Bogner, Member
Joe Pajor, Member	Dale Schmidt, Member
David Stroberg, Member	Tom Adrian, Attorney
Tim Boese, Manager	Steve Flaherty, Hydrogeologist
Rebecca Wilson, Admin. Assistant	

*Directors absent: Alan Burghart, Bob Seiler*

Others attending the meeting or portions thereof were:

Cameron Conant, KDA - DWR Stafford  
Daniel Clement, Burns & McDonnell  
Byron Warta, Equus-Walnut RAC

**ITEM 1 -- APPROVAL OF JUNE 21<sup>ST</sup> MEETING MINUTES**

Moved by David Bogner and seconded by David Stroberg to approve the Minutes. Motion carried with 6 Directors for, 0 Directors against, 0 Directors abstained, and 3 Directors absent.

**ITEM 2 -- APPROVAL OF AGENDA**

Moved by Joe Pajor and seconded by David Bogner to add Agenda Item 8(c) – KDA/DWR Regulatory Changes Update and to approve the Agenda as amended. Motion carried with 6 Directors for, 0 Directors against, 0 Directors abstained, and 3 Directors absent.

**ITEM 3 -- FINANCIAL REPORT**

**June Financial Report**

Moved by Vin Kissick and seconded by Dale Schmidt to approve the June Financial Report as amended. Motion carried with 6 Directors for, 0 Directors against, 0 Directors abstained, and 3 Directors absent.

**ITEM 4 -- APPROVAL OF EXPENDITURES**

Moved by Joe Pajor and seconded by David Stroberg to approve the July expenditures. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent.

**ITEM 5 -- PUBLIC FORUM - NONE**

**ITEM 6 -- APPEAL REVIEW - NONE**

**ITEM 7 -- OLD BUSINESS**

**a) REVIEW ADOPTED 2017 BUDGET & DRAFT FY 2018 BUDGET**

Manager Tim Boese reviewed with the Board possible expenditures and funding for the 2017, 2018, and 2019 fiscal years and informed the Board that the Halstead Bank is willing to loan the District 80% of the value of the District office building, approximately \$60,000, to repair the District office building and/or purchase the building next door. Tim reviewed the details of a possible five, ten, and fifteen year loan with the Board. Tim

informed the Board that he met with the owner of the building next door to tour the building. The owner is asking \$45,000 for the building, but is willing to consider other offers. Discussion by the Board followed. Attorney Tom Adrian researched regarding the District acquiring a loan, and he confirmed that the Board can commit to a loan with installment payments over a period of time. Vice President Vin Kissick asked Manager Tim Boese to present a plan to the Board for the use of the building/lot next door if the District purchases it. President Jeff Winter suggested that the Board take a tour of the current District office to see where updates could be made. Member Joe Pajor suggested that a decision regarding the purchase of the building next door be held until later in the Board meeting. Moved by Mike McGinn and seconded by David Bogner to add Agenda Item 13 - Executive Session. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent.

Manager Tim Boese also reviewed the Draft 2018 Budget and the Draft FY 2018 Financial Statement with the Board.

**b) KGS GMD2 MODELING – PHASE II**

Manager Tim Boese informed the Board that KGS confirmed that they will be flexible with the payment schedule for Phase II of the KGS GMD2 Model. Manager Tim Boese recommended going forward with Phase II of the modeling with a plan to pay \$30,000 in 2017, \$0 in 2018, and \$27,500 in 2019. Discussion by the Board followed, including various uses of the Model over time and the possibility of connecting to the GMD5 groundwater model. Joe Pajor suggested that the District provide some wording in the contract with KGS to ensure that GMD5 will not have to change their groundwater model or incur any additional expenses. Moved by Vin Kissick and seconded by Joe Pajor to proceed with the proposed KGS contract outlined by Manager Tim Boese with the additional clarification protecting GMD5, and giving Tim authority to sign the contract once received from KGS. Motion carried with 6 Directors for, 1 Director against, 0 Directors abstained, and 2 Directors absent.

**ITEM 8 -- NEW BUSINESS**

**a) KANSAS WATER CONGRESS 2017 SUMMER CONFERENCE – JULY 27 & 28**

Manager Tim Boese reviewed the Conference agenda and registration with the board. Tim plans to attend the Conference and indicated that expenses would include registration of \$90 per person as well as hotel accommodations for two nights. Vice President Vin Kissick indicated that he was interested in attending the Conference, but he will first see if the Kansas Water Office will pay any of his expenses. Moved by Joe Pajor and seconded by Mike McGinn to authorize expenses not to exceed \$700 for Manager Tim Boese and Vice President Vin Kissick to attend the Conference. Motion carried with 6 Directors for, 0 Directors against, 1 Director abstained, and 2 Directors absent.

**b) RESOLUTION ME-2017-1 ADOPTION OF LAND AND WATER ASSESSMENT RATES**

Manager Tim Boese reviewed the proposed Resolutions with the Board. Moved by Joe Pajor and seconded by David Stroberg to adopt the Resolution that includes the Out-of-District water being assessed at \$1.50 per acre-foot, as well as direct the District Manager to work with other interested parties to craft proposed legislation that would:

1. Raise the In-District place of use cap on water assessments to \$2.00 per acre-foot,
2. Change state law to categorize water assessment rate caps based on the point of use as being in state or out-of-state to replace the existing In-District and Out-of-District designations,
3. Raise the out-of-state cap to \$3.00 per acre-foot, and
4. Maintain current language of state law that recognizes the ability of any water rights holder to utilize verified claims to pay the water assessment based on the actual amount

of water pumped in a given year. Discussion by the Board followed. Moved by Vin Kissick and seconded by Mike McGinn to amend the motion to only adopt the Resolution to increase the Out-of-District water assessment rate to \$1.50 per acre foot, and not vote on the additional items 1-4 today, due to not having a full Board present for discussion and voting. Motion carried with 4 Directors for, 2 Directors against, 1 Director abstained, and 2 Directors absent. Amended motion carried with 4 Directors for, 2 Directors against, 1 Director abstained, and 2 Directors absent. Mike McGinn asked District staff to review the proposed assessment cap legislation with the other GMDs and report to the Board, as well as research and provide any clarification of the In-District/Out-of-District and In-State/Out-of-State history.

**c) KDA/DWR REGULATORY CHANGES**

Manager Tim Boese informed the Board that a hearing on K.A.R. 5-05-09, K.A.R. 5-05-10, and K.A.R. 5-05-16 (Calculation of Consumptive Use of a Water Right) and K.A.R. 5-14-11 (Civil Penalty on a Delinquent Water Use Report) has been scheduled for July 25, 2017. Tim provided the Board with the proposed new map for the calculation of consumptive use with the Board. Tim also informed the Board that it has been proposed that the penalty for not submitting a water use report increase from \$250 to \$1,000, with a possibility of reduced penalty of \$250 if received by June 1st of the same year. Discussion by the Board followed. Moved by Joe Pajor and seconded by Vin Kissick for Manager Tim Boese to enter written testimony in support of increasing Civil Penalties on a Delinquent Water Use Report. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent.

**ITEM 9 -- AGENCY & COMMITTEE REPORTS**

**a) DIVISION OF WATER RESOURCES**

Cameron Conant, DWR - Stafford, stated that his only report was regarding the closing of Great Plains McCrometer in Aurora, Nebraska. Cameron stated that this closing would leave a large void in repairing and ordering meters and their various parts, as DWR had a good relationship with Great Plains. Manager Tim Boese reported that the District also had a good working relationship with Great Plains McCrometer, and that Hydrologic Technician David Randolph is certified to repair McCrometer meters until 2018. Tim is unsure whether or not the District will remain certified after that time, but more will be known once the District begins working with the California McCrometer office.

**b) KANSAS WATER AUTHORITY**

Board Vice President, Vin Kissick, informed the Board that the next meeting is scheduled for August 16<sup>th</sup> and 17<sup>th</sup> in Pittsburg. Vin stated that he would look into adding proposed GMD assessment cap legislation, including the City of Wichita's proposed language, as an agenda item to discuss at the meeting. Vin would also like Manager Tim Boese to attend a future KWA meeting to present the assessment cap issue and proposed legislation.

**c) EQUUS – WALNUT REGIONAL ADVISORY COMMITTEE**

Joe Pajor, Member, informed the Board that the next meeting will be the Central Kansas Joint RAC Lower Quality Water Summit on July 18<sup>th</sup> at 10:00 a.m. at the Water Treatment Plant in Hutchinson. Joe reviewed the agenda for the Board. Manager Tim Boese will attend the Summit and will provide a map and information regarding current contamination sites within the District.

## **ITEM 10 -- MANAGER'S REPORT**

### **a) ASR Project Report**

Tim Boese, Manager, advised the Recharge for June was: 0 acre-feet recharged in Phase I and Phase II. Cheney Reservoir: Conservation pool is 100% full and Flood pool is 1.88% full. Cheney release is 0 CFS. Flow today: Little Ark - Highway 50 is 20 CFS; Valley Center is at 43 CFS.

GMD2 staff met with the City of Wichita staff, the City of Wichita consultant, and DWR on June 21, 2017, regarding ASR permit condition modifications; including lowering the minimum Index levels and establishing ASR Aquifer Maintenance Credits (recharge credits for sending treated Little Ark water directly to town when the aquifer is full). A letter and draft report regarding the proposed modification to Minimum Index Levels was received by GMD2 on July 3, 2017. Proposed changes range from lowering the level from 9.1 feet to 23.42 feet. GMD2 staff will evaluate the letter and draft report prior to meeting with the City of Wichita again on July 19, 2017.

District staff previously reviewed the 2015 ASR Accounting Report and found multiple errors with additional information/clarification needed. District staff sent a letter to the City and to the consultant. A response letter was received from the consultant on April 13, 2017. A corrected 2015 report has not yet been furnished to the District.

### **b) ADMINISTRATIVE FIELD TASKS**

Tim Boese, Manager, reported that in June, staff reviewed 5 new/change applications, completed 10 water permit consultations, and processed a total of 55 files including VI cards, new applications, approvals, dismissals, and certificates. Staff began sampling water permits in the Burrton and Hollow Nikkel areas. Staff also continues to update the assessment database, as well as continues working on a new GMD2 website.

Manager Tim Boese reported to the Board that the GMD2 Boundaries Expansion was approved on July 7, 2017. Staff will begin working on new maps, creating water permit files, updating databases, and developing safe yield calculations for new areas.

Manager Tim Boese provided the Board with an update to the monitoring well issue in the Eagle Drainage District. District staff is working with the City of Wichita to develop a plan to repair the wells, but the groundwater level is currently too high to begin work.

### **c) REVIEW OF TERM PERMIT APPLICATIONS**

Tim Boese, Manager, advised that there were no term permit replacement/renewal applications reviewed by District staff in June.

### **d) MONTHLY INFORMATION & SERVICE REPORT**

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

## **ITEM 11 -- ADDITIONS TO THE AGENDA - NONE**

## **ITEM 12 -- BOARD ROUND TABLE DISCUSSION – JEFF WINTER, PRESIDENT**

Manager Tim Boese informed the Board that Great Plains McCrometer in Nebraska is closing this week, so the District will now be buying meters and parts from the McCrometer office in California. Vin Kissick questioned how this could affect District members regarding sales and service. Tim stated that as long as David can get the parts he needs, he is certified until 2018 to repair the McCrometer meters. Tim is hopeful that the California office will pick up the records from Nebraska and provide parts and service as quickly as possible.

Vice President Vin Kissick informed the Board that Byron Warta informed him today that there will be a conference today or tomorrow ran by the Trump administration to look at uses for the Arkansas River.



David Bogner mentioned that there was an article in The Wichita Eagle regarding the Crystal Prairie Lake project. This sandpit area is owned by the City of Wichita, and Manager Tim Boese met with the consultant several years ago. Tim will contact the consultant to check into the current progress.

**ITEM 13 -- EXECUTIVE SESSION -**

Moved by Vin Kissick and seconded by David Bogner to recess into Executive Session for 15 minutes to discuss property acquisition with the District's attorney for the purpose of protecting the privacy of that information. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent. Those present during this Executive Session were the members of the Board; Tim Boese, Manager; and Tom Adrian, Legal Counsel.

Time in Executive Session: 12:06 p.m.  
Time out of Executive Session: 12:21 p.m.

Moved by Joe Pajor and seconded by David Bogner to recess back into Executive Session for an additional 10 minutes for the same purpose as before. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent.

Time in Executive Session: 12:21 p.m.  
Time out of Executive Session: 12:31 p.m.

No action was taken as a result of the Executive Session.

Moved by David Stroberg and seconded by Dale Schmidt to adjourn the meeting. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent. Jeff Winter, President, adjourned the Board meeting at 12:32 p.m.

  
Alan Burghart  
Secretary  
AB/TDB/rsw

