

**EQUUS BEDS GROUNDWATER MANAGEMENT DISTRICT NO. 2
FEBRUARY 21, 2018**

The Board of Directors for the Equus Beds Groundwater Management District No. 2 held a monthly meeting February 21, 2018, 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
Alan Burghart, Secretary	Mike McGinn, Treasurer
David Bogner, Member	Joe Pajor, Member
Dale Schmidt, Member	Bob Seiler, Member
David Stroberg, Member	Tom Adrian, Attorney
Tim Boese, Manager	Steve Flaherty, Hydrogeologist
Rebecca Wilson, Admin. Assistant	

Others attending the meeting or portions thereof were:

Jeff Lanterman, KDA-DWR
Daniel Clement, Burns & McDonnell
Jason Friedberg, ICM Inc.
Keith Tjaden, ICM Inc.
Zack Phillips, Westar Energy
Dorian Soto, Westar Energy
Ted Saranchuk, Public

ITEM 1 -- APPROVAL OF MEETING MINUTES

Moved by David Stroberg and seconded by Vin Kissick to approve the Minutes of the a) December 20, 2017 and b) January 10, 2018, Board meetings. Motion carried with 8 Directors for, 0 Directors against, 0 Directors abstained, and 1 Director absent.

ITEM 2 -- APPROVAL OF AGENDA

Moved by David Bogner 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

January Financial Report

Moved by Bob Seiler and seconded by Alan Burghart to approve the January Financial Report. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

ITEM 4 -- APPROVAL OF EXPENDITURES

Moved by Bob Seiler and seconded by David Bogner to approve the February expenditures. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

ITEM 5 -- PUBLIC FORUM

Ted Saranchuk asked the Board questions regarding the Burrton Chloride Plume study and which agencies are taking the lead on the study and securing funding for the study. The Board and District staff responded to Mr. Saranchuk's questions.

ITEM 6 -- APPEAL REVIEW

a) Westar Energy, Application #7980, 15-26S-2W, Sedgwick County

Tim Boese, Manager, presented information regarding application No. 7980. Representatives from Westar Energy and ICM Inc. were present and provided information regarding the application.

FINDINGS:

1. The application does not comply with the Standby Well Definition K.A.R. 5-22-1(gg)(4).
2. The proposed conversion of Well No. 9 from a primary well to a standby well does not meet the Standby Well Definition requirement that a standby well must be located within 300 feet of a primary well.
3. Well No. 9 will serve as a standby well for all 16 primary industrial wells authorized by Water Right No. 7980.
4. The location and operation of Well No. 9 as a standby well will not impair any existing wells, as the well is located more than 1,320 feet to any non-domestic well not authorized by Water Right No. 7980, and more than 660 feet to any domestic well.
5. Well No. 9 has been operated as a primary well for many years with no apparent detrimental impact to nearby wells.
6. It would not be feasible to install standby wells within 300 feet of each primary industrial well.
7. An exception to the standby well definition would allow Westar to use an existing well for standby purposes rather than plug an existing operational well and install a new standby well, which is not economically practical.
8. The proposed change application complies with minimum spacing requirements to all other domestic and non-domestic points of diversion.
9. The proposed relocation of Well No. 9 to a new well site (ICM Well) and the proposed change in place of use complies with the District's Revised Aquifer Management Program and rules and regulations, K.A.R. 5-22-1 through K.A.R. 5-22-17.
10. There are three wells within ½ mile of the proposed new well location. The owners of two of the nearby wells submitted statements advising that they had no objection to the application. The owner of the other domestic well within ½ mile was notified by DWR by letter dated February 5, 2018, of the change application and allowed 15 days to submit any comments. As of February 21, 2018, DWR had not received any comments from the domestic well owner.
11. The Board has previously reviewed similar change applications and recommended exceptions to the Standby Well definition K.A.R. 5-22-1(gg)(4).

Moved by Vin Kissick and seconded by Mike McGinn that the change application be granted an exception to the Standby Well definition K.A.R. 5-22-1(gg)(4), and the change application be recommended for approval. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

ITEM 7 -- OLD BUSINESS

a) DRAFT DWR/GMD2 MONITORING MOU

Manager Tim Boese reviewed an updated draft Memorandum of Understanding (MOU) Regarding Monitoring Responsibilities of the Equus Beds Groundwater Management District No. 2 from the Kansas Department of Agriculture Division of Water Resources (KDA DWR). The MOU specifies the District's monitoring responsibilities for certain change in place of use applications approved by DWR in the District. Discussion by the Board followed. Moved by Bob Seiler and seconded by David Stroberg to approve the revised MOU, subject to final review by the District Attorney. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

ITEM 8 -- NEW BUSINESS

a) AUDIT ACCOUNTING RESOLUTION – GAAP WAIVER

Manager Tim Boese reviewed the GAAP Waiver. Moved by Mike McGinn and seconded by Joe Pajor to approve the resolution for the current year. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

b) WATER-RELATED LEGISLATION UPDATE

Manager Tim Boese provided the Board an update on Senate Bill 194 regarding the GMD Assessment Cap. Tim advised that the bill passed the Senate and is now in the House Committee on Agriculture and would be scheduled for a hearing. Tim advised that he would testify in person, as may President Jeff Winter and/or Vice President Vin Kissick. Discussion by the Board followed regarding written testimony and when it could be filed. Board consensus was that Tim should draft and file written testimony from the Board supporting the GMD Assessment Cap legislation.

Tim also provided the Board with an update on House Bill 2691 regarding the deadline to file an application for a Multi-Year Flex Account (MYFA). Tim advised that the bill also included language regarding notification to nearby well owners for new water permit applications and change applications, but that the language was removed by the House. Tim advised that the GMDs were working with KDA/DWR to craft notification replacement language to add back into the bill on the Senate side and reviewed the current draft language with the Board. Moved by Bob Seiler and seconded by Alan Burghart to support the intent of the draft notification language of HB 2691. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

Additionally, Tim reviewed with the Board other water-related legislation that did not move forward during the session.

c) SUSPENSION AREA SAFE YIELD CALCULATIONS

Hydrogeologist Steve Flaherty reviewed with the Board the draft suspension area review information. Discussion by the Board followed. Member Bob Seiler requested that District staff provide the Board members with the water-level hydrographs from the area to allow the Board an opportunity to review the information. District staff will complete this task by the end of the week. Moved by Bob Seiler and seconded by Vin Kissick to table the discussion to the April 2018 Board meeting and also to request that the Chief Engineer extend the expiration date of the application processing suspension for the area until August 1, 2019. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

d) March Board Meeting and Annual Meeting Dates & Times

Manager Tim Boese confirmed with the Board that the March Board Meeting and the Annual Meeting will both be held on Wednesday, March 7, 2018. The Annual Meeting will begin at 7:00 p.m., with registration beginning at 6:15 p.m. The consensus of the Board was that Tim should set the time of the regular Board meeting based on the amount of business items on the agenda.

e) Annual Meeting Draft Agenda

Manager Tim Boese reviewed the draft Annual Meeting Agenda with the Board. Discussion by the Board followed. Board consensus was that Tim will ask Steve Hieger, Chair of the Equus-Walnut Regional Advisory Committee, to present information about the RAC at the Annual Meeting, as well as ask Kansas Water Office staff to present information regarding Water Technology Farms.

f) Draft FY 2019 Budget Review

Manager Tim Boese reviewed a draft of the FY 2019 budget, as well as three proposed financial statements. Discussion by the Board followed. Consensus of the Board was to have Tim present at the Annual Meeting the draft FY 2019 budget and the financial statement based on the current assessment cap.

g) District Health & Dental insurance Renewal Premiums

Manager Tim Boese reviewed the Blue Cross and Blue Shield insurance renewal premiums. Moved by Joe Pajor and seconded by Alan Burghart to accept the renewal premiums and to continue the current policy of maintaining 2012 premium contribution rate for employees' share of dependent coverage. Motion carried with 8 Directors for, 0 Directors against, 0 Directors abstained, and 1 Director absent.

h) District Certificates of Deposit

Manager Tim Boese reviewed the current amounts, interest rates, and maturity dates of each of the District's Certificate of Deposit (CD), and informed the Board that it is his recommendation to transfer the CDs to their respective checking accounts at their next maturity date. Moved by Mike McGinn and seconded by David Bogner to transfer the Grant CD to the Grant Checking Account and transfer the General CD to the General Checking account at maturity. Motion carried with 8 Directors for, 0 Directors against, 0 Directors abstained, and 1 Director absent.

ITEM 9 -- AGENCY & COMMITTEE REPORTS

a) DIVISION OF WATER RESOURCES

Jeff Lanterman, DWR – Stafford Field Office, reminded the Board and audience that the 2017 Water Use Reports are due March 1, 2018.

b) KANSAS WATER AUTHORITY

Board Vice President Vin Kissick informed the Board that KWA members met with state legislators last month prior to the KWA meeting. Vin felt that the legislators he spoke to seemed to have a good awareness and understanding of the priority of water issues, which he hopes will translate into securing funding for the State Water Plan.

c) EQUUS – WALNUT REGIONAL ADVISORY COMMITTEE

Bob Seiler informed the Board that the next Equus-Walnut RAC meeting is scheduled for March 26, 2018, at 1:00 p.m. The location has not yet been determined.

ITEM 10 -- MANAGER'S REPORT

a) ASR Project Report

Tim Boese, Manager, advised the Recharge for January was: 0 acre-feet recharged in Phase I and Phase II due to current drought. Cheney Reservoir: Conservation pool is 94.19% full. Cheney release is 0 CFS. Flow today: Little Ark - Highway 50 is 8.69 CFS; Valley Center is at 36.5 CFS.

Tim advised that the City of Wichita has not yet submitted their ASR permit modifications request to DWR. The model report is mostly completed, but has not yet been released. Tim stated that there have been some conversations occurring between the City, the City's consultant, the Chief Engineer, and District staff regarding ASR recharge credits accounting.

GMD2 has received the draft corrected 2015 Accounting Report, which Tim recently discussed with Burns & McDonnell. Tim will review the report and provide any final comments by the end of February. If there are no additional comments, Burns & McDonnell will formally submit the report to the Chief Engineer and the Board for review.

b) ADMINISTRATIVE FIELD TASKS

Tim Boese, Manager, reported that in January, staff assisted completing seven new/change/division applications, assisted with 13 water use reports, conducted six application reviews, 26 water permit consultations, and processed a total of 123 files including VI cards, new applications, approvals, dismissals, certificates, and new area files, which have been completed. Additionally, David Randolph, District Hydrologic Technician, completed 698 annual water-level measurements.

Tim reported that District staff is still working with the City of Wichita to develop a plan to repair the monitoring well issue in the Eagle Drainage District, as the groundwater has now lowered enough to begin work. District staff will continue planning once the weather is warmer.

Tim also reported that District staff has recently received numerous requests for assistance in completing change applications, new applications, and division applications. Staff is working on these requests as quickly as possible.

Tim informed the Board that he will resume working on the Management Program now that all of the new expansion area water permits have been processed. Hydrogeologist Steve Flaherty will be making new maps and figures. Additionally, Tim reviewed all of the District Standards and Policies and Rules and Regulations and identified the areas that he believes the Board should review and potentially modify.

c) REVIEW OF TERM PERMIT APPLICATIONS

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

d) MONTHLY INFORMATION & SERVICE REPORT

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

ITEM 11 -- ADDITIONS TO THE AGENDA - NONE

ITEM 12 -- BOARD ROUND TABLE DISCUSSION – VIN KISSICK, VICE PRESIDENT

Vice President Vin Kissick stated that the Kansas Water Congress 2018 Winter Meeting was very productive, and it was a great opportunity to meet with legislators. Vin informed the Board that a Water Technology Farm meeting is scheduled for March 1, 2018 at 1:00 p.m. at the American AgCredit building in Wichita. Vin also informed the Board that the GMD5 Annual Meeting had around 150-200 people in attendance. Vin

reviewed several of GMD5's current projects for the Board. In response to questions regarding the KBI seizing meters, Jeff Lanterman of DWR Stafford Field Office stated that civil penalty orders went out to several water right owners regarding the matter, and some meters were collected by the KBI in regards to fraudulent meter repairs.

ITEM 13 -- EXECUTIVE SESSION


Moved by Joe Pajor and seconded by Dale Schmidt to recess into Executive Session for 10 minutes to discuss personnel matters relating to non-elected personnel for the purpose of reviewing the Manager's draft employment contract with the District's attorney for the purpose of protecting the privacy of that information. Motion carried with 8 Directors for, 0 Directors against, 0 Directors abstained, and 1 Director absent. Those present during this Executive Session were the members of the Board, Manager Tim Boese, and Tom Adrian, Legal Counsel.

Time in Executive Session: 2:09 p.m.

Time out of Executive Session: 2:14 p.m.

Moved by Joe Pajor and seconded by Alan Burghart to approve the employment contract of the District Manager, including a \$1,000 per year cell phone reimbursement allowance. Motion carried with 8 Directors for, 0 Directors against, 0 Directors abstained, and 1 Director absent.

Moved by David Bogner and seconded by Alan Burghart to adjourn the meeting. Motion carried with 8 Directors for, 0 Directors against, 0 Directors abstained, and 1 Director absent. Vin Kissick, Vice President, adjourned the Board meeting at 2:15 p.m.

VP. 

Alan Burghart
Secretary
AB/TDB/rsw