

**PROPOSED AGENDA
BOARD OF DIRECTORS MEETING**

EQUUS BEDS GROUNDWATER MANAGEMENT DISTRICT NO. 2

**Thursday, March 16, 2017 – 3:30 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** - None
- 8. NEW BUSINESS**
 - a) KGS GMD2 Modeling – Phase II
 - b) District Health & Dental Insurance Renewal Premiums
 - c) Proposed Legislation and Rules & Regulations Update
 - d) Annual Meeting
 - e) Management Program Review
- 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
MARCH 16, 2017**

The Board of Directors for the Equus Beds Groundwater Management District No. 2 held a monthly meeting March 16, 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 3:30 p.m.

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

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

Directors absent: None

Others attending the meeting or portions thereof were:

Jeff Lanterman, KDA - DWR Stafford
Brian Meier, Burns & McDonnell
Jonathan Aguilar, Kansas State SWREC
Jim Butler, KGS
Byron Warta, Newton

ITEM 1 -- APPROVAL OF FEBRUARY 22ND MEETING MINUTES

Moved by David Stroberg and seconded by Jeff Winter to approve the Minutes as amended. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent.

ITEM 2 -- APPROVAL OF AGENDA

Moved by Vin Kissick and seconded by Jeff Winter to move the KGS GMD2 Modeling – Phase II from Item 8a to Item 8e and approve the Agenda as amended. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent.

ITEM 3 -- FINANCIAL REPORT

February Financial Report

Moved by Jeff Winter and seconded by David Stroberg to approve the February Financial Report. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent.

ITEM 4 -- APPROVAL OF EXPENDITURES

Moved by Vin Kissick and seconded by Jeff Winter to approve the March 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 - NONE

ITEM 8 -- NEW BUSINESS

a) DISTRICT HEALTH & DENTAL INSURANCE RENEWAL PREMIUMS

Manager Tim Boese reviewed the Blue Cross and Blue Shield insurance renewal premiums. Moved by Joe Pajor to continue the current policy of maintaining 2012 premium contribution rate for employees' share of dependent coverage. Seconded by Alan Burghart. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent.

b) PROPOSED LEGISLATION AND RULES & REGULATIONS UPDATE

Manager Tim Boese reviewed the groundwater management Districts' assessment bill SB194 and advised the Board that the bill is scheduled for a hearing on Monday, March 20, 2017 at 8:30 a.m. Tim is writing testimony and will also testify in person. Tim reported that Farm Bureau is either neutral or a proponent, Kansas Livestock Association is generally opposed, but they may support the bill if it only applied to GMD2, the other four Districts are generally neutral, Kansas Department of Agriculture is either neutral or a proponent, and the City of Wichita is opposed to the bill. Member Joe Pajor outlined the four main reasons the City of Wichita is opposed to the bill: 1) The City believes that a "Needs Demonstration" should be shown to the legislature before it considers raising the cap, 2) The City recommends removal of the provision for assessment of additional fees for out of district water use, 3) The City believes that the Verified Claims should not be eliminated, as their usage eliminates potential waste water and, for entities like The City of Wichita, would make the usage of groundwater more attractive than surface water, as they would have to pay for their entire permitted amount whether they used it or not, and 4) The City believes the legislature should consider setting guidance in state law for the makeup of Districts' Board of Directors. Board Vice President Vin Kissick volunteered to provide written testimony and would be willing to travel to Topeka with Tim to testify in person. It was the consensus of the Board for Vin to provide written and verbal testimony.

Manager Tim Boese also provided updated information on: Senate Bill 48 and House Bill 2099, which deal with impairment claims, advising that SB 48 passed the Senate; Senate Bill 46 and House Bill 2100, which would modify the Water Conservation Areas statutes, advising SB 46 passed the Senate; 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 (the Board previously decided to oppose this bill), which is still in House committee; House Bill 2241, which proposes increased fees on water withdrawn from reservoirs and creates a new fee on water used for irrigation (the Board previously decided to oppose this bill) which is still in House committee; a Proposed Substitute for HB2241, which proposes to increase GMD assessment fees and include possible other; and Substitute for HB2272 which creates the KWA Science and Research Subcommittee and recommends research priorities and funding levels, which has passed the House.

c) ANNUAL MEETING

Manager Tim Boese presented the Board with the Annual Meeting handout and two Fiscal Year 2018 Proposed Budget options. Discussion by the Board followed. Moved by Mike McGinn for Tim to present the fiscally responsible budget and discuss the additional financial needs of the District at the Annual Meeting. Motion was seconded by Bob Seiler. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent. The Board directed Tim to research the cost of repairing the District office building foundation settling issue and to report back to the Board. It was determined that Secretary Jeff Winter does not have to read the minutes of the 2016 Annual Meeting aloud at the Annual Meeting, as the minutes are provided in the Annual Meeting handout.

d) MANAGEMENT PROGRAM REVIEW

President Fred Seiler reminded the Board that a motion will need to be made during the Annual Meeting to continue the revisions of the Aquifer Management Program. Manager Tim Boese advised the Board that the Chief Engineer recently sent a letter to all GMDs with several ideas for revisions for the Aquifer Management Programs.

e) KGS GMD2 MODELING – PHASE II

Jim Butler of KGS provided updated information including a timeline and payment schedule for Phase II of the GMD2 Modeling. Jim stated that KGS is willing to work with the District's budget on payment schedule. Discussion by the Board followed regarding prioritizing goals if additional funding was available. Jim will work up a contract for the Board to review at a future meeting.

ITEM 9 -- AGENCY & COMMITTEE REPORTS

a) DIVISION OF WATER RESOURCES

Jeff Lanterman, DWR – Stafford, advised that there will be a hearing on May 22, 2017 at 10:00 a.m. to review K.A.R. 5-14-10 and K.A.R. 5-14-12, which are the enforcement regulations, with proposed changes including over-pumping enforcement moving to a tiered system, and changes in non over-pumping penalties. Tim will forward the proposed regulations to the Board members, and he will put the matter on the April Board meeting agenda.

b) KANSAS WATER AUTHORITY

Board Vice President, Vin Kissick, informed the Board that KWA had a conference call during which they approved the Water Office to apply for a grant for a pilot project to treat some of the oilfield produced water in the Red Hills area. Vin stated that the second area they discussed was regarding Representative Sloan's proposal of how to spend additional funds for the State Water Plan if the funds are transferred from the State General Fund. The next KWA meeting will be May 17-18, 2017 in Garden City. Vin also informed the Board that the GMD5 proposed to U.S. Fish and Wildlife augmenting 4,500 AF of groundwater into the Rattlesnake River upstream of Quivira Reservoir, or piping 2,500 AF of groundwater directly into Quivira. Vin also advised there was some discussion regarding the Arkansas River not having a baseflow requirement and the Arkansas River Compact.

c) EQUUS – WALNUT REGIONAL ADVISORY COMMITTEE

Bob Seiler, Member and Joe Pajor, Member, updated the Board on the February meeting. Bob advised that Jim Butler, KGS, gave a presentation on the recently completed Equus Beds Sustainability Assessment. Joe advised that the committee discussed implementing the goals and action items and the lack of funding. Brian Meier, committee member, advised that there was discussion about having a joint meeting with the Equus Walnut, Red Hills, and Great Bend Prairie RACs.

ITEM 10 -- MANAGER'S REPORT

a) ASR PROJECT REPORT

Tim Boese, Manager, advised that in February, there was no recharge in Phase I or Phase II. Cheney Reservoir: Conservation pool is 100% full and Flood pool is 0% full. Cheney release is 0 CFS. Flow today: Little Ark - Highway 50 is 19 CFS; Valley Center is at 67 CFS. The letter from the City of Wichita to DWR regarding ASR permit condition modifications request has not yet been received by DWR or GMD2. District staff had planned to review the 2015 ASR Accounting at the April 2017 meeting, but their initial review found some errors and issues that will be conveyed to the City and their consultant soon.

b) ADMINISTRATIVE FIELD TASKS

Tim Boese, Manager, reported that in February, staff reviewed 3 new/change applications, provided assistance for 3 applications, and processed a total of 70 files including VI cards, new applications, approvals, dismissals, and recommendation requests from DWR. Staff also completed 15 water permit consultations, 9 Safe Yield evaluations, and 52 water meter inspections, and worked on a new GMD2 website. Tim also informed the Board that Verified Claims are still coming in, with 148 received so far. Tim also informed the Board that he discussed the issue of U.S. owned land not being assessed in GMD2 and some of the other GMDs have the same issue. GMD3 Manager Mark Rude discussed the issue with Senator Doll and Senator Doll is going to ask the Attorney General to review and issue an AG opinion on the matter.

c) REVIEW OF TERM PERMIT APPLICATIONS

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

d) MONTHLY INFORMATION & SERVICE REPORT

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

ITEM 11 -- ADDITIONS TO THE AGENDA - NONE

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

Board Member Joe Pajor informed the Board of the upcoming Celebration of Life for Mitch Mitchell, who recently passed away.

Moved by David Bogner 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 5:04 p.m.


Jeff Winter
Secretary
JW/TDB/rsw