

**PROPOSED AGENDA
BOARD OF DIRECTORS MEETING
EQUUS BEDS GROUNDWATER MANAGEMENT DISTRICT NO. 2**

Conference room

10:00 a.m.

Tuesday, February 14, 2006

313 Spruce Street

Halstead, Kansas, 67056-1925

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1. APPROVAL OF MINUTES
 - a) January 5 and 10 meetings
 - b) Review annual meeting
2. APPROVAL OF AGENDA
3. FINANCIAL REPORT
4. APPROVAL OF EXPENDITURES
 - a) Property, bond, liability, worker's compensation and vehicle insurance bids
 - b) February expenditures
5. PUBLIC FORUM - *Persons may present written or verbal comments concerning non-agenda business. Please limit presentation to five minutes.*
6. APPEAL REVIEW -
 - a) 10:15 a.m. – Vigindustries, Inc., Application #20059079, 17-23S-5W, Reno County
7. OLD BUSINESS
 - a) Bank storage domestic water well sampling plan
8. NEW BUSINESS
 - a) Change in point of diversion application #42989 – Mary Rogers
 - b) Election of board officers
9. MANAGER'S REPORT
 - a) Status administrative and field tasks
 - b) KDHE quarterly plugging report
 - c) Monthly hydrologic condition report
 - d) Monthly information and service report
10. ADDITIONS TO THE AGENDA
11. BOARD ROUND TABLE DISCUSSION – Bob Seiler, President
12. EXECUTIVE SESSION - Personnel

Notice: All Board of Directors meeting and any portion thereof are open to the public, except for closed or executive meetings, as prescribed by K.S.A. 75-4319. If you wish to be notified of Board of Directors meetings, hearings, work sessions or other business meetings, please complete a meetings notice form. Forms may be obtained from the Equus Beds Groundwater Management District No. 2.

EQUUS BEDS GROUNDWATER MANAGEMENT DISTRICT NO. 2

February 14, 2006

The Board of Directors for the Equus Beds Groundwater Management District No. 2 held a monthly meeting February 14, 2006, in the conference room of the Equus Beds Groundwater Management District No. 2 in Halstead, Kansas. President, Bob Seiler, called the meeting to order at 10:06 a.m.

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

| | |
|------------------------------|--|
| Robert Seiler, President | Nadine Stannard, Member |
| Frank Harper, Vice President | David Warren, Member |
| Dave Stroberg, Secretary | Tom Adrian, Attorney |
| Dennis Gruenbacher, Member | Mike Dealy, Manager |
| Larry Jacob, Member | Tim Boese, Hydrologist |
| Kirk Larson, Member | Dorinda Albrecht, Administrative Assistant |
| Fred Seiler, Member | |

Directors absent: None

Others attending the meeting or portions thereof were:

| | |
|-------------------------------------|------------------------------------|
| Brendan McClennan, RMT, Chicago, IL | Mary J. Rogers, Sedgwick |
| Steve Bond, Stafford | Richard L. Ruth, Sedgwick |
| Don Koci, Hutchinson | M. S. Mitchell, Wichita |
| Charles Peaster, Sedgwick | Amy Bickel, Hutch News, Hutchinson |
| Reg Jones, Hutchinson | Ron Graber, KSRE, Wichita |
| Joe O'Sullivan, Hutchinson | Tim Schauf, City of Wichita |

Item 1 -- Approval of Minutes

a) January 5th and 10th Meetings

Moved by Fred Seiler and seconded by David Stroberg to approve both the January 5 and 10, 2006, Board meeting minutes. Motion carried with 7 Director(s) for, 0 Director(s) against, 1 Director(s) abstained (Dennis Gruenbacher), and 1 Director(s) absent.

b) Review Annual Meeting

President Bob Seiler reviewed the minutes of the January 10, 2006 annual meeting minutes.

Item 2 -- Approval of Agenda

Moved by Larry Jacob and seconded by Kirk Larson to approve the February agenda as amended. Motion carried with 8 Directors for, 0 Directors against, 0 Directors abstained, 1 Director absent.

Item 3 -- The Financial Report

a) The Financial Report for January was:

| | |
|-------------------------------|--------------|
| Cash Receipts | \$201,330.24 |
| Beginning Balance | \$144,274.27 |
| Money Market Account Interest | \$ 365.43 |
| General Fund Interest | \$ 241.53 |
| Grant Funds – Interest | \$ 99.87 |
| Expenditures | \$ 21,444.30 |
| Grant Funds Expenditures | \$ 0.00 |
| Ending Balance | \$324,867.04 |

Moved by Kirk Larson and seconded by Dave Stroberg to approve the January financial report. Motion carried with 8 Director(s) for, 0 Director(s) against, 0 Director(s) abstained, 1 Director(s) absent.

Item 4 -- Approval of Expenditures

a) Property, bond, liability, worker's compensation and vehicle insurance bids

Moved by Kirk Larson and seconded by Fred Seiler to accept the Property, Bond, Liability, Worker's Compensation, and Vehicle Insurance Expenditures bid by Wade Patton Agency. Motion carried with 7 Director(s) for, 0 Director(s) against, 1 Director(s) abstained (Larry Jacob), 1 Director(s) absent.

b) February Expenditures

Moved by Kirk Larson and seconded by Frank Harper to approve the February expenditures. Motion carried with 9 Director(s) for, 0 Director(s) against, 0 Director(s) abstained, 0 Director(s) absent.

Item 5 -- Public Forum

Bob Seiler, President, asked if any audience member wish to present any comments to the Board of Directors. There were none.

Item 6 -- Appeal Review

a) Vigindustries, Inc., Term Permit Application #20059079

Tim Boese, Hydrologist, presented background information and staff recommendations on Term Permit Application No. 20059079. The application does not comply with the Safe Yield Rule and Regulation 5-22-7 and the Well Spacing Rule and Regulation 5-22-2(a)(1). The applicant was requesting an exception to the regulations. Brendan McClennan, consultant with RMT, Inc., representing Vigindustries, Inc., was present.

FINDINGS: The application was reviewed using the District's Aquifer Management Program and Rules and Regulations, K.A.R. 5-22-1 through K.A.R. 5-22-17.

1. The term application requested a ten-year period of use for a proposed quantity of 1,613 AF/Y, to be diverted at a maximum combined rate of 1,000 GPM from five wells located in Section 17, Township 23 South, Range 5 West, Reno County. The quantity requested would be limited to the total quantity authorized by the applicant's Vested Right RN019 and Water Right No. 38496.
2. The application is subject to the metering regulation K.A.R. 5-22-4(a).
3. The application is subject to the conditions and limitations of a term permit.
4. A portion of the aquifer was contaminated with excessive salinity and volatile organic compounds (VOCs), and contamination plumes threaten area water user's water supply.
5. Vigindustries, in cooperation with the City of Hutchinson and the Kansas Department of Health and Environment (KDHE), developed a groundwater remediation plan to prevent further migration of the contamination plumes and remove contaminants.
6. The remediation plan has been approved by KDHE.

7. The proposed use of water is for remediation of groundwater contaminated with excessive salinity.
8. Groundwater chloride concentrations, an indicator of salinity, exceed 10,000 mg/L in the contaminated area.
9. The Division of Water Resources does not notify well owners within one-half mile of the proposed well location for term permit applications.
10. The application does not comply with the Safe Yield Regulation 5-22-7(a). The existing and proposed consumptive appropriations total 28,287.97 AF/Y in the application's area of consideration (two-mile radius circle) (figure 1)(table 1). The maximum allowable appropriation for the area of consideration is 4,021 AF/Y. The available small user quantity in the area of consideration is 45.00 acre-feet per year.
11. The application does not comply with the Well Spacing Rule and Regulation 5-22-2(a)(1). Two of the proposed wells are within the minimum required spacing of 1,320 feet to the applicant's existing industrial wells authorized by Vested Right RN019 and Water Right No. 38496.
12. Hydrologic data indicate that depth to bedrock is approximately 60 feet. Depth to static water level at the site ranges from 7 feet below land surface to 12 feet below land surface and the saturated thickness was calculated at 53 to 48 feet.
13. Water level data from observation well #196 located approximately 1.5 miles east-southeast of Application No. 20059079, recorded water level changes for the period from April 23, 1990, to January 13, 2006 (figure 2). Water levels ranged from a high of 7.04 feet below land surface to a low of 12.95 feet below land surface and averaged 11.2 feet below land surface.

Based on the findings, Kirk Larson made a motion to recommend to the Chief Engineer, Division of Water Resources, exception to the Safe Yield Rule and Regulation 5-22-7 and the Well Spacing Rule and Regulation 5-22-2(a)(1) be granted and application #20059079 be approved, subject to the requirements of a term permit and the following conditions and limitations:

1. The quantity of water approved by this application is further limited to the quantity which, when combined with Vested Right RN019 and Water Right No. 38496, will provide a total not to exceed the quantity authorized by the existing water rights of 4,195.2 AF/Y;
2. The installation of water flowmeter(s) pursuant to District metering regulation K.A.R. 5-22-4(a);
3. The applicant submit to the District a completed Inactive Well Agreement or Abandoned Well Plugging Agreement for the wells authorized by Vested Right RN019 and Water Right No. 38496;
4. The applicant submit to the District an annual progress report describing the status and results of the groundwater remediation project; and
5. The applicant actively pursue methods to treat and use the water beneficially.

David Warren seconded the motion. Motion carried with 9 Director(s) for, 0 Director(s) against, 0 Director(s) abstained, 0 Director(s) absent.

Item 7 -- Old Business

a) Bank storage domestic water well sampling plan

Mike Dealy, District Manager, reviewed the District's plan for water well sampling.

Moved by Dennis Gruenbacher to approve the water sampling plan and notify water well owners by letter about the sampling in the area. Larry Jacob seconded the motion.

Motion carried with 9 Director(s) for, 0 Director(s) against, 0 Director(s) abstained, and 0 Director(s) absent.

Item 8 -- New Business

a) Change in point of diversion application #42989 – Mary Jean Rogers

Tim Boese, Hydrologist, presented background information on permit application #42989. The Division of Water Resources (DWR) is applying the Additional Wells Rule and Regulation K.A.R. 5-5-16, thus establishing a precedent for future similar change in point of diversion applications involving water permits with a common point of diversion and different places of use. Mary Jean Rogers, applicant, was present and presented additional information about the property.

The Board was concerned with DWR's decision to reduce the water permit's authorized rate and quantity and apply the Additional Wells Rule and Regulation K.A.R. 5-5-16 to change in point of diversion applications involving water permits:

1. having a common point of diversion,
2. different permit owners,
3. non-overlapping place of uses,
4. distinct permitting authority to perfect the water permit, and
5. not increasing number of the authorized points of diversion.

The effects of the actions on these types of change in point of diversion applications will:

1. severely restrict and discourage water permit owners from relocating an authorized point of diversion by mandating reductions in the authorized rate of diversion and quantity, and
2. prohibit water permit applicants from utilizing a common point of diversion for two separately owned water permits, by creating economic hardship through the expense of drilling, constructing, and operating two wells, when only one is needed.

Based on the review, David Warren made a motion to petition the Chief Engineer to:

1. review and re-consider the action specified in DWR's letter dated January 19, 2006,
2. submit the referenced change in point of diversion application to the District for review and recommendation, pursuant to K.A.R. 5-22-12, and
3. accept the Board of Directors' invitation to meet and resolve the issue to the benefit of the Equus Beds aquifer and its users.

Dennis Gruenbacher seconded the motion. Motion carried with 9 Director(s) for, 0 Director(s) against, 0 Director(s) abstained, and 0 Director(s) absent.

b) Election of Board Officers

Tom Adrian, District Counsel, opened the floor for discussion and nominations for Board officers.

Kirk Larson made a motion to nominate Bob Seiler as President. Nadine Stannard seconded the motion and moved nominations cease. Frank Harper seconded the motion. Motion carried with 8 Director(s) for, 0 Director(s) against, 1 Director(s) abstained (Bob Seiler), and 0 Director(s) absent.

David Stroberg made a motion to nominate Frank Harper as Vice President. Dennis Gruenbacher seconded the motion. Nadine Stannard made a motion to cease nominations. Bob Seiler seconded the motion. Motion carried with 9 Director(s) for, 0 Director(s) against, 0 Director(s) abstained, and 0 Director(s) absent.

Nadine Stannard made a motion to nominate David Stroberg as Secretary. Kirk Larson seconded the motion. Nadine Stannard made a motion to cease nominations. Kirk Larson seconded the motion. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, 0 Directors absent.

Dennis Gruenbacher made a motion to nominate Larry Jacob as Treasurer. Kirk Larson seconded the motion. Nadine Stannard made a motion to cease nominations. Kirk Larson seconded the motion. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, 0 Directors absent.

Item 9 -- Manager's Report

a) Status administrative and field tasks

Mike Dealy, Manager, reviewed District staff's activities for January, which included the annual meeting, annual audit, year-end reports, water level measurements, and land exclusion reviews.

b) KDHE Quarterly Plugging Report

Mike Dealy, Manager, reviewed the Kansas Department of Health and Environment quarterly plugging report, an average of 3 wells were properly plugged each week during the reporting period.

c) Monthly Hydrologic Condition Report

Mike Dealy, Manager, reviewed the reports and advised all stations were functioning normally.

d) Monthly information and Service Report

Mike Dealy, Manager, reviewed the customer service information for the month of January. Staff responded to 324 requests for information or assistance in January, an average of 15.43 per day.

Item 10 -- Additions to the Agenda

It was the consensus of the Board to recess from 12:00 – 12:30 p.m. for lunch.

Item 11 -- Board Round Table Discussion – Bob Seiler, President

Bob Seiler, President, advised he received a letter concerning the *Water and the Future of Kansas* conference March 16, 2006 and encouraged Board members to attend.

Item 12 -- Executive Session – Personnel

It was moved by David Warren to recess into executive session at 12:30 p.m. for one hour to discuss personnel matters, to protect the privacy of those discussions, to permit consultation with the Board, and to protect the confidentiality of the privileged nature of those communications. Those present during the first half hour of the executive session would be members of the board, and Tom Adrian, Legal Counsel. Those present during the second half hour of the executive session would be: members of the board; Mike Dealy, Manager; Joe O'Sullivan, Mr. Dealy's Legal Counsel; and Tom Adrian, Legal Counsel. The open meeting was to reconvene at 1:30 p.m. Larry Jacob seconded the motion. Motion carried with 9 Director(s) for, 0 Director(s) against, 0 Director(s) abstained, 0 Director(s) absent.

The Board returned to regular session at 1:30 p.m.

It was moved by David Warren to recess into executive session at 1:30 p.m. for one half hour to discuss personnel matters, to protect the privacy of those discussions, to permit consultation with the Board, and to protect the confidentiality of the privileged nature of those communications. Those present during the executive session would be members of the board, and Tom Adrian, Legal Counsel. The open meeting was to reconvene at 2:00 p.m. Frank Harper seconded the motion. Motion carried with 9 Director(s) for, 0 Director(s) against, 0 Director(s) abstained, 0 Director(s) absent.

The Board returned to regular session at 1:47 p.m.

Moved by Larry Jacob and seconded by Kirk Larson to adjourn the meeting. Motion carried with 9 Director(s) for, 0 Director(s) against, 0 Director(s) abstained, 0 Director(s) absent.

Bob Seiler, President, adjourned the Board meeting at 1:48 p.m.

Respectfully submitted,



David Stroberg
Secretary
DS/DDA/td