

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

Tuesday, March 13, 2007

1:00 p.m.

Conference Room

313 Spruce Street

Halstead, KS 67056-1925

Phone: (316) 835-2224 • Fax: (316) 835-2225 • E-mail: equusbed@ink.org

1. APPROVAL OF MINUTES
2. APPROVAL OF AGENDA
3. FINANCIAL REPORT
 - a) Annual Financial Audit – Jack Blazer, Knudsen, Monroe & Company, LLC
 - b) February Financial Report
 - c) Bank Account Resolutions
4. APPROVAL OF 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) Tom Heintzman, Application #46592, NW 04-23S-5W, Reno County
 - b) Tom Heintzman, Application #46612, NW 04-23S-5W, Reno County
7. OLD BUSINESS
 - a) City of Maize, Water Permit #45615, NW 20-26-1W, Sedgwick County
 - b) City of Wichita Bentley Well Field Summary – Application Nos. 45296 - 45301 and 45637 - 45642
 - c) Oath of Office – Board & Staff
8. NEW BUSINESS
 - a) Lower Ark Basin Area Committee – GMD2 Representation
 - b) KPERS – 2007 Actuary Study Results
 - c) Inspection Fees for Inactive Wells
9. MANAGER'S REPORT
 - a) Administrative and Field Tasks
 - b) Hydrologic Condition Report – 2000 to 2006
 - c) Monthly Information and Service Report
10. ADDITIONS TO THE AGENDA
11. BOARD ROUND TABLE DISCUSSION – Bob Seiler, President

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. 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 No. 2.

EQUUS BEDS GROUNDWATER MANAGEMENT DISTRICT NO. 2

March 13, 2007

The Board of Directors for the Equus Beds Groundwater Management District No. 2 held a monthly meeting March 13, 2007, 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 1:04 p.m.

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

Robert Seiler, President	David Warren, Member
Frank Harper, Vice-President	Dennis Gruenbacher, Member
Larry Jacob, Treasurer	Tom Adrian, Attorney
David Stroberg, Secretary	Lee Wheeler, Manager
Fred Seiler, Member	Dorinda Albrecht, Administrative Assistant
Don Koci, Member	Tim Boese, Hydrologist

Directors absent: Kirk Larson, Member

Others attending the meeting or portions thereof were:

M.S. Mitchell, Wichita	Steve Bond, DWR – Stafford
Jerry Blain, City of Wichita	Brian Meier, Wichita
Jack Blazer, Newton	Nadine Stannard, Wichita
Bill McKinley, Maize	Gary Cochran, Colwich

Item 1 -- Approval of February 13th Minutes

Moved by David Warren and seconded by Larry Jacob to approve the February 13th, 2007, Board meeting minutes. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent.

Item 2 -- Approval of Agenda

Moved by Frank Harper and seconded by Don Koci to approve the February agenda as amended. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, 2 Directors absent.

Item 3 -- The Financial Report

a) Annual Financial Audit

Jack Blazer, Knudson, Monroe & Company, reviewed the 2006 annual audit with the Board. Moved by David Warren and seconded by Larry Jacob to approve the annual financial audit report as presented. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent.

b) The Financial Report for February was:

Cash Receipts	\$ 395.15
Beginning Balance	\$ 324,297.22
General Fund Interest	\$ 1,055.18
Grant Funds – Interest	\$ 142.89
Expenditures	\$ 33,756.84
Grant Funds Expenditures	\$ 3,000.00
Ending Balance	\$ 289,133.60

Moved by Larry Jacob to approve the February financial report. Fred Seiler seconded the motion. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, 2 Directors absent.

Item 4 -- Approval of Expenditures

Moved by Frank Harper and seconded by Fred Seiler to approve the March expenditures. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, 2 Directors 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) Tom Heintzman, Application #46592, NW 04-23S-5W, Reno County

Tim Boese, Hydrologist, presented background information on permit application #46592. Tom Heintzman, applicant, was present and provided information to the Board.

FINDINGS:

1. The application does not comply with the Well Spacing Rule and Regulation 5-22-2(a)(1);
2. The proposed well is located 1059 feet south-southwest of the well proposed by application no. 46529 and 1252 feet northwest of the well proposed by application no. 46551;
3. The proposed well meets minimum spacing requirements to all other domestic and non-domestic points of diversion;
4. The application does not comply with the Safe Yield Rule and Regulation 5-22-7(a), as existing and proposed consumptive appropriations exceed the maximum allowable by 7145.82 AF/Y;
5. The application complies with the Safe Yield Rule and Regulation exemption provision K.A.R. 5-22-7(b)(1) criteria, except for K.A.R. 5-22-7(b)(1)(D), which requires the application to comply with the Well Spacing Rule and Regulation K.A.R. 5-22-2;
6. The proposed well is operated intermittently and seasonally from April through September, with limited use from October through March;
7. The proposed quantity of 10 acre-feet per year and intermittent pumping rate of 50 gallons per minute are minimal, creating a limited cone of depression;
8. The application is subject to the metering regulation 5-22-4(a); and
9. The Board of Directors has previously recommended exceptions to the Well Spacing Rule and Regulation K.A.R. 5-22-2 for similar applications.

Based on the findings, David Warren made a motion to recommend the application be granted an exception to the Well Spacing Rule and Regulation K.A.R. 5-22-2(a)(1), and the application be recommended for approval under the Safe Yield Rule and Regulation exemption provision K.A.R. 5-22-7(b)(1), subject to the installation of a water flowmeter pursuant to District metering regulation K.A.R. 5-22-4a.

Frank Harper seconded the motion. Motion carried with 7 Directors for, 0 Directors against, 1 Directors abstained, and 1 Directors absent.

b) Tom Heintzman, Application #46612, NW 04-23S-5W, Reno County

Tim Boese, Hydrologist, presented background information on permit application #46612. Tom Heintzman, applicant, was present and provided information to the Board.

FINDINGS:

1. The application does not comply with the Well Spacing Rule and Regulation 5-22-2(a)(1);
2. The proposed well is located 1282 feet south-southwest of the well proposed by application no. 46529, 1302 feet northwest of the well proposed by application no. 46551, and 284 feet southwest of the well proposed by application no. 46592;
3. The proposed well meets minimum spacing requirements to all other domestic and non-domestic points of diversion;
4. The application does not comply with the Safe Yield Rule and Regulation 5-22-7(a), as existing and proposed consumptive appropriations exceed the maximum allowable by 7150.82 AF/Y;
5. The application complies with the Safe Yield Rule and Regulation exemption provision K.A.R. 5-22-7(b)(1) criteria, except for K.A.R. 5-22-7(b)(1)(D), which requires the application to comply with the Well Spacing Rule and Regulation K.A.R. 5-22-2;
6. The proposed well is operated intermittently and seasonally from April through September, with limited use from October through March;
7. The proposed quantity of 5 acre-feet per year and intermittent pumping rate of 45 gallons per minute are minimal, creating a limited cone of depression;
8. The application is subject to the metering regulation 5-22-4(a); and
9. The Board of Directors has previously recommended exceptions to the Well Spacing Rule and Regulation K.A.R. 5-22-2 for similar applications.

Based on the findings, David Warren made a motion to recommend the application be granted an exception to the Well Spacing Rule and Regulation K.A.R. 5-22-2(a)(1), and the application be recommended for approval under the Safe Yield Rule and Regulation exemption provision K.A.R. 5-22-7(b)(1), subject to the installation of a water flowmeter pursuant to District metering regulation K.A.R. 5-22-4a.

Frank Harper seconded the motion. Motion carried with 7 Directors for, 0 Directors against, 1 Director abstained, and 1 Director absent.

Item 7 -- Old Business

a) City of Maize, Water Permit #45615, NW 20-26S-1W, Sedgwick County

Tim Boese, Hydrologist, reviewed water permit #45615 and the required water monitoring plan submitted to the District by the City of Maize on March 13, 2007. Bill McKinley, City of Maize, was present and provided information regarding the monitoring plan.

David Warren made a motion to approve the final monitoring plan submitted to the District by the City of Maize. Dennis Gruenbacher seconded the motion. Motion carried with 8 Directors for, 0 Directors against, 0 Directors abstained, and 1 Directors absent.

b) City of Wichita Bentley Well Field Summary – Application Numbers 45296 through 45301, and 45637 through 45642

Tim Boese, Hydrologist, reviewed a letter from the Division of Water Resources outlining proposed conditions if the applications are approved. Gary Cochran, neighboring landowner, was present and voiced some concern about the subject. Board discussion followed. It was the consensus of the Board to have District staff compose a letter to send the Division of Water Resources thanking them for the information and update.

c) Oath of Office – Board & Staff

Tom Adrian, Attorney, administered the oath of office for those Board members and District staff who did not previously take the oath upon their being elected to the Board or at the start of their employment with the District. Board members taking the oath were: Larry Jacob, Don Koci, Dennis Gruenbacher, David Warren, and Fred Seiler. All District staff members took the oath.

Item 8 -- New Business

a) Lower Arkansas Basin Advisory Committee – GMD #2 Representation

Lee Wheeler, Manager, advised the Lower Arkansas Basin Advisory Committee was looking for representatives in certain areas, including GMD #2. David Warren made a motion to recommend Lee Wheeler for the GMD #2 position on the committee. Dennis Gruenbacher seconded the motion. Motion carried with 8 Directors for, 0 Directors against, 0 Directors abstained, and 1 Directors absent.

b) KPERS – 2007 Actuary Study

Prior to discussion, Don Koci, member, removed himself from the meeting to avoid any appearance of impropriety. Lee Wheeler, Manager, reviewed information received from the Kansas Public Employees Retirement System regarding the District becoming affiliated with KPERS in 2008, replacing the current SIMPLE IRA retirement program available to District employees. He advised all employees would be required to participate once the District was affiliated and that all current employees were willing to comply with those requirements. It was the consensus of the Board to have Tom Adrian, Attorney, work with Jack Blazer, Accountant, to discuss the logistics of paying the lump sum unfunded actuarial liability for past service of current staff, and also for District staff to present further information about the KPERS program at the April 2007 meeting.

c) Inspection Fees for Inactive Wells

Lee Wheeler, Manager, reviewed a proposed fee schedule for the inactive wells in the District. The proposed fee schedule would allow for well owners to place their wells in inactive status for the first 5 years at no charge. An extension of time for a well to remain in inactive status would be subject to a \$50 fee per year.

David Warren made a motion to authorize staff to pursue more information regarding the inactive well inspection fees and return to the Board with further recommendations. Fred Seiler seconded the motion. Motion carried with 8 Directors for, 0 Directors against, 0 Directors abstained, and 1 Director absent.

Item 9 -- Manager's Report

a) Status Administrative and Field Tasks

Lee Wheeler, Manager, reviewed District staff's activities for the month of February.

b) Hydrologic Condition Report – 2000 to 2006

Lee Wheeler, Manager, reviewed the hydrologic conditions from 2000 through 2006.

c) Monthly Information and Service Report

For the month of February, District staff responded to 415 requests, an average of 20.75 per day.

Item 10-- Additions to the Agenda

Lee Wheeler, Manager, discussed the Groundwater Pit Study meeting he and Bob Seiler, President, attended.

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


Fred Seiler, Member, discussed with the Board a prior discussion about establishing Board positions and setting term limits for Board members. Board discussion followed. It was the consensus of the Board to set up a committee to discuss the issue.

The Board discussed the need to re-negotiate the water standards of the MOU with the City of Wichita for Phase I of the ASR Project. It was the consensus of the Board that a committee of Bob Seiler, President, and Frank Harper, Vice-President, be established. The committee will report to the Board at the April 2007 meeting.

Moved by Larry Jacob and seconded by David Stroberg to adjourn the meeting. Motion carried with 8 Directors for, 0 Directors against, 0 Directors abstained, 1 Director absent.

Bob Seiler, President, adjourned the Board meeting at 4:10 p.m.

Respectfully submitted,


David Stroberg
Secretary

DS/DDA/da