

**PROPOSED AGENDA
BOARD OF DIRECTORS MEETING**

EQUUS BEDS GROUNDWATER MANAGEMENT DISTRICT NO. 2

**Tuesday, December 20, 2022
1:00 p.m.**

**A call-in number will be available for remote attendance.
Please contact the District for additional information.**

**313 Spruce Street • Halstead, KS 67056-1925
Phone: (316) 835-2224 • Fax: (316) 835-2225 • E-mail: equusbeds@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. Presentations are limited to five minutes.*

6. APPEAL REVIEW

- a) 1st United Methodist Church, Term Application No. 20219053, Reno County

7. OLD BUSINESS

- a) City of South Hutchinson, Appropriation Application No. 50,662, Reno County
- b) City of Wichita Aquifer Storage & Recovery (ASR) Proposed Permit Modifications
- c) Kansas Legislative Post-Audit of GMDs
- d) Division of Water Resources Draft Regulations

8. NEW BUSINESS

- a) 2018-2020 City of Wichita ASR Accounting Reports
- b) Knudsen Monroe & Company LLC Audit Engagement Letter
- c) Audit Accounting Resolution – GAAP Waiver
- d) District Management Plan Update
- e) Annual GMD Legislative Retreat, Topeka – February 7 & 8, 2023
- f) GMDA Annual Conference – January 23-26, 2023, Saint Simons Island, GA

9. AGENCY & COMMITTEE REPORTS

- a) Division of Water Resources
- b) Kansas Water Authority
- c) Equus - Walnut Regional Advisory Committee
- d) Regional Economic Area Partnership of South Central Kansas

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

13. 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. 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
DECEMBER 20, 2022

The Board of Directors for the Equus Beds Groundwater Management District No. 2 held a monthly meeting December 20, 2022, 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 1:01 p.m.

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

Jeff Winter, President	Vin Kissick, Vice President
David Bogner, Secretary	Mike McGinn, Treasurer
Michael Baalmann, Member	Joe Bergkamp, Member
Alan Burghart, Member, via phone	Rodney Eggleston, Member
Dale Schmidt, Member	David Stroberg, Member
Reece Hiebert, District Attorney	Tim Boese, Manager
Brad Barton, Hydrogeologist	Rebecca Wilson, Admin. Assistant

Directors absent: Ethan Reimer, Member

Others attending the meeting or portions thereof were:

Jeff Lanterman, DWR - Stafford, via phone	Don Koci, Burns & McDonnell & Colwich
Scott Macey, City of Wichita	David Barfield, KS Water Resource Consulting
Joe Turner, City of South Hutchinson	Ronnie Pederson, City of South Hutchinson
Ted Saranchuk, Hutchinson	

ITEM 1 – APPROVAL OF NOVEMBER 28, 2022, BOARD MEETING MINUTES

Moved by David Stroberg and seconded by Joe Bergkamp to approve the November 28, 2022, Board meeting minutes. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent (Alan Burghart and Ethan Reimer).

ITEM 2 -- APPROVAL OF AGENDA

Moved by Rodney Eggleston and seconded by David Bogner to remove Agenda Item 6a – 1st United Methodist Church, Term Application No. 20219053, Reno County Appeal Review, add it to the January 2023 Agenda, and to approve the rest of the Agenda as presented. Motion carried with 10 Directors for, 0 Directors against, 0 Directors abstained, and 1 Director absent (Ethan Reimer).

ITEM 3 -- FINANCIAL REPORT

November Financial Report

Manager Tim Boese reviewed the November 2022 Financial Report and answered questions from Board members. Moved by Dale Schmidt and seconded by Rodney Eggleston to approve the November 2022 Financial Report. Motion carried with 10 Directors for, 0 Directors against, 0 Directors abstained, and 1 Directors absent (Ethan Reimer).

ITEM 4 -- APPROVAL OF EXPENDITURES

Manager Tim Boese reviewed the December 2022 Expenditures to Approve and answered questions from Board members. Moved by Vin Kissick and seconded by David Stroberg to

approve the December 2022 expenditures. Motion carried with 10 Directors for, 0 Directors against, 0 Directors abstained, and 1 Directors absent (Ethan Reimer).

ITEM 5 -- PUBLIC FORUM - NONE

ITEM 6 -- APPEAL REVIEW - NONE

ITEM 7 -- OLD BUSINESS

a) CITY OF SOUTH HUTCHINSON, APPROPRIATION APPLICATION No. 50662, RN Co.

Manager Tim Boese reviewed for the Board a brief background on Appropriation Application No. 50662 and advised that the Board had previously reviewed the application on September 14, 2022, and tabled the decision. The applicant was represented by City of South Hutchinson City Administrator Joe Turner, David Barfield of Kansas Water Resources Consulting, and Ronnie Pederson of the City of South Hutchinson, all of whom answered questions and provided additional information to the Board. Tim reported to the Board the results of additional sampling recently completed by District staff of the EB135 monitoring site near the application's proposed well. Tim informed the Board that based on the previous findings from the September 14, 2022, District Board meeting and, due to no additional substantial information being provided by the applicant, as well as the applicant declining to consider a term permit option, District staff recommends that the application not be granted an exception to the safe yield regulation and that the application be recommended for denial. Discussion by the Board followed. Jeff Lanterman, Water Commissioner of Division of Water Resources (DWR) Stafford, interjected with a comment that the District had previously recommended an exception to the Safe Yield Regulation for an application (No. 48965). However, Manager Tim Boese advised that Application No. 48965 was a very different situation and disagreed that the Board had recommended an exception to the Safe Yield Regulation and further advised that the Board had only recommended that the Chief Engineer perform a safe yield evaluation using a full two-mile radius area of consideration, as No. 48965 was on the edge of the District boundary.

Upon review of the information presented and discussed at the meetings, and based on findings that:

1. Application No. 50662 proposes 304.03 acre-feet per year at 1000 gallons per minute (gpm) for municipal use from an existing well currently authorized by Water Permit Nos. 30164 & 40538 located in the Northwest quarter of the Northwest quarter of the Northwest quarter, Section 11, Township 24 South, Range 6 West, Reno County.
2. The application does not comply with and the Safe Yield Regulation K.A.R. 5-22-7(a). Total consumptive appropriations including the proposed application totaled 4023.78 acre-feet, which exceeds the maximum allowable quantity of 3101.00 acre-feet by 922.78 acre-feet for the area of consideration (2-mile circle).
3. The applicant has advised that the applicant would voluntarily dismiss existing irrigation Water Rights Nos. 43470 and 47562 located approximately 1.1 miles north of No. 50662 as an offset and reduce the proposed quantity to 142.34 acre-feet, which represents the consumptive use portion of the irrigation water rights. If the irrigation water rights are dismissed and the reduced proposed quantity is considered, the resulting safe yield analysis would still not comply with the Safe Yield Regulation K.A.R. 5-22-7(a). Total consumptive appropriations including the proposed application totaled 3681.49 acre-feet, which exceeds the maximum allowable quantity of 3101.00 acre-feet by 580.49 acre-feet for the area of consideration (2-mile circle).
4. The Safe Yield Regulation K.A.R. 5-22-7 does not allow for offsets as an exception.

5. Allowing an offset would reduce the existing appropriations at the Water Right Nos. 43470 and 47562 well location, but it would increase the appropriations at the No. 50662 proposed location and further concentrate pumping in an area that already has considerable appropriations and pumping, which could exacerbate groundwater declines in the immediate area and negatively impact water quality by increasing the salinity content in the middle aquifer zone caused by upconing of saline water from the lower aquifer zone.
6. The District Board of Directors has previously recommended exceptions to safe yield based on use of an existing water right as an offset, but only on a limited basis and due to extenuating circumstances. Allowing an offset as a basis for an exception to the Safe Yield Regulation for Application No. 50662 would create a precedent and could limit the ability of the District to manage the aquifer on a safe yield basis.
7. The application does not comply with the Districts' Well Spacing Rule and Regulation K.A.R. 5-22-2(a)(1). The proposed well is an existing well currently authorized by Water Right Nos. 30164 and 40538 and is located less than the minimum required distance of 1,320 feet to Water Right Nos. 30164 and 40536. The proposed well is located approximately 1,294 feet from the applicant's municipal well authorized by No. 30164 & 40536, a distance of only 26 feet (2%) less than the required 1,320 feet.
8. Application Nos. 40536 and 40538 were granted waivers to the well spacing requirements in 1993 based on findings by the District Board of Directors that the reduced spacing was a minimal distance and drawdown simulations indicated the reduced distance would not cause impairment.
9. The application does not comply with Maximum Reasonable Quantity for Beneficial Use Rule and Regulation K.A.R. 5-22-14(f), as it fails the first test of maximum allowable quantity allowed based on a maximum of 200 GPCD for projected population in 20 years. However, due to the uniqueness of the City's high industrial demand, a more accurate representation of the City's needs is based on the second test using the projected population in 20 years * 110% of current GPCD, plus industrial use.
10. The Board of Directors granted exceptions to the District's Maximum Use Policy 8103.4 in 1993 for the City's application Nos. 40536, 40537, and 40538. The exceptions were granted largely based on the high industrial water use in the City.
11. Hydrologic data indicates that saturated thickness in the application area is approximately 130 to 155 feet and that the groundwater level in the area has been stable or slightly decreasing.
12. Salinity in the aquifer increases with depth in the application area, with chloride values exceeding 3,000 mg/L in the lower aquifer zone in a nearby monitoring well.
13. Increased pumping from the aquifer's middle zone in this area could cause upconing of saline water from the lower aquifer zone
14. It was the decision of the Board at the September 14, 2022 meeting, to table the appeal to allow District staff, as well as the applicant and their consultants, additional time to discuss potential considerations including term permit, water quality, data collection, and monitoring alternatives.
15. On December 9, 2022, the District received a letter dated December 9, 2022, from the applicant. Prior to the receipt of the letter, the applicant had not provided any additional information or discussion.
16. The Applicant's December 9, 2022, letter did not provide any additional substantial information and advised that the applicant did want to consider a term permit option.

Moved by Vin Kissick and seconded by Michael Baalmann to recommend that the application is not granted an exception to the Safe Yield Regulation K.A.R. 5-22-7(a), and the application be recommended for denial. Motion carried with 9 Directors for, 1 Director against (Rodney Eggleston), 0 Directors abstained, and 1 Director absent (Ethan Reimer).

b) CITY OF WICHITA AQUIFER STORAGE & RECOVERY (ASR) PROPOSED PERMIT MODIFICATIONS

Manager Tim Boese informed the Board that he did not have anything new to report at this time, as the District continues to await a response from the Harvey County District Court. District Attorney Reece Hiebert stated that District Attorney Tom Adrian's preference was to wait until after the first of the new year until taking any action. Tim will continue to update the Board as new information is received.

c) KANSAS LEGISLATIVE POST-AUDIT OF GMDs

Manager Tim Boese reported that he provided all the information requested for the Kansas Legislative Post-Audit. Tim stated that the Post-Audit team will eventually create a draft report for the District to review and respond to, with the final report being submitted to Kansas legislators. Board discussion followed. Tim will update the Board as new information is received.

d) DIVISION OF WATER RESOURCES DRAFT REGULATIONS

Manager Tim Boese will continue working with the other GMD managers and the Division of Water Resources (DWR) to develop a final draft of DWR's proposed regulation changes. Tim will provide the Board with additional information at the January 2023 District Board meeting.

ITEM 8 -- NEW BUSINESS

a) 2018-2020 CITY OF WICHITA ASR ACCOUNTING REPORTS

Manager Tim Boese reviewed a presentation he prepared for the Board regarding the 2018, 2019, and 2020, City of Wichita ASR Accounting Reports, including staff comments and recommendations. Discussion by the Board followed.

Based on the Board's finding that, subject to the comments below, the reports satisfy the requirements set forth in the initial (and as later modified) order for the ASR project and satisfy the conditions of the Aquifer Storage and Recovery System: Data Reporting Requirements Regulation K.A.R. 5-22-10(a), it was moved by Mike McGinn and seconded by Dale Schmidt to accept the 2018, 2019, and 2020, City of Wichita ASR Accounting Reports, with the following comments and requests that the City of Wichita:

1. Provide the enhanced annual sample analyses from the injection stream to KDHE, DWR, and GMD2, as required by the KDHE Class V injection permit, if not already done.
2. Meet with GMD2 staff to discuss water quality data concerns and issues, and if needed after the meeting, provide a detailed written explanation of the water quality data issues.
3. Provide a written explanation of why IW monitoring wells were not sampled in the fall of 2020 and provide the current sampling plan for GMD2 staff review, comment, and approval.
4. Include shallow monitoring well water quality in graph form in future reports. Future reports will not be accepted by GMD2 without the shallow monitoring well water quality graphs.
5. Perform additional QA/QC for future reports to eliminate errors and omissions prior to submission.

Motion carried with 9 Directors for, 1 Director against (David Bogner), 0 Directors abstained, and 1 Director absent (Ethan Reimer).

b) KNUDSEN MONROE & COMPANY LLC AUDIT ENGAGEMENT LETTER

Manager Tim Boese reviewed the Knudsen Monroe & Company, LLC (KMC) Audit Engagement Letter with the Board. Discussion by the Board followed. Moved by Joe Bergkamp and seconded by David Stroberg to approve the KMC Audit Engagement Letter terms. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent (Alan Burghart and Ethan Reimer).

c) AUDIT ACCOUNTING RESOLUTION – GAAP/GAAS WAIVER

Manager Tim Boese reviewed the Audit Accounting Resolution – GAAP/GAAS Waiver with the Board. Discussion by the Board followed. Moved by David Bogner and seconded by Rodney Eggleston to approve the GAAP/GAAS Waiver. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent (Alan Burghart and Ethan Reimer).

d) DISTRICT MANAGEMENT PROGRAM UPDATE

Manager Tim Boese reviewed the Aquifer Management Program Revision Process, including an Aquifer Management Program Revision 2023 Schedule. Board discussion followed.

e) ANNUAL GMD LEGISLATIVE RETREAT, TOPEKA – FEBRUARY 7 & 8, 2023

Manager Tim Boese reviewed for the Board the agenda for the Annual GMD Legislative Retreat being held in Topeka on February 7 & 8, 2023. Tim plans to attend both days, and he asked that any Board members interested in attending please contact him or District staff to register and secure hotel accommodations, if needed.

f) GMDA ANNUAL CONFERENCE – JANUARY 23-26, 2023, SAINT SIMONS ISLAND, GA

Manager Tim Boese reviewed for the Board the information for the Groundwater Management District Association (GMDA) Winter 2023 Conference, which is scheduled for January 23-26, 2023, in Saint Simons Island, Georgia. Discussion by the Board followed. Moved by Vin Kissick and seconded by David Stroberg for the District to pay for the District Manager and up to two (2) Board members to attend the conference if available. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent (Alan Burghart and Ethan Reimer).

ITEM 9 -- AGENCY & COMMITTEE REPORTS

a) DIVISION OF WATER RESOURCES

Jeff Lanterman, Water Commissioner at Division of Water Resources (DWR) Stafford, informed the Board that DWR has been administering Minimum Desirable Streamflow (MDS) for various streams within the Stafford field office. Jeff stated that for the first time, they are administering MDS on the Arkansas River at Hutchinson, which includes 11 surface water files, mostly outside of the GMD2 boundaries. Jeff reported that they are administering MDS on the Little Arkansas River at both Alta Mills and Valley Center which catches includes about 45 files, although Jeff plans to rescind MDS for 19 files on Valley Center between the Valley Center and Alta Mills gauges. Jeff also reported that they are administering MDS on about 13 surface water files on the Ninnescaw River all the way down to the Peck gauge, which catches Cheney. Additionally, the Stafford field office continues to be busy completing Multi-Year Flex Account (MYFA) applications, as well as other applications.

b) KANSAS WATER AUTHORITY

Board member David Stroberg informed the Board that he attended the Kansas Water Authority (KWA) meeting on December 14 & 15, 2022, in Colby. David stated that the first

day of the meeting included a report by the Public Water Supply Committee on surplus water from reservoirs, a lengthy discussion by the Ogallala Aquifer Committee on the necessity of a thorough, collaborative process to halt the decline of the Ogallala Aquifer, and discussion about the Kansas Water Authority 2023 Annual Report to the Governor and Legislature. David reported that a draft of the report is available online. David stated that the second day of the meeting included discussion regarding GMD3 transporting 6,000 gallons of water from the Missouri River basin to western Kansas for artificial recharge, a legislative update, and several stories from GMD managers and producers from northwest Kansas on the success of their Local Enhanced Management Area (LEMA)s and conservation efforts. David reported that the Kansas Corporation Commission (KCC) awarded the contract for the Burton IGUCA monitoring well replacement project, but that KCC has not yet released the specifics of the contract. David informed the Board that the recently passed Inflation Reduction Act includes \$20 billion for conservation programs. Discussion by the Board followed. The next KWA meeting is scheduled for January 25, 2023, in Topeka.

c) EQUUS – WALNUT REGIONAL ADVISORY COMMITTEE

Board Secretary David Bogner informed the Board that Equus-Walnut Regional Advisory Committee (RAC) members were encouraged to meet with their respective legislators during the time when the Kansas Water Authority is set to meet with them. The next meeting date has not yet been set.

d) REGIONAL ECONOMIC AREA PARTNERSHIP OF SOUTH CENTRAL KANSAS

Manager Tim Boese informed the Board that he participated in the Regional Economic Area Partnership of South Central Kansas (REAP) meeting on December 8, 2022. Tim reported that REAP passed a 2023 Joint Legislative Agenda, which is a partnership comprised of Sedgwick County, the City of Wichita, the Wichita Regional Chamber of Commerce, Greater Wichita Partnership, and REAP, who are committed to furthering many causes including legislation to address municipal water supply and regulatory uncertainty. The next REAP meeting is scheduled for February 9, 2023.

ITEM 10 -- MANAGER'S REPORT

a) ASR Project Report

Tim Boese, Manager, advised that there was no recharge in November. Cheney Reservoir: Conservation pool is 79.90% full (80.01% full in November). Level is 3.41 feet below normal (3.39 feet below normal in November). No Cheney release. Flow today: Little Ark - Highway 50 is 6.13 CFS; Valley Center is 23.9 CFS. Tim reported that there were low flows the entire month of November.

The 2021 City of Wichita ASR Annual Accounting Report has not yet been received, as the City of Wichita requested and were granted an extension until May 26, 2023, to submit the report.

b) ADMINISTRATIVE FIELD TASKS

Tim Boese, Manager, reported that in November, staff completed seven application reviews, assisted with 26 applications (MYFAs, new applications, change applications, extensions, and completions), performed 31 water permit consultations, completed seven preliminary safe yield evaluations, conducted 50 water level measurements, inspected 27 water meters, and processed a total of 35 administrative files.

Additionally, District staff assisted many District water right owners and tenants with determining water use and MYFA options.

c) REVIEW OF TERM PERMIT APPLICATIONS

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

d) MONTHLY INFORMATION & SERVICE REPORT

Tim Boese, Manager, presented customer service requests for November.

Tim reminded the Board that the Kansas Corporation Commission (KCC) awarded the contract on the Burrton IGUCA monitoring well replacement project, but that KCC has not yet released the specifics of the contract. Tim informed the Board that he attended a second meeting with DWR and Kansas Geological Survey (KGS) regarding potential interest in sharing a mobile application for field work. Tim will continue working with these agencies and others regarding this project. Tim also informed the Board that he would like to order business shirts and name tags for Board members and District staff. Moved by Dale Schmidt and seconded by David Stroberg for the District to order business shirts and name tags for Board members and District staff. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent (Alan Burghart and Ethan Reimer).

ITEM 11 -- ADDITIONS TO THE AGENDA – NONE

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

Board Secretary David Bogner inquired about the newly hired District lobbyist. Manager Tim Boese reported that he participated in a Zoom meeting last week with the lobbyist to discuss legislative committee assignments, any potential concerns for the next session, etc. Tim informed the Board that the District will begin receiving weekly reports from the lobbyist once the legislative session begins. Tim will forward these reports directly to the Board.

ITEM 13 – EXECUTIVE SESSION – PERSONNEL

Moved by David Stroberg and seconded by David Bogner for the Board to go into Executive Session to discuss personnel matters relating to non-elected personnel regarding annual District staff performance evaluations which would be deemed privileged in the non-elected personnel exception under the Kansas Open Meeting Act, and the open meeting will resume in the conference room at 3:40 p.m. Those present in Executive Session are: Members of the Board, District Manager Tim Boese, and District Attorney Reece Hiebert. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent (Alan Burghart and Ethan Reimer).

Time in Executive Session: 3:10 p.m.

Time out of Executive Session: 3:40 p.m.

Moved by David Stroberg and seconded by David Bogner to extend the Executive Session for 15 minutes and to resume the open meeting at 3:55 p.m. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent (Alan Burghart and Ethan Reimer).

Time in Executive Session: 3:40 p.m.

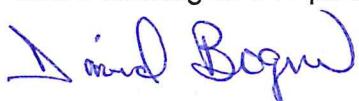
Time out of Executive Session: 3:55 p.m.

Moved by David Stroberg and seconded by Dale Schmidt to extend the Executive Session for 15 minutes and to resume the open meeting at 4:10 p.m. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent (Alan Burghart and Ethan Reimer).

Time in Executive Session: 3:55 p.m.
Time out of Executive Session: 4:10 p.m.

Moved by David Bogner and seconded by Mike McGinn to give the District Manager a six percent salary increase effective January 1, 2023, as well as a \$3,000 net bonus for additional responsibilities performed, to be paid out in 2022; to give the District Administrative Assistant a five percent salary increase effective January 1, 2023, as well as a \$2,000 net bonus for additional responsibilities performed, to be paid out in 2022; to give the District Hydrologic Technician a five percent salary increase effective January 1, 2023, as well as a \$2,000 net bonus for additional responsibilities performed, to be paid out in 2022; and to give the District Hydrogeologist a five percent salary increase effective January 1, 2023, as well as a \$2,000 net bonus for additional responsibilities performed, to be paid out in 2022. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent (Alan Burghart and Ethan Reimer).

Moved by David Stroberg and seconded by Michael Baalmann to adjourn the meeting. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent (Alan Burghart and Ethan Reimer). Jeff Winter, President, adjourned the Board meeting at 4:11 p.m.



David Bogner
Secretary
DB/TDB/rsw