

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

**Tuesday, March 5, 2019
3:00 p.m.**

313 Spruce Street • Halstead, KS 67056-1925
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1. APPROVAL OF MINUTES

- a) February 13, 2019 Board Meeting
- b) February 19, 2019 Special Board Meeting

2. APPROVAL OF AGENDA

3. FINANCIAL REPORT

- a) Annual Financial Audit – Amy Elliott – Knudsen Monroe & Co., LLC
- b) February 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 - None

7. OLD BUSINESS - None

8. NEW BUSINESS

- a) Water-Related Legislation Update
- b) Kansas Water Authority Representation
- c) Annual Meeting
- d) 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

13. EXECUTIVE SESSION – Consultation with Attorney

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 5, 2019

The Board of Directors for the Equus Beds Groundwater Management District No. 2 held a monthly meeting March 5, 2019, 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 3:00 p.m.

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

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

Directors absent: Alan Burghart, Secretary

Others attending the meeting or portions thereof were:

Jeff Lanterman, DWR – Stafford	Matt Unruh, Kansas Water Office
Gary Koons, Kansas Water Office	Kent Askren, Kansas Farm Bureau
Scott Macey, City of Wichita	Amy Elliott, Knudsen, Monroe & Co., LLC
Ted Saranchuk, Public	

ITEM 1 -- APPROVAL OF FEBRUARY 13, 2019 AND FEBRUARY 19, 2019 MEETING MINUTES

Moved by Vin Kissick and seconded by David Bogner to approve both sets of Minutes. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent.

ITEM 2 -- APPROVAL OF AGENDA

Moved by David Bogner and seconded by Joe Pajor to approve the Agenda. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent.

ITEM 3 -- FINANCIAL REPORT

a) Annual Financial Audit – Amy Elliott – Knudsen, Monroe & Co., LLC

Amy Elliott reviewed the 2018 Annual Financial Audit, including the Financial Statement. Amy also provided the Board with a comparison of two types of preparation of a financial statement, Kansas Municipal Audit and Accounting Guide (KMAAG) and Generally Accepted Accounting Principles (GAAP), and she outlined why Knudsen, Monroe, & Co., LLC, chooses to use the KMAAG method to prepare the District's financial statement. Discussion by the Board followed. Moved by Bob Seiler and seconded by Dale Schmidt to accept the 2018 Annual Financial Audit as presented. Motion carried with 7 Directors for, 0 Directors against, 0 Directors abstained, and 2 Directors absent.

b) February Financial Report

Moved by Vin Kissick and seconded by Mike McGinn 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 Mike McGinn and seconded by David Bogner to approve the March 2019 expenditures. Motion carried with 8 Directors for, 0 Directors against, 0 Directors abstained, and 1 Director absent.

ITEM 5 -- PUBLIC FORUM – NONE

ITEM 6 -- APPEAL REVIEW – NONE

ITEM 7 -- OLD BUSINESS - NONE

ITEM 8 -- NEW BUSINESS

a) WATER-RELATED LEGISLATION UPDATE

Manager Tim Boese reviewed for the Board his written testimony for GMD2 and GMD3 in opposition of Senate Bill 182, the water meter technician bill. Tim reported that GMD1 was also opposed to the bill, as was the Kansas Department of Agriculture. The Kansas Livestock Association was a proponent of the bill, and Farm Bureau was neutral. Tim reported that he listened to the Senate Agriculture and Natural Resources Committee hearing, during which time Committee Chair Senator Kerschen stated that he would hold the bill and not bring it to a vote at this time. Senator Kerschen encouraged the parties to work together this summer to potentially review and revise the language of the bill. Tim expressed gratitude to Shawn Miller, the GMD3 lobbyist, for delivering his testimony.

b) KANSAS WATER AUTHORITY REPRESENTATION

Manager Tim Boese reviewed a couple of emails from Earl Lewis, acting Director of the Kansas Water Office, regarding Kansas Water Authority (KWA) representation. GMD2 and GMD5 were asked to submit three (3) names for potential representation, and Tim reported that GMD5 has already decided that they would like GMD2 Vice President Vin Kissick to continue representing their GMD at KWA. Discussion by the Board followed. Moved by Bob Seiler and seconded by Mike McGinn to submit the following Board members for consideration for KWA representation: 1) Vin Kissick, 2) David Stroberg, and 3) David Bogner. Motion carried with 8 Directors for, 0 Directors against, 0 Directors abstained, and 1 Director absent.

c) ANNUAL MEETING

The Board reviewed the annual meeting Agenda and discussed the specifics of the annual meeting later this evening. Vin Kissick, Vice President, accepted the role of acting Secretary for Alan Burghart, who will be absent.

d) MANAGEMENT PROGRAM REVIEW

Manager Tim Boese reviewed with the Board the requirement to review the Management Program during the annual meeting, including the need for a motion to continue revisions of the program.

ITEM 9 -- AGENCY & COMMITTEE REPORTS

a) DIVISION OF WATER RESOURCES

Jeff Lanterman, DWR – Stafford Field Office, informed the Board that March 1, 2019 was the deadline for water use reports, but that DWR offers a grace period for paper and online water use reporting of three working days, which will expire March 6, 2019 at 5:00 p.m. Reports completed either on paper or online after the grace period and before June 1st will be subject to a \$250 penalty per water right. Online reporting will not be available after June 1st, and any paper reports received after that date will be subject to a \$1,000

penalty per water right. Jeff stated that the online water use reporting far exceeded their expectations. Out of approximately 32,000 water rights and 44,000 points of diversion, 85% were reported online. For GMD2, of the 932 water use reports sent out, 91.6% were reported online, 5.6% were reported on paper, and 40 reports have not yet been received by DWR. Jeff stated that DWR will soon be mailing out penalty/reminder letters to the owners for those 40 reports.

b) KANSAS WATER AUTHORITY

Board Vice President Vin Kissick informed the Board that the next Kansas Water Authority (KWA) meeting will be in Abilene in April 2019, followed by a meeting in Goodland the end of July 2019.

c) EQUUS – WALNUT REGIONAL ADVISORY COMMITTEE

Bob Seiler informed the Board that the Equus-Walnut Regional Advisory Committee (RAC) met on February 28, 2019. Bob stated that Gary Koons is taking over for Matt Unruh as the Kansas Water Office (KWO) Planner for the RAC. Bob reported that the meeting involved much discussion regarding moving forward with the Vision, and that one priority of the RAC that stands out to him is getting the Burrton chloride plume remediation project going while the money is available. Bob informed the Board that his term is expiring, and he is retiring from the RAC Board, so the District Board will need to nominate his replacement soon. Manager Tim Boese recommended that the Board make nominations for Bob's replacement at their next meeting in April. Matt Unruh, KWO, informed the Board that they are planning to add additional water technology farms within GMD2. He anticipates that they will have these farms in place by the next GMD2 Board meeting. KWO continues to work on improving the distribution of data, information, and technology from the water technology farms to the local producers.

ITEM 10 -- MANAGER'S REPORT

a) ASR Project Report

Tim Boese, Manager, advised that he has not received the January or February recharge reports. Cheney Reservoir: Conservation pool is 100.00% full and the flood pool is 5.07% full. Cheney release is 370 CFS. Flow today: Little Ark - Highway 50 is 80.7 CFS; Valley Center is at 106 CFS. GMD2 received the 2017 ASR Accounting Report on January 2, 2019 (electronically received on December 27, 2018). District staff will begin reviewing the report and will schedule it for Board review.

b) ADMINISTRATIVE FIELD TASKS

Tim Boese, Manager, reported that in February, staff assisted completing 14 new/change/division applications, six application reviews, performed 17 water permit consultations, completed five preliminary safe yields, assisted with 29 water use reporting questions, and processed a total of 87 administrative requests including VI cards, invoices, ownership and address changes, approvals, review requests, and 64 verified claims.

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 February.

d) MONTHLY INFORMATION & SERVICE REPORT

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

ITEM 11 -- ADDITIONS TO THE AGENDA

Manager Tim Boese recommended that the Board add Agenda Item #14 – Executive Session to the Agenda. Moved by Bob Seiler and seconded by Mike McGinn to add Agenda Item #14 – Executive Session to the Agenda. Motion carried with 7 Directors for, 0 Directors against, 1 Director abstained (Joe Pajor), and 1 Director absent.

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

Board member Mike McGinn thanked the District staff for all their hard work and extra hours worked lately. Vice President Vin Kissick informed the Board that GMD5 has submitted their formal request for approval of the Rattlesnake/Quivira Local Enhanced Management Area (LEMA), and they are planning to raise their assessment rate to \$2.00/AF to plan for associated augmentation costs.

ITEM 13 -- EXECUTIVE SESSION

Moved by David Stroberg and seconded by Bob Seiler to recess into Executive Session for consultation with the District Attorney regarding the ASR Hearing for the public body which would be deemed privileged in the attorney-client relationship pursuant to the attorney consultation exception under the Kansas Open Meeting Act, and the open meeting will resume in the conference room at 4:54 p.m. Those present in Executive Session are: Members of the Board (except Joe Pajor), the District Manager Tim Boese, and the District Attorney Tom Adrian. Motion carried with 7 Directors for, 0 Directors against, 1 Director abstained (Joe Pajor), and 1 Director absent.

Time in Executive Session: 4:24 p.m.

Time out of Executive Session: 4:54 p.m.

There was no action by the Board as a result of the Executive Session.

ITEM 14 – EXECUTIVE SESSION

Moved by David Stroberg and seconded by David Bogner to recess into Executive Session for consultation with the District Attorney regarding pending litigation for the public body which would be deemed privileged in the attorney-client relationship pursuant to the attorney consultation exception under the Kansas Open Meeting Act, and the open meeting will resume in the conference room at 5:01 p.m. Those present in Executive Session are: Members of the Board (except Joe Pajor), the District Manager Tim Boese, and the District Attorney Tom Adrian. Motion carried with 7 Directors for, 1 Director against (Joe Pajor), 0 Directors abstained, and 1 Director absent.

Time in Executive Session: 4:56 p.m.

Time out of Executive Session: 5:01 p.m.

There was no action by the Board as a result of the Executive Session.

Moved by David Stroberg and seconded by Bob Seiler to adjourn the meeting. Motion carried with 8 Directors for, 0 Directors against, 0 Directors abstained, and 1 Director absent. Jeff Winter, President, adjourned the Board meeting at 5:02 p.m.



Vin Kissick
Acting Secretary
VK/TDB/rsw