

**PROPOSED AGENDA
BOARD OF DIRECTORS MEETING**

EQUUS BEDS GROUNDWATER MANAGEMENT DISTRICT NO. 2

**Wednesday, March 9, 2022
9:30 a.m.**

**Note: Due to COVID-19, public seating is limited for in-person attendance.
A call-in number will be available for remote attendance.
Please contact the District for additional information.**

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

- a) February 14, 2022, Special Board Meeting
- b) February 22, 2022, 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

7. OLD BUSINESS

- a) City of Wichita Aquifer Storage & Recovery (ASR) Proposed Permit Modifications
- b) House Bill 2686
- c) Board Representation District Standard & Policy D.S.P. 8103.1

8. NEW BUSINESS

- a) Review of Recently Introduced Senate Bills Regarding GMDs
- b) April Board Meeting Date and Annual Meeting Date
- c) Draft FY 2023 Budget 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

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 9, 2022

The Board of Directors for the Equus Beds Groundwater Management District No. 2 held a monthly meeting March 9, 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 9:33 a.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
Joe Bergkamp, Member	Alan Burghart, Member
Dale Schmidt, Member	Bob Seiler, Member
David Stroberg, Member	Tom Adrian, District Attorney
Tim Boese, Manager	Brad Barton, Hydrogeologist
Rebecca Wilson, Admin. Assistant	

Others attending the meeting or portions thereof were:

Jeff Lanterman, DWR – Stafford, via phone	Scott Macey, City of Wichita
Don Henry, City of Wichita	Brian Meier, Burns & McDonnell, via phone
Suzanne Loomis, City of Newton, via phone	Daniel Clement, Burns & McDonnell, via phone
Laura Rainwater, REAP, via phone	Don Koci, Burns & McDonnell, via phone
Tessa Wendling, Intervenors	Amy Elliott, Knudsen & Monroe, Co.

ITEM 1A -- APPROVAL OF FEBRUARY 14, 2022, SPECIAL BOARD MEETING MINUTES

Moved by Vin Kissick and seconded by David Stroberg to approve the February 14, 2022, Special Board Meeting minutes. Motion carried with 8 Directors for, 0 Directors against, 1 Director abstained (Alan Burghart), and 0 Directors absent.

ITEM 1B -- APPROVAL OF FEBRUARY 22, 2022, BOARD MEETING MINUTES

Manager Tim Boese informed the Board that the word “Landowner” is misspelled, and needs corrected in section 8a of the minutes. Moved by Bob Seiler and seconded by David Bogner to approve the February 22, 2022, meeting minutes as corrected. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

ITEM 2 -- APPROVAL OF AGENDA

Moved by Dale Schmidt and seconded by David Stroberg to approve the Agenda with the following additions: 1A) Approval of February 14, 2022, Special Board Meeting Minutes and 1B) Approval of February 22, 2022, Board Meeting Minutes. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

ITEM 3 -- FINANCIAL REPORT

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

Amy Elliott reviewed the 2021 Annual Financial Audit, including the Financial Statement. Amy recommended that District staff coordinate with the bank regarding the District's pledged securities to ensure sufficient securities are always pledged to the District. Manager Tim Boese reported that this concern had already been addressed and completed with the bank. Amy answered questions from the Board. Moved by Bob Seiler and seconded by David Bogner to accept the 2021 Annual Financial Audit as presented. Motion

carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

b) February Financial Report

Manager Tim Boese reviewed the February Financial Report and answered questions from Board members. Moved by David Bogner and seconded by Joe Bergkamp to approve the February Financial Report. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

ITEM 4 -- APPROVAL OF EXPENDITURES

Manager Tim Boese reviewed the March 2022 Approval of Expenditures and answered questions from Board members. Moved by Bob Seiler and seconded by David Stroberg to approve the March 2022 expenditures. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

ITEM 5 -- PUBLIC FORUM – NONE

ITEM 6 -- APPEAL REVIEW – NONE

ITEM 7 -- OLD BUSINESS

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

Manager Tim Boese informed the Board that he had nothing new to report, as the Chief Engineer continues to review all the information and has not yet decided to accept, modify, or reject the hearing officer's recommended order. Board discussion followed. Tim will notify the Board once the Chief Engineer has made a decision.

b) HOUSE BILL 2686

Manager Tim Boese informed the Board that House Bill 2686 passed out of committee with major amendments, and that it is now called Substitute for House Bill 2686. Tim informed the Board that a large portion of the GMD language, including modifications to GMD Board elections, was removed from the bill, and that it now contains a few main provisions including the GMD management activities reporting requirement, annual reporting of the GMD financial accounting, and a sales tax dedication for funding of the state water plan. Discussion by the Board followed. Tim has contacted a few representatives to discuss the bill and he will keep the Board updated on House Bill 2686 as he receives additional information.

c) BOARD REPRESENTATION DISTRICT STANDARD & POLICY D.S.P. 8103.1.

Manager Tim Boese provided the Board with and reviewed a modification of a draft policy for an 11-person Board of Directors by defined positions including water user type and geographical representation. Discussion by the Board followed. If approved by the Board, a second reading of the policy could occur at the April Board meeting, and the policy approval date could be effective the date of the Annual meeting. An increase of Board members from nine to 11 would have to be approved at the Annual meeting. The Board discussed staggering the terms for Positions 5 & 6 so that two municipal water users were not elected at the same time in the future. Laura Rainwater, REAP, advised that the draft policy was acceptable. Don Henry, City of Wichita, questioned the policy costs and stated that, "It appears that the priority of the Board is more about protecting self-interest than providing fair and balanced representation." Moved by David Bogner and seconded by Alan Burghart to approve the first reading of the modified draft policy of the Board Representation District Standard & Policy with 11 Board positions, including special initial election procedures for Positions 5 and 6, whereas the municipal water user candidate receiving the most votes becomes Position 5 and serves an initial term of three years and the municipal water user

candidate receiving the second most votes becomes Position 6 and serves an initial term of two years. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

ITEM 8 -- NEW BUSINESS

a) REVIEW OF RECENTLY INTRODUCED SENATE BILLS REGARDING GMDs

Manager Tim Boese reviewed with the Board Senate Bill Nos. 548 and 549. Senate Bill 548 would essentially modify the GMD Act so that GMDs can no longer provide advice or assistance related to water rights in the management of drainage problems, storage, groundwater recharge, surface water, and all other matters. It would also modify GMDs ability to recommend rules and regulations to the chief engineer by only allowing such rules and regulations to deal with irrigation use.

Senate Bill 549 would allow any non-irrigation water right holder to withdraw from a GMD and no longer pay assessments, no longer be subject to GMD review of the water right holders water rights' matters, and not be subject to GMD rules and regulations.

Tim informed the Board that he attended the Harvey County Commission meeting on March 8, 2022, to get their opinion on the bills. Tim stated that the Commissioners appeared to be unaware of the bills and they asked him for copies of the information that he had. Tim informed the Board that Senator Kerschen wants GMD2 and REAP to meet to discuss the bills, which Senator Kerschen may hear as early as next week. Discussion by the Board followed. Moved by Vin Kissick and seconded by Alan Burghart to oppose Senate Bill 548 549, to authorize District Manager Tim Boese to represent GMD2 and testify in opposition of the bills, and to meet with REAP as needed. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent.

b) APRIL BOARD MEETING DATE AND ANNUAL MEETING DATE

Manager Tim Boese and the Board discussed potential dates for the April Board meeting and the Annual meeting. Board consensus was to hold the April Board meeting on the regularly scheduled day of April 13, 2022, at 9:30 a.m. and to schedule the Annual meeting for April 26, 2022, at 7:00 p.m. at the Halstead High School.

c) DRAFT FY 2023 BUDGET REVIEW

Manager Tim Boese reviewed with the Board a draft FY 2023 Budget. Discussion by the Board followed. Consensus of the Board was to increase the Legal Services line item to \$150,000 and to set the water assessment rate at \$1.50/acre foot. Tim will revise the draft FY 2023 Budget with the Board recommendations and return it for Board review at the April meeting.

ITEM 9 -- AGENCY & COMMITTEE REPORTS

a) DIVISION OF WATER RESOURCES

Jeff Lanterman, DWR – Stafford, informed the Board that 90% of the required 2021 annual water use reports were completed online, with a total completion rate to date of 94%. Jeff stated that the Stafford field office has been busy working a high volume of new and change applications, as well as their continued work on the Walnut River IGUCA review.

b) KANSAS WATER AUTHORITY

Board member David Stroberg informed the Board that there will be a virtual Kansas Water Authority meeting on March 23, 2022, as well as another meeting scheduled for April 20, 2022, with time and location still to be determined. David also stated that the Kansas Water Office is planning to participate in a working group on the new Kansas Infrastructure Bill.

c) EQUUS – WALNUT REGIONAL ADVISORY COMMITTEE

Board Secretary David Bogner informed the Board that the Equus-Walnut Regional Advisory Committee has not had any recent meetings, but committee members received an email informing them that House Bill 2686 had been introduced and encouraging committee members to read up on the bill. Manager Tim Boese informed the Board that he submitted his application for the open Equus-Walnut Regional Advisory Committee position.

ITEM 10 -- MANAGER'S REPORT

a) ASR Project Report

Tim Boese, Manager, advised that there was no recharge for Phase I in January. There were 13,312 gallons reported recharged into RB2 from flushing pipelines that will not count as recharge. In Phase II there was no recharge. The February recharge report has not yet been received. Cheney Reservoir: Conservation pool is 88.94% full (89.17% full in February). That is 1.82 feet below normal (top of conservation pool). No Cheney release. Flow today: Little Ark - Highway 50 is 14.9 CFS; Valley Center is 43.9 CFS. Tim reported that there were low river flows for all of February, a trend that has continued since November 2021.

b) ADMINISTRATIVE FIELD TASKS

Tim Boese, Manager, reported that in February, staff assisted with five applications, completed two application reviews, performed 54 water permit consultations (most related to water use reporting), completed 20 preliminary safe yield reviews/information requests, conducted 41 water meter inspections, completed four water meter repairs, handled 190 verified claims, and processed a total of 29 administrative files.

Tim informed the Board that he has a meeting today with the copier company to discuss future lease or purchase options. Tim will bring the options to the Board at the April meeting.

Tim informed the Board that he has spent a significant amount of time working on safe yield areas outside of District. Tim has compared the District numbers with the numbers received from DWR and he will meet with DWR soon to review the results.

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 February.

ITEM 11 -- ADDITIONS TO THE AGENDA – NONE

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

Board member Dale Schmidt commented that the ASR Annual Accounting Reports need to get caught up and he questioned the best way to accomplish that. Manager Tim Boese informed Dale and the Board that District Hydrogeologist Brad Barton is now reviewing and accumulating the ASR accounting reports monthly to stay on top of any changes that may be needed. Tim also stated that he would like to discuss with Burns and McDonnell the possibility of getting a draft annual report to allow for District review before the final report is completed.

Dale questioned if the five GMDs across the state could get together and pool their resources to hire a shared, full-time lobbyist just for GMD issues. Tim stated that it was a good idea, and he would discuss the possibility with the other GMD Managers.

Dale also questioned if the District could investigate reinstating the out of District assessment fees if new legislation allows industrial and municipal land and water users to pull out of the District. Tim reminded the Board that the City of Wichita would not support the previous raise in the assessment cap unless the District removed the out of District fees. Dale suggested that perhaps the District could look into reinstatement of the out of District fees if the legislation passes.

Board Secretary David Bogner informed the Board that Rich Felts, Farm Bureau, wrote an interesting article for the Hutchinson News about House Bill 2686.

Board member Bob Seiler questioned how the District could begin to mend the strained relationship with DWR. Bob stated that the District and DWR need to work together, not apart, for the betterment of the District and the state water resources.

Moved by Dale Schmidt and seconded by David Stroberg to adjourn the meeting. Motion carried with 9 Directors for, 0 Directors against, 0 Directors abstained, and 0 Directors absent. Jeff Winter, President, adjourned the Board meeting at 12:18 p.m.



David Bogner
Secretary
DB/TDB/rsw