



**Regional Economic Area Partnership (REAP)**

**Meeting Agenda**

**8:00 a.m., January 9, 2012**

Hughes Metropolitan Complex  
5015 E. 29<sup>th</sup> Street North, (29<sup>th</sup> and Oliver)  
Mayor Kristey Williams, Chair

**1. Welcome and Introductions:** Mayor Kristey Williams

**2. News and Announcements:** Mayor Kristey Williams

- A. REAP Bylaws Committee

**3. Consent Agenda and Committee Reports:** Mayor Kristey Williams

*The action items in the reports have been reviewed, discussed and acted upon at the Committee level. Members of the Board of Directors may request discussion on any of the action items at the meeting or the reports may be accepted as presented in a single motion.*

- A. Review of REAP Minutes from November 7, 2011
- B. Review of REAP Minutes from December 8, 2011
- C. REAP Committees Report
- D. Reports of Regional Committees and Organizations
- E. Report of the Chief Executive Officer

***Recommended Action: Approve the consent agenda as presented.***

**4. REAP Grant Presentation:** Joe Yager and Dane Baxa

*REAP has been awarded a \$1,500,000 Fiscal Year 2011 Sustainable Communities Planning Grant through the Department of Housing and Urban Development (HUD). The grant is meant to be utilized to establish a planning and engagement process to ensure that we develop our own sustainable vision and goals that reflect our unique regional values and identity. Staff will provide a presentation and additional information regarding the grant. In particular, it will cover process, content, and the budget.*

**5. Facilitated Discussion:** Scott Wituk, Center for Community Support and Research

*Mr. Wituk has been invited to provide an opportunity for REAP to participate in a discussion on the grant presentation and expectations.*

**6. Unscheduled Business Items and Updates:** REAP Members and Partners

**7. Adjourn**

*The next REAP Board meeting will be 8:00 a.m. on Monday, February 13, 2012 at the new Welcome Center on the campus of Butler County Community College, 901 S Haverhill Rd El Dorado, KS 67042.*

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**Mission**

*Guide state and national actions that affect economic development in the region and adopt joint actions among member governments that enhance the regional economy.*

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## **REAP Meeting Minutes November 7, 2011**

Eugene M. Hughes Metropolitan Complex, Wichita State University, Wichita, Kansas

Mayor Kristey Williams, Chairman

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### **1. Welcome and Introduction.**

Mayor Kristey Williams, City of Augusta, called the meeting to order; members, staff and guests introduced themselves.

### **2. News and Announcements**

There were no announcements.

### **3. Consent Agenda and Committee Reports**

#### *A. Review of REAP Minutes from October 3, 2011*

It was noted that Mayor Bob Jackson (Kechi) and Mr. Gus Collins (Wellington) were present at the last meeting. Direction was given to amend the minutes to reflect these changes.

#### *B. REAP Committees Report*

Mayor Kristey Williams noted that Committee reports were provided in the consent agenda for review.

Mayor Williams reported that she testified on October 10, 2011 to the Legislative Budget Committee for the Kansas Affordable Airfares Program. She also noted that the Sustainable Communities Planning Grant application was officially submitted for a U.S. Department of Housing and Urban Development Fiscal Year 2011 Sustainable Communities Planning Grant.

Councilmember Jeff Longwell, Wichita, provided an update for the Legislative Committee and noted the success of the REAP listening tours. The final stop is scheduled for Kechi on Saturday, November 12, 2011 at 8:30am. This will be held at Kechi City Hall and is for Sedgwick County.

Mayor Williams stated the REAP Policy Summit will be held on December 8<sup>th</sup> at the Drury Broadview Plaza Hotel in downtown Wichita. From 2:30pm to 5:00 will be time with Legislators listening to different speakers with panels. At 5:00pm the REAP Year-end Celebration will take place. It was noted that all members and partners are invited and that this event will serve as the December Board meeting.

Commissioner Dave Unruh, Sedgwick County, provided an update for the Economic Development Committee, noting that the Workforce Alliance received a \$5 million grant with the Wichita State University College of Engineering and National Institute for Aviation Research to provide education, training and job placement assistance to long-term unemployed workers in critical engineering occupations. Mr. Keith Lawing, Workforce Alliance, gave a short presentation on the grant.

Mayor Williams added information about the November 17<sup>th</sup> Economic Development Committee meeting and November 18<sup>th</sup> Legislative Committee meeting. They are over the lunch hour at Workforce Alliance. The Water Resources Committee meeting is directly following this full board meeting.

#### *C. Reports of Regional Committees and Organizations*

The consent agenda included information for review from the Regional Committees and Organizations.

#### *D. Report of the Chief Executive Officer*

Mr. Joe Yager, Chief Executive Officer of REAP, stated one item that came out of the annual survey last year was the December meeting with an annual celebration. This will be held on December 8<sup>th</sup>, as mentioned earlier by Mayor Williams.

Mayor Dion Avello, City of Derby, made a motion to approve the consent agenda with noted amendments to the minutes, Councilmember Jeff Longwell, City of Wichita, seconded his motion. The consent agenda was approved.

#### **4. REAP 2011 Annual Survey Discussion**

Mr. Yager provided a presentation of major milestones throughout the history of the organization, 2011 highlights of REAP and REAP's annual survey results. A membership discussion on potential work items followed the presentation.

#### **5. Discussion and Identification of Priorities for 2012**

Mayor Williams encouraged members and partners to discuss potential priorities for REAP to engage in for 2012.

Several items were raised, including: continuation of legislative priorities; consideration of annual listening tours; revisiting the mission of the organization; education on potential tax changes and how they could affect the region; continue to provide forums that allow for neutral information; open-discussion based meetings; ongoing presentations to member jurisdictions; and potential REAP orientation every few years.

Mayor Williams thanked all members for their comments. Mr. Yager stated staff will compile the information and present it to the individual committees and bring back work items for REAP to consider.

#### **6. Unscheduled Business Items and Updates**

No unscheduled items were discussed at this meeting.

#### **7. Adjourn**

Having no other business the meeting was adjourned.

| <b>REAP Attendance</b>       |                                |
|------------------------------|--------------------------------|
| <b>11/7/2011</b>             |                                |
| <b>Member/Alternate Name</b> | <b>Jurisdiction</b>            |
| Mayor Kristey Williams       | Augusta                        |
| Ms. Sasha Stiles             | Andover                        |
| Mayor Dion Avello            | Derby                          |
| Ms. Kathy Sexton             | Derby                          |
| Commissioner Chip Westfall   | Harvey County                  |
| Ms. Marge Roberson           | Harvey County                  |
| Mayor Bob Jackson            | Kechi                          |
| Mr. David New                | Haysville                      |
| Mr. Tom Winters              | Kingman County                 |
| Mayor Terry Somers           | Mount Hope                     |
| Commissioner Willis Heck     | Newton                         |
| Commissioner Jim Nickel      | Newton                         |
| Councilmember Karen Fitzmier | Maize                          |
| Mr. Kiel Mangus              | Goddard                        |
| Commissioner Brad Dillon     | Reno County                    |
| Mayor Keith DeHaven          | Sedgwick                       |
| Commissioner Richard Ranzau  | Sedgwick County                |
| Commissioner Dave Unruh      | Sedgwick County                |
| Mr. Gus Collins              | Wellington                     |
| Commissioner Jeff Longwell   | Wichita                        |
| <b>Guests and Staff</b>      |                                |
| Mr. John Waltner             | Harvey County                  |
| Mr. Harland Priddle          | K-96 Corridor Dev. Association |
| Mr. Mike Zamrzla             | Office of Senator Jerry Moran  |
| Mr. Randy Riggs              | Newton                         |
| Mr. Thomas Noone             | Sedgwick City                  |
| Ms. Irene Hart               | Sedgwick County                |
| Mr. Marv Duncan              | Sedgwick County                |
| Mr. Pete Meitzner            | Wichita                        |
| Mr. Keith Lawing             | Workforce Alliance             |
| Dr. Nancy McCarthy-Snyder    | WSU                            |
| Mr. Joe Yager                | WSU                            |
| Mr. Dane Baxa                | WSU                            |
| Ms. Kate Flavin              | WSU                            |
| Mr. Taylour Tedder           | WSU                            |

## **REAP Special Meeting Minutes December 8, 2011**

Drury Plaza Broadview Hotel  
400 West Douglas Avenue, Wichita, KS 67202-2902  
Mayor Kristey Williams, Chairman

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*In accordance with the REAP Bylaws, REAP Chair, Mayor Kristey Williams of Augusta, cancelled the December Board meeting and requested that a special meeting of the REAP Board be convened in conjunction with the 2011 REAP Policy Summit at the Drury Plaza Broadview Hotel on Thursday, December 8, 2011.*

### **1. Welcome and Introduction.**

Mayor Kristey Williams, City of Augusta, welcomed the members present.

### **2. Special Report of the Executive Committee**

Mayor Williams provided the report of the Executive Committee, noting that the Legislative Committee had utilized input from each of the other REAP committees and Listening Tour to develop the 2012 priorities. She noted that the work plan items and specific budget requests from the committees were also considered. She also noted that the information in the reports had been reviewed by the Executive Committee and recommended that REAP take action to: 1) Adopt the 2012 REAP Legislative Priorities; 2) Endorse the continuance of the REAP Strategic Plan and priorities as identified by the individual committees for 2012; 3) Continue staffing assistance to REAP provided by the Center for Urban Studies, Wichita State University, during calendar year 2012; 4) Enter into contract with Bruno & Associates for legislative liaison to REAP for 2012; and 5) adopt the REAP budgets for calendar year 2012.

Mayor Terry Somers, City of Mt. Hope, (Commissioner Willis Heck, Newton), made a motion to approve the items above. The motion passed unanimously.

### **3. Unscheduled Topics: Board Members**

No unscheduled items were discussed at this meeting.

### **4. Adjournment**

Having no other business the meeting was adjourned.

### **REAP Attendance**

#### *Members/Alternates*

Mayor Kristey Williams, Augusta  
Mayor Harold Smith, Bel Aire  
Mr. Kent Brown, Clearwater  
Mayor Dion Avello, Derby  
Commissioner Chip Westfall, Harvey County  
Commissioner Marge Roberson, Harvey County  
Mr. David New, Haysville  
Commissioner Carol Voran, Kingman County  
Mr. Tom Winters, Kingman County  
Mayor Terry Somers, Mount Hope  
Commissioner Willis Heck, Newton  
Commissioner Jim Nickel, Newton  
Mr. Brian Silcott, Goddard  
Commissioner Brad Dillon, Reno County  
\*Commissioner Dave Unruh, Sedgwick County  
Councilmember Jeff Longwell, Wichita

#### *Staff*

Dr. Nancy McCarthy-Snyder, WSU  
Mr. Joe Yager, WSU  
Mr. Dane Baxa, WSU  
Mr. Taylour Tedder, WSU

*\*Joined via conference call.*

**REAP Board Meeting**  
**January 9, 2012**  
**Item #3 C**

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**Item**

REAP Committee Reports

**Background**

Since the December 8, 2011 Board meeting, the REAP Committees received information or acted upon the issues and projects listed below. Agendas and minutes from the committee meetings are available on the REAP website at <http://www.reap-ks.org>.

**Report of the Executive Committee**

The REAP Executive Committee met on January 4, 2012. The following is a report of various updates on behalf of the Committee:

*REAP Budget for 4th Quarter, 2011*

The Executive Committee is charged to serve as the treasury for REAP, collect all REAP revenues, make disbursements in accord with the budget adopted by REAP, and conduct financial management of REAP assets in accord with REAP fiscal procedures.

Under the agreement with the Center for Urban Studies, Wichita State University, staff support is provided to REAP in calendar year 2009. In accordance with this agreement, REAP will make payments on a quarterly basis to Wichita State University for this support.

The Executive Committee took action to approve payments for the fourth quarter of 2011 to 1) Wichita State University in the amount of \$19,959.25 for REAP staffing; 2) Wichita State University in the amount of \$8,888.75 for Water Resources staffing; 3) Hugo Wall School in the amount of \$9,512.68 for REAP Operating expenses; and 4) Hugo Wall School in the amount of \$4,901.24 for Water Resources Operating expenses.

*Please note that the financials for the 2011 4<sup>th</sup> Quarter are attached on pages 13-16.*

*Kansas Affordable Airfares Program Update*

***Kansas Affordable Airfares Program Fund***

The Executive Committee is charged to administer the Kansas Affordable Airfares Program and assure that all statutory requirements for programming, evaluation, accounting and auditing, financial management, and reporting are met.

*Fiscal Year (FY) 2012 Third Quarter Payment*

In accordance with actions taken by REAP at the July 12, 2010 meeting, the Executive Committee authorized the third release of funding to Sedgwick County on January 6, 2012.

*Report on Financial Status of KAAP*

The following table details the financial records of KAAP for the current fiscal year.

***Fiscal Year 2012 (July 1, 2011 – June 30, 2012)***

|  |                                       | <b>Amount</b>      |
|--|---------------------------------------|--------------------|
| <b>Actual Deposits</b>                       |                                       |                    |
|  | FY11 Carryover                        | \$38,192           |
|  | FY12 Program Operator Match           | \$1,583,333        |
|  | FY12 State Funding                    | \$4,750,000        |
|  | 2011 Interest Earned (as of 11/30/11) | \$1,186            |
|  | 2012 Interest Earned                  | \$0                |
| <i>Total Program Revenues to Date</i>        |                                       | <i>\$6,372,711</i> |
| <b>Program Payments</b>                      |                                       |                    |
|  | FY12 Payment 1 – July 22, 2011        | \$1,583,333        |
|  | FY12 Payment 2 – November 10, 2011    | \$1,583,333        |
|  | FY12 Payment 3 – January 6, 2012      | \$1,583,333        |
|  | FY12 Payment 4 –                      | \$0                |
| <i>Total Program Payments to Date</i>        |                                       | <i>\$4,479,999</i> |
| <b>REAP Administrative Payment (2010-11)</b> |                                       | <b>\$0</b>         |
| <b>Total Remaining Funds to Date</b>         |                                       | <b>\$1,622,712</b> |

***Fiscal Year 2012 Program Updates***

At its regular monthly meeting of July 11, 2011, REAP took action to award a \$4,750,000 grant to Sedgwick County to assure and enhance affordable airfares in Kansas. In accord with state law the grant required a local match of 25 percent, which was received. REAP has made the appropriate transfers of funding to date per previous actions.

In addition, a second proposal was awarded to Garden City in the amount of \$250,000, contingent upon the following:

- 1) Approval by US Department of Transportation on the use of these funds for the purpose of contracting with American Eagle service;
- 2) Approval of the US Department of Transportation to utilize the City of Dodge City EAS funding under the “Alternate Air Service Pilot Program”; and
- 3) Receipt of the local match.

REAP also reserved the right to re-allocate any of these funds prior to June 30, 2012 if any of the required contingencies are not met.

The Executive Committee received a report from Garden City which provided an update on several of the contingencies. It was determined that the contingencies had been adequately met and the committee directed staff to work with the Kansas Department of Commerce on appropriate next steps in requesting funding for Garden City.

***Reporting Requirements Update***

Under Kansas law (House Substitute for Senate Bill 475 and the omnibus appropriation bill, Senate Bill 2968, enacted in the 2006 Kansas Legislature) REAP is assigned authority for administering the Kansas Affordable Airfares Program (KAAP). REAP is required to provide an annual report on activities and progress attained toward achievement of the statutory purposes of

KAAP. Those purposes are: “more air flight options, more competition for air travel and affordable air fares for Kansas.” For the past five years, REAP has provided annual reports to the Kansas Department of Commerce as required.

In fiscal year 2011 legislators requested the Legislative Division of Post Audit to conduct a performance audit on the Affordable Airfares program. On February 8, 2011, the legislative post audit report was released and found the following: “*Overall, the program appears to have had the desired effect. Since Wichita’s original affordable airfare program (FairFares) began in 2002, fares have decreased, while the number of passengers and the number of available flights have increased.*”

The audit also included several suggestions to enhance program performance and financial reporting, which were reflected in the latest report. In addition, the Kansas Department of Commerce requested additional reporting by REAP in response to these findings.

A small group of REAP officials were invited to discuss these requirements with the Secretary of Commerce on January 3, 2012. From this meeting it was determined that additional reporting will be required, including a return on investment (ROI) study. There will also need to be an independent review of the REAP report by yet to be determined third party. According to Commerce the requirements for this legislative session on reporting will utilize the most recent report submitted in July of 2011. The new requirements will need to be implemented for the following session, meaning that a report to the legislature is to be submitted on or before May 1, 2013 utilizing the ROI study and third party verification.

#### *Sustainable Communities Planning Grant Update*

The U.S. Department of Housing and Urban Development (HUD) officially announced that REAP has been awarded a \$1,500,000 Fiscal Year 2011 Sustainable Communities Planning Grant through the Department of Housing and Urban Development (HUD). The grant is meant to be utilized to establish a planning and engagement process to ensure that we develop our own sustainable vision and goals that reflect our unique regional values and identity.

[The official REAP press release can be found here.](#)

[The press release from HUD, including a listing of all the awardees can be found here.](#)

The grant would assist in developing a Regional Plan for Sustainable Development (RPSD) that would be a coordinated plan to foster long-term job creation with adequate infrastructure to affordably access employment and services. The RPSD would provide a framework to ensure the region’s economic competitiveness by focusing on housing, workforce, environmental, economic development, transportation and health issues. Additional information pertaining to this grant is available on the REAP website at: <http://www.reap-ks.org/sustainability2011.html>.

The REAP-led consortium in this grant includes the City of Wichita, as the MSA’s traditional principal city, as well local units of government for Butler County, Harvey County, Reno County, Sumner County, Sedgwick County, and the largest cities in each county: El Dorado, Newton, Hutchinson, and Wellington. Aside from local governments, the consortium also includes the Wichita Area Metropolitan Planning Organization (WAMPO); Wichita State

University's Hugo Wall School of Urban and Public Affairs and the Center for Community Support and Research; Visioneering Wichita; Workforce Alliance and Kansas Workforce One; the Kansas Small Business Development Center; Wichita Downtown Development Corporation; the Kansas Health Foundation; United Way; Independent Living Resource Center; Ponder:Connect Marketing; University of Kansas School of Medicine –Wichita; and Wichita Independent Neighborhoods, Inc. In addition we received partnership support from the Urban League of Kansas; Wichita Hispanic Chamber of Commerce; Healthy Reno County Coalition; Kansas Department of Transportation; Our Local Foods; Sumner County Economic Development Commission; and the Cowley County Housing Authority Serving Sumner and Reno Counties. This consortium accounts for \$813,018 in local matching funds.

Staff is currently in negotiations with HUD regarding the budget and will be working with all of the consortium partners to verify and determine our ability to utilize these funds in an appropriate manner.

### **Report of the Legislative Committee**

The REAP Legislative Committee did not meet in December due to the Policy Summit and Delegation Meeting. The following highlights information from the Committee.

#### 2011 REAP Policy Summit

REAP served as the host of the 2011 South Central Kansas Legislative Policy Summit, held on December 8 in Wichita at the Drury Broadview. More than 90 people attended the half-day event, including 18 state legislators. 17 sponsors joined REAP in providing an educational forum where various partners could come together to discuss key issues that cross traditional political boundaries or ideologies. The following are highlights of the Summit:

- The summit provided a glimpse into the current political landscape through the eyes of some of our legislators, including: *Representative Nile Dillmore (District 92; Representative Reynaldo Mesa (District 123; Senator Ty Masterson (District 16); and Senator Terry Bruce (District 34).*
- REAP was pleased to serve as the first of four public meetings being held around the state on the proposed legislation for 2012 to help promote water conservation that was developed following Governor Brownback's Economic Summit that focused on the "Future of the Ogallala Aquifer" in Colby in July. *Gary Harshberger, Chair of the Kansas Water Authority and the Oogallala Aquifer Advisory Committee; Tracy Streeter, Director of the Kansas Water Office; and Lane Letourneau, Water Appropriations Manager for the Kansas Department of Agriculture, Division of Water Resources* provided an overview of this proposed legislation.
- *Jeremy Hill, Director of the Center for Economic Development and Business Research at Wichita State University* provided a presentation on the value that manufacturing in South Central Kansas creates for Kansans. He was joined by *AJ Anderson, Director of U.S. Commercial Service under the U.S. Department of Commerce* and *John Waltner, County Administrator for Harvey County* to provide their perspectives.
- *Dr. John Tomblin, National Institute for Aviation Research (NIAR)* provided a look into the aviation industry and what NIAR does.
- Presentations have been made available on the REAP website ([www.reap-ks.org](http://www.reap-ks.org)).

### REAP 2012 Legislative Priorities

The following are the adopted REAP legislative priorities for 2012:

- Maintain Kansas Affordable Airfares Program to assure more flight options, more competition for air travel, and affordable airfares for Kansas.
- Advance legislative and administrative action to secure state financial participation in:
  - the Equus Beds Aquifer Storage and Recovery (ASR) Project to preserve the aquifer for agricultural, industrial, and municipal use that is essential to the regional economy.
  - sediment and nutrient reduction programs that protect and sustain the region's public water supplies.
  - aviation research at the National Institute for Aviation Research at Wichita State University.
  - orthopedic research at the Center of Innovation for Bio Orthopedic Research (CIBOR).
- Support a reevaluation of current state water policy including Kansas Water Authority representation; revenue sources and distribution for the state water plan fund; and, the process for adopting the annual state water plan fund budget.
- Promote science-based, common sense policies that protect the safety of the region's water supply; recognizing that the region's job creation potential should not be unnecessarily jeopardized.
- Support research and development efforts regarding renewable energy sources.
- Support a stronger system of business-driven technical training and education in Kansas including enhanced funding support, better alignment and articulation of education and training programs, and transition programs to better serve adult learners.
- Support federal reauthorization of the Workforce Investment Act of 1998 to include maintaining local control through private sector and employer driven Local Workforce Investment Boards.

### South Central Kansas Legislative Delegation Meeting and Reception

REAP was invited to present its 2012 legislative priorities to area legislators at the annual delegation meeting scheduled for January 5, 2012 at the Marcus Welcome Center at Wichita State University. REAP Chair, Mayor Kristey Williams (Augusta) and REAP Legislative Chair, Council Member Jeff Longwell (Wichita) were scheduled to present at approximately 3:10. In addition, REAP again served as a co-host of a reception for elected officials in the region at the conclusion of the delegation meeting.

### Next Legislative Committee Meeting

The next Legislative Committee monthly meeting is scheduled for **Friday, January 27, 2012**. The meeting will be held at 8:00 am at a location to be determined.

### **Report of the Economic Development Committee**

The REAP Economic Development Committee did not meet in December as members were encouraged to attend the Workforce Alliance Board of Directors meeting. The following highlights information from the Committee.

### Workforce Alliance E-News

The WA has created a portal and dissemination of information electronically with the redesign of the website. One of the features allows people to receive notification via email pertaining to the calendar of events and job notifications. In addition there is a feature that allows you to subscribe to electronic versions of the newsletter, press releases, or labor market information. If you are interested please visit: <http://www.workforce-ks.com/index.aspx?page=98>,

### Next Economic Development Committee Meeting

The next Economic Development Committee monthly meeting is scheduled for **Thursday, January 26, 2012**.

### **Report of the Water Resources Committee**

The REAP Water Resources Committee met on December 12, 2011. The following highlights information from the Committee. Additional information and presentations are available on the REAP website: [www.reap-ks.org/water](http://www.reap-ks.org/water).

### Chesapeake Energy Presentation on Fracking

At the December Water Resources Committee meeting there was a presentation on hydraulic fracturing from Mr. Jimmie Hammontree, Manager of Regulatory Affairs, Chesapeake Energy. During the presentation he was able to describe the process of hydraulic fracturing ("fracking"). He described some best management practices for the hydraulic fracturing method and how their company's practices will reduce their impact on the environment. Mr. Hammontree gave the committee a brief look into Chesapeake's operations in Kansas for the coming year. His complete presentation can be found [here](#).

### REAP WRC Hosts Hydraulic Fracturing Webinar Series

On November 17th and December 1st, the Water Resources Committee hosted a webcast series, "Hydraulic Fracturing: Fresh Facts, and Critical Choices," from the Clean Water America Alliance and American Water Resources Association.

Session 1 presented an overview of fracking. Christopher Harto of Argonne National Laboratories, Washington, DC, described the generic process with a focus on correct procedures for drilling and installation of wells, injection of fracking fluids, recovery of natural gas, and methods for disposal of recovered fracking fluids and formation water. Carol Collier of the Delaware River Basin Commission (DRBC) discussed the proliferation of deep natural gas recovery wells in the DRBC, the opportunities and challenges present for residents of the DRBC, and potential positive and negative impacts of proliferation on the management of water and ecological resources in the DRBC. [Click Here](#) for the first session presentation

Session 2 explored the potential footprint on ecosystems as well as safeguards state regulators are using and developing to protect ground water. Kevin Heatley with Biohabitats, Inc., discussed the significant landscape impact that can occur from drilling and fracturing operations and associated infrastructure systems on forests, wildlife, and habitat. Ground Water Protection Council's Mike Paque described efforts of state regulators to protect watersheds and improve

public transparency through the establishment of a national registry on fracturing fluids. [Click Here](#) for the second session presentation.

Session 3 discussed safeguards and concerns of natural gas recovery from deep shale formations as well as an update on EPA activities. Dr. Donald Siegel of Syracuse University discussed the extent of potential natural gas supplies in shale in the United States, and how drilling and recovery can be done safely without impacts to humans or ecosystems if adequate safeguards are employed throughout the process. Dr. Joseph Romm of the Center for American Progress discussed possible impacts on humans and ecosystems if proper techniques for drilling and sealing of wells and recovery and storage/disposal of fracturing fluids and formation water are not in place if accidents occur at any stage of the process. A representative of the U.S. EPA discussed pending studies and research-related activities of the agency. [Click Here](#) for the third session presentation.

#### *Ogallala Aquifer Advisory Committee Legislative Recommendations*

The Governor's 2012 water policy legislation is aimed at promoting water conservation, improving the economy, and creating jobs.

"Without the Ogallala Aquifer, agriculture and all of its related businesses could not be sustained, manufacturing could not continue, recreational opportunities would diminish and the towns in the area would cease to exist," Governor Brownback said. "Our proposed legislation will help to conserve and extend this vital resource so important to our state's economic future."

Based on stakeholder input and the aquifer's advisory committee, the Kansas Water Authority has four recommendations for the 2012 water legislation proposals. They address "use it or lose it" in water rights, conservation plans, additional groundwater Water Banks, and multi-year flex accounts.

The Kansas Water Authority, Kansas Water Office, and the Kansas Department of Agriculture held four public meetings to discuss the recommendations. The press release can be found [here](#).

#### *Next Water Resources Committee Meeting*

The WRC will meet **Monday, January 9, 2012** following the REAP Board meeting.

**REAP Treasurer's Report**

**REAP Expenditures for 4th Quarter, 2011**

| <b>Expenditures</b>                     | <b>Adopted</b>      | <b>1st Quarter<br/>Jan-Mar</b> | <b>2nd Quarter<br/>Apr-Jun</b> | <b>3rd Quarter<br/>Jul-Sep</b> | <b>4th Quarter<br/>Oct-Dec</b> | <b>2010 Year End<br/>Totals</b> | <b>Percentage<br/>Expended</b> | <b>Description</b>                              |
|---|---------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|--------------------------------|---|
| <b>Staffing</b>                         |                     |                                |                                |                                |                                |                                 |                                |   |
| Executive Officer                       | \$71,917.00         | \$17,979.25                    | \$17,979.25                    | \$17,979.25                    | \$17,979.25                    | \$71,917.00                     | 100%                           | Compensation and benefits                       |
| Graduate assistant                      | \$15,951.00         | \$3,987.75                     | \$3,987.75                     | \$3,987.75                     | \$3,987.75                     | \$15,951.00                     | 100%                           | Compensation and benefits                       |
| <i>Staffing Subtotal</i>                | \$87,868.00         | \$21,967.00                    | \$21,967.00                    | \$21,967.00                    | \$21,967.00                    | \$87,868.00                     | 100%                           |   |
| Encumbered Funds*                       | (\$9,431.00)        | (\$2,250.00)                   | (\$3,165.50)                   | (\$2,007.75)                   | (\$2,007.75)                   | (\$9,431.00)                    | 100%                           |   |
| <i>Staffing Contractual Requirement</i> | \$78,437.00         | \$19,717.00                    | \$18,801.50                    | \$19,959.25                    | \$19,959.25                    | \$78,437.00                     | 100%                           |   |
| <b>Operating</b>                        |                     |                                |                                |                                |                                |                                 |                                |   |
| Current office expense                  | \$8,610.00          | \$2,152.50                     | \$2,152.50                     | \$2,152.50                     | \$2,152.50                     | \$8,610.00                      | 100%                           | Computing, telephone, fax, equipment, etc.      |
| Consultation and technical assistance** | \$10,000.00         | \$1,250.00                     | \$1,250.00                     | \$0.00                         | \$5,000.00                     | \$7,500.00                      | 75%                            | Additional assistance through WSU/other         |
| Other operating—general                 | \$6,000.00          | \$621.65                       | \$1,304.74                     | \$864.68                       | \$719.19                       | \$3,510.26                      | 59%                            | Meeting expense, memberships, travel, etc.      |
| Other operating—KAAP                    | \$2,500.00          | \$0.00                         | \$0.00                         | \$0.00                         | \$0.00                         | \$0.00                          | 0%                             | Accounting, auditing, reporting, legal counsel  |
| Legislative liaison                     | \$28,000.00         | \$5,335.43                     | \$4,074.19                     | \$4,292.50                     | \$14,257.72                    | \$27,959.84                     | 100%                           | Topeka-based representation, receptions, travel |
| Project funds                           | \$14,873.00         | \$0.00                         | \$500.00                       | \$2,200.00                     | \$0.00                         | \$2,700.00                      | 18%                            |   |
| <i>Operating Subtotal</i>               | \$69,983.00         | \$9,359.58                     | \$9,281.43                     | \$9,509.68                     | \$22,129.41                    | \$50,280.10                     | 72%                            |   |
| <b>Total<sup>^</sup></b>                | <b>\$148,420.00</b> | <b>\$29,076.58</b>             | <b>\$28,082.93</b>             | <b>\$29,468.93</b>             | <b>\$42,088.66</b>             | <b>\$128,717.10</b>             | <b>87%</b>                     |   |

\* Due to estimates on the contract with Wichita State University there is a substantial carryover in the Fund balances for staffing. These funds have already been expended by REAP and per action taken by the REAP Executive Committee on December 7, 2010 are considered encumbered in 2011. The encumbered funds will be applied at a rate of \$2,707.75 per quarter to accurately reflect the contractual amount. However, it must be noted that a miscalculation on the initial encumbrance is corrected in the 2nd quarter payment. Additionally, due to due to changes to the benefit percentages calculated an amendment to the original amount of encumbered funds was made through Executive Committee action on August 4, 2011.

\*\* REAP entered into an independent contract for Senior Consultant assistance on 4-11-11.

<sup>^</sup> The total reflects the actual expenditures and does not include the encumbered funds.

## REAP Treasurer's Report

### Revenues to Date, 2011

| Revenues                           | Projected        | Received         | Percentage | Description             |
|------------------------------------|------------------|------------------|------------|-------------------------|
| Annual membership assessments      | \$106,311        | \$100,510        | 95%        | Membership dues         |
| Special assessments                | \$0              | \$0              | n/a        | Special assessments     |
| Workforce oversight agreement      | \$16,000         | \$16,000         | 100%       | CEOB oversight duties   |
| Kansas Affordable Airfares Program | \$25,000         | \$3,700          | 15%        | KAAP administration     |
| Other revenues received            | \$2,200          | \$4,273          | n/a        | Other revenues received |
| Carryover funds                    | \$8,340          | \$4,245          | 51%        | Prior-year carryover    |
| <b>Total</b>                       | <b>\$157,851</b> | <b>\$128,727</b> | <b>82%</b> |                         |

*Notes:*

*Other revenues received accounts for interest through 11/30/11.*

*Other revenues received also accounts for sponsorship from the Legislative Policy Summit on 12/8/11.*

*Workforce agreement runs on fiscal year, July 1 to June 30. Request for funds has been made as of 1/3/12 and payment is being processed.*

### 2011 REAP Available Funds

|                                | Total Revenues      | Total Expenditures  | Total Encumbrances  | Total Available Funds | Percentage Available |
|--------------------------------|---------------------|---------------------|---------------------|-----------------------|----------------------|
| <b>2011 to Date (12/31/11)</b> | <b>\$128,727.33</b> | <b>\$138,148.10</b> | <b>(\$9,431.00)</b> | <b>\$10.23</b>        | <b>0%</b>            |

### REAP Banking Account Balances

|                                | Operating          | KAAP               | Water Resources    |
|--------------------------------|--------------------|--------------------|--------------------|
| <b>2011 to Date (12/31/11)</b> | <b>\$19,900.70</b> | <b>\$38,230.88</b> | <b>\$94,456.12</b> |

*\* Balances include interest through 11/30/11.*

**REAP Treasurer's Report**

**Water Resources Expenditures for 4th Quarter, 2011**

| <b>Expenditures</b>                     | <b>Adopted</b>     | <b>1st Quarter<br/>Jan-Mar</b> | <b>2nd Quarter<br/>Apr-Jun</b> | <b>3rd Quarter<br/>Jul-Sep</b> | <b>4th Quarter<br/>Oct-Dec</b> | <b>2011 Year<br/>End Totals</b> | <b>Percentage<br/>Expended Description</b>      |
|---|--------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|---|
| <b>Staffing</b>                         |                    |                                |                                |                                |                                |                                 |   |
| Executive Officer                       | \$48,384.00        | \$12,096.00                    | \$12,096.00                    | \$12,096.00                    | \$12,096.00                    | \$48,384.00                     | 100% Compensation and benefits                  |
| Graduate assistant                      | \$15,951.00        | \$3,987.75                     | \$3,987.75                     | \$3,987.75                     | \$3,987.75                     | \$15,951.00                     | 100% Compensation and benefits                  |
| <i>Staffing Subtotal</i>                | <i>\$64,335.00</i> | <i>\$16,083.75</i>             | <i>\$16,083.75</i>             | <i>\$16,083.75</i>             | <i>\$16,083.75</i>             | <i>\$64,335.00</i>              | 100%  |
| Encumbered Funds*                       | (\$31,390.00)      | (\$8,500.00)                   | (\$8,500.00)                   | (\$7,195.00)                   | (\$7,195.00)                   | (\$31,390.00)                   | 100%  |
| <i>Staffing Contractual Requirement</i> | <i>\$32,945.00</i> | <i>\$7,583.75</i>              | <i>\$7,583.75</i>              | <i>\$8,888.75</i>              | <i>\$8,888.75</i>              | <i>\$32,945.00</i>              | 100%  |
| <b>Operating</b>                        |                    |                                |                                |                                |                                |                                 |   |
| Current office expense                  | \$6,430.00         | \$1,815.00                     | \$1,607.50                     | \$1,607.50                     | \$1,607.50                     | \$6,637.50                      | 103% Computing, telephone, fax, equipment, etc. |
| Consultation and technical assistance** | \$5,000.00         | \$1,250.00                     | \$1,250.00                     | \$0.00                         | \$0.00                         | \$2,500.00                      | 50% Additional assistance through WSU/other     |
| Other operating—general                 | \$7,000.00         | \$191.20                       | \$663.90                       | \$1,031.95                     | \$1,487.95                     | \$3,375.00                      | 48% Meeting expense, memberships, travel, etc.  |
| Legislative liaison                     | \$5,000.00         | \$0.00                         | \$0.00                         | \$0.00                         | \$0.00                         | \$0.00                          | n/a Topeka representation, receptions, travel   |
| Project funds                           | \$15,000.00        | \$1,825.00                     | \$1,587.78                     | \$2,261.78                     | \$1,751.36                     | \$7,425.92                      | 50%   |
| <i>Operating Subtotal</i>               | <i>\$38,430.00</i> | <i>\$5,081.20</i>              | <i>\$5,109.18</i>              | <i>\$4,901.23</i>              | <i>\$4,846.81</i>              | <i>\$19,938.42</i>              | 52%   |
| <b>Total^</b>                           | <b>\$71,375.00</b> | <b>\$12,664.95</b>             | <b>\$12,692.93</b>             | <b>\$13,789.98</b>             | <b>\$13,735.56</b>             | <b>\$52,883.42</b>              | <b>74%</b>                                      |

\* Due to estimates on the contract with Wichita State University there is a substantial carryover in the Fund balances for staffing. These funds have already been expended by REAP and per action taken by the REAP Executive Committee on December 7, 2010 are considered encumbered in 2011. The encumbered funds will be applied at a rate of \$2,707.75 per quarter to accurately reflect the contractual amount. However, it must be noted that a miscalculation on the initial encumbrance is corrected in the 2nd quarter payment. Additionally, due to changes to the benefit percentages calculated an amendment to the original amount of encumbered funds was made through Executive Committee action on August 4, 2011.

\*\* REAP entered into an independent contract for Senior Consultant assistance on 4-11-11.

^ The total reflects the actual expenditures and does not include the encumbered funds.

## REAP Treasurer's Report

### Water Resources Revenues to Date, 2011

| Revenues                      | Projected        | Received         | Percentage Description       |
|-------------------------------|------------------|------------------|------------------------------|
| Annual membership assessments | \$84,400         | \$79,056         | 94% Membership dues          |
| Special assessments           | \$0              | \$0              | n/a Special assessments      |
| Other revenues received       | \$2,200          | \$3,921          | 178% Other revenues received |
| Carryover funds               | \$42,520         | \$43,596         | 103% Prior-year carryover    |
| <b>Total</b>                  | <b>\$129,120</b> | <b>\$126,573</b> | <b>98%</b>                   |

*Notes:*

*The other revenues denotes interest earned on the account through 8/31/11.*

*Other revenues also reflects \$3,525 in registrations and sponsorships for the annual conference.*

### 2011 REAP Water Resources Available Funds

|                               | Total Revenues      | Total Expenditures | Total Encumbrances   | Total Available Funds | Percentage Available |
|-------------------------------|---------------------|--------------------|----------------------|-----------------------|----------------------|
| <b>2011 to Date (9/29/11)</b> | <b>\$126,572.51</b> | <b>\$84,273.42</b> | <b>(\$31,390.00)</b> | <b>\$73,689.09</b>    | <b>58%</b>           |

**REAP Board Meeting**  
**January 9, 2012**  
**Item #3 D**

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**Item**

Reports from REAP Representation on Regional Committees and Organizations

**Background**

REAP strives to be a regional leader through coordination and collaboration by partnering with organizations that help to shape economic development in South Central Kansas.

Due to timing, the normal reports for the Greater Wichita Economic Development Coalition, Mid-Continent Airport Advisory Board, Visioneering Wichita, Wichita Area Metropolitan Planning Organization, and KansasBio are not available. Full reports will be provided next month.

For information or more timely updates on any of the Regional Committees or Organizations please visit their websites:

- GWEDC: [www.gwedc.org](http://www.gwedc.org)
- Mid-Continent Airport: [www.flywichita.com](http://www.flywichita.com)
- Visioneering Wichita: [www.visioneeringwichita.com](http://www.visioneeringwichita.com)
- WAMPO: [www.wampoks.org](http://www.wampoks.org)
- KansasBio: [www.kansasbio.org](http://www.kansasbio.org)

**REAP Board Meeting**  
**January 9, 2012**  
**Item #3 E**

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**Item**

Report of the Chief Executive Officer

**Background**

The REAP Chief Executive Officer submits the following updates and report on relevant information to the REAP organization.

**REAP Assessments for 2012**

In accordance with the REAP Bylaws and REAP Fiscal Procedures, the annual fees for membership are assessed each calendar year and the official population figures used for state purposes, as recorded by the Kansas Secretary of State. Invoices have been forwarded to each member jurisdiction. Members were forwarded a packet that included a letter, invoice for 2012, copy of the 2011 annual report, 2012 legislative priorities, 2012 budget, and 2012 meeting schedule. In addition, a copy of the letter and invoice were forwarded to the manager, administrator, or clerk of each jurisdiction, however, that mailing did not include the other packet information.

**Annual Report**

REAP staff has compiled an official 2011 Annual Report that captures the current organization and highlights from the past year. This document is available on the REAP website, [www.reap-ks.org](http://www.reap-ks.org).

**REAP Meeting Schedule**

Meeting schedules for 2012 are available on the REAP website, [www.reap-ks.org](http://www.reap-ks.org). Please note that the next REAP meeting is scheduled for **Monday, February 13, 2011** at 8:00 AM. The location of the meeting will be at the new **Welcome Center** on the campus of **Butler County Community College, 901 S Haverhill Rd El Dorado, KS 67042**. This meeting will include presentations by the College on training and technical education and representatives of the oil and gas industry with a planned tour of one of the refinery facilities if possible.

**WSU-TV 13 to air 'Kansas In Question' program**

WSU-TV 13 will air a program about the statewide civic leadership symposium at 7 p.m. Sunday, Jan. 8, and 8 p.m. Wednesday, Jan. 11. "Kansas in Question" was sponsored in part by Wichita State, Dec. 5-6 in Wichita. The forum was designed for leaders from all walks of life who are interested in Kansas beyond its first 150 years. Key discussion areas included employment, health, education, environment, and rural and urban issues. WSU 13 also will rebroadcast the program at 7 p.m. Sunday, Jan. 15, 22 and 29, and 8 p.m. Wednesday, Jan. 18, 25 and Feb. 1.