

Water Resources Committee
Regional Economic Area Partnership (REAP)
Meeting Agenda
9:30 a.m., January 9, 2012
Hughes Metropolitan Complex
Mayor Dion Avello, Chairman



I. Welcome and Introductions: Chairman Avello

II. Approval of the Minutes from Dec. 12, 2011 Meeting: Chairman Avello (pg. 2-4)

Recommended Action: Approve or modify minutes as needed.

III. REAP Legislative Liaison Expectations: Dane Baxa (pg. 5-8)

Recommended Action: Define expectations of REAP Legislative Liaison to the WRC for 2012 Kansas legislative session.

IV. Aligning the HUD Sustainability Planning Grant with the WRC: Dane Baxa (pg. 9-11)

Recommended Action: Discuss Water Resources Committee goals that align with HUD Sustainability Communities Regional Planning Grant and recommend work plan objectives.

V. Report of the Executive Officer: Mr. Dane Baxa (pg. 12)

VI. Unscheduled Business Items and Updates

VII. Adjourn

*The next REAP Water Resources Technical Sub-Committee meeting is **Thursday, February 14th** at 3:00 p.m. Location TBD*

*(The next REAP Water Resources Committee meeting is **Monday, March 12, 2012, at 9:30 a.m.** following the full REAP Board Meeting at the **Hughes Metropolitan Complex, 29th and Oliver**)*

REAP Water Resources Committee

8:30 a.m., December 12, 2011
Hughes Metropolitan Complex
Mayor Dion Avello, Chair

I. Welcome and Introductions

Mayor Dion Avello, City of Derby, called the meeting to order. Members, staff, and guests introduced themselves.

II. Approval of the Minutes from the November 7, 2011 Meeting

Mayor Terry Somers, City of Mount Hope, moved (Mr. Larry Mangan, City of Wellington) to approve the minutes from the November 7, 2011 meeting without change. The motion passed unanimously.

III. Approval of the 2012 WRC Work Plan

Mr. Dane Baxa, REAP Water Resources, explained that the WRC work plan is in line with REAP. It is an adaptable, open document. With no further discussion Ms. Susan Erlenwein, Sedgwick County, moved (Mayor Terry Somers) to approve the work plan. The motion passed unanimously.

IV. Approval of the 2012 WRC Meeting Dates

Mr. Larry Mangan moved (Mayor Terry Somers) to approve the 2012 meeting dates without change. The motion passed unanimously.

V. Hydraulic Fracturing Presentation

Mr. Jimmie Hammontree, Chesapeake Energy and Mr. R.J. Wilson, Sandstone Group, gave a presentation about hydraulic fracturing to the committee. Chesapeake is the second largest producer of oil in the United States. Chesapeake Energy currently completed two well in Sumner and Comanche Counties along the Mississippi fault line and is hoping to build more in 2012. During the presentation Mr. Hammontree provided a background of the fracturing process and answered many questions about the use of water as well. The presentation can be found online at <http://reap-ks.org/images/content/files/Chesapeake%20Energy%20Dec2011.pdf> .

VI. Ogallala Aquifer Advisory Committee Legislative Recommendations

Materials covering the Ogallala Aquifer Advisory Committee policy recommendations were noted in the agenda packet and due to a lack of time, the presentation from Ms. Deb Baker, Kansas Water Office, will be postponed to a future WRC meeting.

VII. Report of the Executive Officer

- a. The WRC hosted a three part webinar series on hydraulic fracturing in November and December.
- b. The technical subcommittee met on November 29th, 2011 to discuss the regional water research plan. They discussed a survey to gauge REAP member communities' needs. WRC members were asked to submit any questions for the survey to Mr. Baxa. Members of the WRC discussed postponing the community needs survey, until further understanding of how the sustainability grant would contribute to the goals of the WRC.

VIII. Unscheduled Business Items and Updates

Ms. Kay Johnson, City of Wichita, invited committee members to the 2012 Kansas Energy and Sustainability Conference January 27-28, 2012.

Ms. Kathy Sexton, City of Derby discussed that in the November, 2011 WRC minutes, it was noted that there would be discussion of the REAP legislative liaison at December, 2011 WRC meeting. REAP staff noted that the REAP legislative liaison contract was currently under negotiations, and that the final contract would be brought to the WRC in January to discuss expectations of the Liaison to the WRC during the 2012 legislative session.

IX. Adjourn

Water Resources Committee Meeting Attendance for December 12, 2011		
	<u>Name</u>	<u>Jurisdiction</u>
1	Matt Malone	City of Augusta
2	Bill Keefer	City of Augusta
3	Josh Shaw	City of Augusta
4	Maurice Terrebonne	City of Bel Aire
5	Ellie Skokan	Bel Aire UAC
6	Tim Maier	BPU McPherson
7	Brian Meier	Burns and Mac/ LABAC
8	R.J. Wilson	Chesapeake Energy
9	Jimmie Hammontree	Chesapeake Energy
10	Kent Brown	City of Clearwater
11	Kathy Sexton	City of Derby
12	Dion Avello	City of Derby
13	Herb Llewellyn	City of El Dorado
14	Kurt Bookout	City of El Dorado
15	Don Koci	City of Hutchinson
16	Tom Winters	Kingman Co
17	Deb Baker	KWO
18	Terry Somers	City of Mount Hope
19	Bob Myer	City of Newton
20	Dana Walden	City of Park City
21	Denice Bruce	PEC
22	Jo Oliver	Sedgwick Co
23	Susan Erlenwein	Sedgwick Co
24	Larry Mangan	City of Wellington
25	Hoyt Hillman	Wichita SWAB
26	Lavonta Williams	City of Wichita
27	Dale Goter	City of Wichita
28	Debra Ary	City of Wichita
29	Kay Johnson	City of Wichita
30	Joe Pajor	City of Wichita
31	Dane Baxa	WSU - REAP WRC
32	Kelly Bergeron	WSU
33	Misty Bruckner	WSU
34	Angela Buzard	EFC – WSU
35	Kate Flavin	WSU
36	Joe Yager	WSU – REAP

REAP Water Resources Committee Staff Report

Item

Report on REAP Legislative Process

Background

On November 5, 2011 the Water Resources Committee reviewed the 2011 survey results to bring up work plan items for the WRC 2012. Included in these discussions were potential legislative issues that may impact water resources in South-Central Kansas. Although several items were discussed, two issues were identified as new legislative interests: 1) “Hydraulic fracturing,” regulations and how that process impacts to water resources; and 2) Securing state assistance for sediment and nutrient reduction programs that protect and sustain surface water resources in the region.

The committee also discussed utilizing the REAP legislative liaison to monitor legislative issues that may impact water resources throughout the 2012 session. There were positive comments made to have a legislative liaison monitor and provide assistance to the WRC. The Committee took formal action to approve the 2012 WRC budget without changes, including the use of \$5,000 for a legislative liaison.

Legislative Priorities Identification Process

Based on the discussions of the WRC on November 5, and information from the REAP Listening Tour, REAP staff developed two new legislative priorities. They were forwarded in a message on November 16, 2011 to all WRC members and notified them of the upcoming REAP Legislative Committee meeting, and provided an opportunity for feedback.

On November 18th the REAP Legislative Committee met to discuss the REAP 2012 Legislative Priorities, including the water related items. The Committee discussed and made changes to the water related priority supporting the protection of the region’s ground water supply. There were concerns that although the language was broad, it could be viewed as promoting regulations that hamper economic development relating to the oil and gas industry.

In addition, the Legislative Committee also recommend continuance of Bruno and Associates as the REAP legislative liaison. The contract would be expanded, adding additional water related legislation responsibilities. It was also noted that there had been a question regarding conflict of interest raised by some members of the REAP WRC, however, the Legislative Committee saw no conflict.

A message was sent out on November 22, 2011 to all WRC members containing information with the proposed water related legislative priority recommendations, asking members for comments and feedback before being forwarded to the REAP Executive Committee.

On November 28, 2011 the REAP Executive Committee met to discuss and approve the REAP 2012 Legislative Priorities, as well as the legislative liaison contract. They made additional changes to the water related priority that addresses ground water quality.

The REAP Executive Committee took the recommendation from the REAP WRC to utilize \$5000 from the WRC budget for a legislative liaison, and recommended \$23,000 from the REAP budget for staff to enter into negotiations with Bruno and Associates. The Executive Committee found no current conflict of interest and it was noted that the current contract with Bruno and Associates includes language that protects REAP’s interests, and requires Bruno and Associates to disclose any conflicts of interests if they should arise from any official REAP stance on a legislative issue.

The REAP Executive Committee's recommendations were forwarded to the full REAP board for final approval on December 8, 2011 and were formally passed. REAP staff finalized negotiations with Tom Bruno and have a final contract completed prior to the beginning of the 2012 session which begins on January 9, 2012.

The following are the four REAP legislative priorities that relate to water as adopted on December 8. The first two priorities supporting the reevaluation of the KWA and financial support for ASR are carry-over issues from 2011:

- 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.
- 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.
- 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.

Current Identified Water Related Legislative Issues

Water Right Transition Assistance Program (WTAP)

The purpose of this voluntary, incentive-based water right retirement program is to provide a structured mechanism for the permanent dismissal of irrigation water rights and the reduction of consumptive groundwater use in focused, over appropriated areas. Targeted areas currently approved for the program are the Rattlesnake Creek Subbasin, Prairie Dog Creek Basin, and Groundwater Management District #4 High Priority Areas.

WTAP is designed to achieve significant impact in meeting State Water Plan goals regarding aquifer depletion levels and stream recovery, as well as in maintaining interstate compact obligations and avoiding water right impairment issues. The State Conservation Commission administers the program and Groundwater Management Districts and the Kansas Department of Agriculture Division of Water Resources assist with the implementation.

The Kansas Legislature authorized this program in 2006 as a five year pilot project. The Rules and Regulations of the Water Right Transition Assistance Pilot Project Program (WTAP) were revised in 2008. These are the fundamental changes from the pilot phase statute that are being proposed in 2012:

- Proposes conversion of the WTAP pilot project to a permanent program
- Extends the Historic Consumptive Water Use analysis period from most recent six years (w/ 4 out of 6) to the last 10 years of actual water use (to incorporate rights which have recently been in EQIP or Water Right Conservation Program (or other due and sufficient causes)
- Provides an alternative HCWU formula for owners who have low use because they have been conserving – recent flow rate test times a theoretical pumping period not to exceed a nominal 50 % Net Irrigation Requirement (N.I.R.) for the specific county of the water right application
- Promotes more partial water right retirements to promote the concept of “limited irrigation” being the most cost-effective, economic sustaining activity being recommended by industry and

education research experts. The draft allows partial retirements of quantity without a concurrent “drying-up” of associated place of use because our economists are telling us to let the farmer utilize his entire acreage base and make innovative adjustments to management of the quantity. Our adjustment comes in the reduction of the water right.

More information about the WTAP program, including the pilot authorizing statute and annual legislative reports, on the DOC’s website at <http://www.scc.ks.gov/node/11>

Ogallala Aquifer Advisory Committee Legislation Recommendations

In 2011, Governor Brownback hosted an Economic Summit on the Ogallala Aquifer. Over 400 people attended the summit and at the end of the event, the Governor tasked the Kansas Water Authority (KWA) to establish the Ogallala Aquifer Advisory Committee (OAAC). The OAAC met several times in 2011 to get stakeholder input and discuss policy issues concerning the conservation of the Ogallala Aquifer. The OAAC and KWA developed four recommendations for the 2012 legislative session.

1. Amend appropriation act to eliminate “use it or lose it” for groundwater rights in areas closed to new water right development to protect those rights from unintentional forfeiture.

This will eliminate disincentives to conserve, which is a fundamental step in changing culture of pumping just to save a water right to a culture of conservation.

2. Support legislation to provide a process for proactive conservation plans (LEMAs).

Local Enhancement Management Plans (LEMAs) are proactive, supported by Groundwater Management Districts (GMDs), have corrective measures for conservation that may include water use reductions, and are approved by the Chief Engineer or sent back for changes.

3. Allow development of additional groundwater Water Banks for a market-based program to relocate water use and provide conservation in water short areas.

The Water Bank allows short term leases, movement of groundwater within the Bank, safe deposit accounts for future use, and water conservation. The current statute allows for one water bank, this will allow for more water banks to be established.

4. Amend the multi-year flex accounts to give irrigators expanded capabilities to manage their crop water over a five year period, a useful too when there is limited water.

Flex accounts are currently available but due to program structure and rules they are not often used. This will allow users to match planning for water usage with long term crop and finance decisions.

The legislation recommendations are directly out of the Kansas Water Authority 2012 Annual Report to the Governor and Legislature (pages 16-21). For the complete report from the Kansas Water Authority to Governor, please visit:

http://www.kwo.org/reports_publications/Reports/Rpt_2012_KWA_Rpt_Governor_Legislature.pdf

Aligning the HUD Sustainability Grant with the WRC

History

In May 2010, REAP took action to develop a special sustainability task force that included local units of government, Wichita Area Metropolitan Planning Organization (WAMPO); WSU's Hugo Wall School; Visioneering Wichita; KU School of Medicine, and the Kansas Health Foundation. An official submittal was made on August 23, 2010 and although there was positive feedback the application was not awarded funding.

On June 20, 2011 an advanced notice of funding was announced for the 2011 Sustainable Communities Regional Planning Grant. The REAP sustainability task force was convened on July 15 to review the initial information about the grant, and discussed if the region was capable of being a successful candidate for funding in 2011. The task force agreed that REAP should continue to take the lead on the opportunity and proceed with the grant application. The REAP Executive Committee approved REAP staff to coordinate the sustainability task force and complete the grant application. REAP submitted an application and on November 21st, was awarded \$1.5 million to develop a regional plan for sustainable development.

Structure of Sustainability Grant

- REAP provides policy direction and oversight of Grant
- Sedgwick County serves as Fiscal Agent
- Wichita State Hugo Wall School will contract 2 additional FTE for REAP
- REAP appoints a Consortium Leadership Team (CLT)
- CLT oversees 5 working teams open to anyone to participate
 1. Business Development
 2. Built Environment
 3. Workforce Development
 4. Transportation
 5. Natural Resources

Process and Timeline of Grant Requirements

- First 120 days
 - Receive commitments from consortium partners
 - Assemble Consortium Leadership Team
 - Contract 2 project management staff from Hugo Wall School
 - Finalize HUD negotiations for grant outcomes
- Year 1
 - CLT appoints initial partners and responsibilities to the 5 work teams
 - CLT and work teams will conduct regional engagement:
 - Community sustainability surveys
 - Focus groups
 - Interviews
 - Community meetings
 - Define “healthy community design framework” with regional input
 - Establish preferred regional visions with approval of REAP
- Year 2
 - Based on regional vision, establish goals and strategies through community engagement efforts
 - Identify possible action steps, demonstration projects, and benchmarks to address the identified goals
 - Create draft planning documents for the CLT and 5 working teams
- Year 3
 - Finalize planning documents and assemble Regional Plan for Sustainable Development
 - Adopt final version of a Regional Plan for Sustainable Development by CLT and REAP without any binding commitments for implementation.

Budget

Detailed Description of Budget			
Analysis of Total Estimated Costs		Estimated Cost	Percent of Total
1	Personnel (Direct Labor)	\$ 735,079.92	32%
2	Fringe Benefits	\$ 105,470.47	5%
3	Travel	\$ 43,960.02	2%
4	Equipment	\$ -	0%
5	Supplies and Materials	\$ 54,000.00	2%
6	Consultants	\$ 600,000.00	26%
7	Contracts and Sub-Grantees	\$ 565,154.00	24%
8	Construction	\$ -	0%
9	Other Direct Costs	\$ 133,340.00	6%
10	Indirect Costs	\$ 85,800.00	4%
Total:		\$ 2,322,804.40	100%
HUD Share:		\$ 1,500,000.00	
Match: (as percentage of HUD Share)		\$ 813,018.40	54%
Other HUD Funds:		\$ 9,796.00	

- Personnel includes 2 additional FTE for REAP
- All contracts and sub-grantees are in-kind match
- Consultants are identified as follows:
 - Overall sustainability planning
 - Expertise in planning for:
 - Water
 - Facilitation
 - Scenario Planning

Relevance to the REAP Water Resources Committee

REAP Regional Water Planning Goals (Identified May 2011):

To accomplish developing affordable, abundant, high quality water resources, the WRC will integrate water, wastewater, and storm water planning in a manner that:

1. Aligns long term goals for water quantity and quality in the region.
2. Maximizes water infrastructure efficiencies and utilization of existing water resources.

Current identified REAP WRC regional planning objectives:

1. Align long term goals for water quantity and quality in the region

- a. Develop a “Community Capacity Survey,” that will identify and organize information about specific community’s water resource needs and plans in South-Central Kansas:
 - i. Baseline water resource capacity:
 1. Groundwater availability.
 2. Surface water availability.
 3. Waste-water treatment capacity.
 4. Water quality assessments.
 - ii. Evaluation of water infrastructure needs and attendant long-term cost burdens that are associated with strategies for investments.
 - iii. Local water and wastewater demand forecasts.
 - iv. Long range water supply plans and future water infrastructure investments.
 - v. Identify “Sub-regional,” or potential interconnections between water supplies.

- vi. Status of “Local Source Water Protection Plans.”
- vii. Production Methods and Costs of treating drinking water and treating waste water.
- b. Utilize existing information from previous water planning studies and initiatives:
 - i. Identify, organize, and present relevant water planning information that has already been assembled, to understand the history of existent efforts in the region.
- c. Identify and utilize regional, state, and national resources to align the goals of the WRC:
- d. Continue the development of GIS database of existing and planned water infrastructure investments (Kansas Biological Survey):

2. Maximize water infrastructure efficiencies and utilization of existing water resources

- a. Identify and coordinate Water Resources Committee meetings to discuss WRC member community’s water planning activities that may impact other jurisdictions.
- b. Identify and support water engineering studies and discussions that align with WRC planning goals. Discuss areas of common interests and opportunities for regional collaboration:
 - i. Growth issues that pose inter-jurisdictional challenges and opportunities.
 - ii. Best management practices that maximize energy and water conservation in water, wastewater, and storm water systems.
 - iii. Assessment and implementation of programs and practices to improve water use efficiency and/or appropriately reuse methods for water.
 - iv. Alternatives analyses that evaluate the surface water quality impacts of water, transportation, and housing infrastructure solutions.

Elements of the Sustainability Grant that share common elements with the WRC:

- Align planning and investment resources that mirror local and regional strategies for achieving sustainable communities
- Create regional transportation, housing, **water**, and air quality plans
- Participation on the natural resources work team, which is intended to address water, air, energy, stormwater, waste management, open space, and brownfields
- Funding for consultant expertise in water planning, scenario planning, communication, and facilitation
- Community capacity surveying and outreach that identifies communities’ needs in the region.

Report of the Executive Officer

2012 Water, Wastewater, and Storm Water Rate Survey

REAP staff will begin collecting water, wastewater, and storm water rate information from all member communities. In 2011, the REAP WRC identified storm water rate information as additional pieces of information that would benefit communities, and is now a part of the annual rate survey conducted by REAP. A final report of findings will be made available at the March 12th REAP WRC meeting.

Upcoming Conferences and Training Opportunities

Kansas Water Issues Forum – Just Add Water: Kansas and the Economy

The Kansas Water Office will bring together experts and citizens on **February 29th** in **Wichita** to learn and discuss current topics in water and the related fields of energy, climate, economy and the environment. Just Add Water: Kansas and the Economy will look at water planning, oil and gas development history, trends and potential in Kansas, horizontal wells and fracking and water permitting. Registration will begin February 1st and can be found at www.kwo.org

2012 Kansas Preservation, Energy and Sustainability Conference

The City of Wichita and its partners will host the Kansas Preservation, Energy, and Sustainability Summit & Fair on **January 25-28** at the Century II Convention Center. The conference is the perfect opportunity for you to experience two great conferences for the price of one. Covering a wide range of topics, from spec writing and window restoration to energy efficient gadgets and sustainable landscaping, the 2012 conference has something for everyone.. To register, sponsor, or find out about exhibitor opportunities please visit www.greenwichita.org and look for the conference links.

State Association of Kansas Watersheds Annual Meeting

The State Association of Kansas Watersheds 61st Annual Meeting will take place on **January 19-20** at the Holiday Inn West in Topeka. For more information on registration and the meeting's program please visit: <http://www.sakw.org/index.asp?DocumentID=935>.

Kansas Ground Water Association Annual Convention and Trade Show

The 2012 Kansas Ground Water Association Annual Convention and Trade Show will be held in Hutchinson, Kansas, on **January 19-20** at the Ramada Conference Center. Conference participants will have the chance to meet and see other business and individuals in the water well industry, enjoy conference seminars and workshops, and obtain the 8 hours of Continuing Education units required for a licensed contractor each year. For more information on the conference please email <http://www.kgwa.org/>.

Kansas Natural Resources Conference

The 2012 Kansas Natural Resources Conference will be held in Hutchinson, Kansas, on **January 26-27** at the Airport Hilton. This year's conference is titled Wetlands: The Jewels of Kansas. For more information on the conference and the call for papers please visit: <http://www.kansasnrc.org/>.

2012 Kansas Rural Water Association Conference

The Kansas Rural Water Association will hold their 45th Annual Conference on **March 27-29** in Wichita. Conference registration can be found at <http://www.krwa.net/conference/conference.shtml>.

Upcoming meetings

- *GMD # 2 Regular Board Meeting: January 10*, Halstead, KS (3:00 PM)
- *GMD # 2 Annual Meeting: January 10*, Halstead, KS (7:00 PM)
- *Kansas Water Authority Meeting: January 25 & 26*, Topeka, KS
- *REAP Water Resources Technical Sub-Committee Meeting: February 9*, (3:00 PM), Location TBD