

Approved: Carl Dean Holmes
Date 4-24-96

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Carl Holmes at 3:43 p.m. on March 11, 1996, in Room 526-S of the Capitol.

All members were present except: Representative Joann Flower - Excused

Committee staff present: Raney Gilliland, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Mary Torrence, Revisor of Statutes
Marcia Ayres, Committee Secretary

Conferees appearing before the committee: Cynthia Abbott, Kansas Audubon Council
Darrell Montei, Kansas Department of Wildlife and Parks
Bill Craven, Kansas Natural Resource Council & Ks Sierra Club
Mike Beam, Kansas Livestock Association
Dale Worley, Kansas Department of Administration

Others attending: See attached list

Hearing on Substitute for SB 473: Creating the Kansas nongame and endangered species advisory task force

Cynthia Abbott. Ms. Abbott testified on behalf of the Kansas Audubon Council in support of **Substitute SB 473**. The Council supports re-examining our state Nongame and Endangered Species Conservation Act and its attendant rules and regulations for ways to increase their effectiveness and level of support. (Attachment #1)

Darrell Montei. Mr. Montei of the Department of Wildlife and Parks supported the **Substitute for SB 473** and encouraged the committee to report the bill favorably. (Attachment #2)

Bill Craven. Mr. Craven, legislative coordinator for the Kansas Natural Resource Council and the Kansas Sierra Club, hoped that the **Substitute for SB 473** would be approved in order for the task force to present the 1997 Legislature with some recommendations which would make the state act more voluntary and provide more certainty to landowners as to what is and what is not allowed when a species get listed. (Attachment #3)

Mike Beam. Mr. Beam, executive secretary of the Cow-Calf/Stocker Division of the Kansas Livestock Association, supported the **Substitute for SB 473** and was optimistic this task force can develop improvements to the state endangered species act for the legislature's consideration next year. (Attachment #4)

Chairperson Holmes distributed written testimony provided by Bill Fuller, associate director of the public affairs division for Kansas Farm Bureau, supporting **Substitute SB 473** because it establishes a task force that includes all interests and because a one-year moratorium on listings was agreed to by the Kansas Department of Wildlife and Parks. (Attachment #5)

Questions followed after which the hearing was closed.

Hearing on HB 3064: State agencies; energy and water conservation improvements

Dale Worley. Mr. Worley, administrator for the State Building Energy Conservation Program within the Division of Architectural Services, testified in support of **HB 3064** because he feels it is essential that the leaders in state government prescribe a policy of water conservation efforts in state owned building, not only as wise fiscal management but also to show concern for the conservation of natural resources. (Attachment #6)

Questions followed after which the hearing was closed.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ENERGY AND NATURAL RESOURCES, Room 526-S Statehouse, at 3:30 p.m.. on March 11, 1996.

Action on SB 531: Hazardous waste fees paid by off-site treatment and disposal facilities

Representative Tom Sloan moved that SB 531 be passed out favorably. Representative Don Myers seconded the motion. Discussion followed. The motion carried.

Chairperson Holmes briefed the committee as to ongoing meetings between oil and gas companies regarding a compromise on the cleanup of abandoned wells. This committee had a hearing on **HB 2599** in January of this year but took no action. A bill, which would also have a sand royalty bill tied to it, will be coming out of the Senate Appropriations Committee and may require noon hour meetings for this committee the week after next.

The Chair distributed copies of a March 4, 1996, Time magazine article entitled *Nuclear Warriors* for the committee members to review before the Wolf Creek Nuclear Operating Corporation briefing tomorrow.

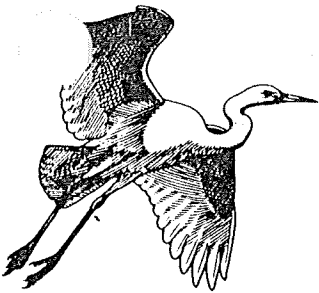
The meeting adjourned at 5:15 p.m.

The next meeting is scheduled for March 12, 1996.

ENERGY AND NATURAL RESOURCES COMMITTEE
COMMITTEE GUEST LIST

DATE: March 11, 1996

NAME	REPRESENTING
JOHN HOLMGREN	MEMBER KS Health Ins Board
Bill Craver	KMC/Siena
Cynthia Abbott	Ks. Audubon Council
JOHN CARTER	SIERRA CLUB
TRUDY ARON	AM INSTITUTE OF ARCHITECTS
DAVE HOLTHAUS	Western Resources Inc
DALE WORLEY	DIV OF ARCHITECTURAL SERVICES
Pat Higgins	DofA
Julie Hein	Aptus
Mike Beam	Ks. LUSTK. ASSN.
Anne Spiess	Ks. Assoc of Counties



Kansas Audubon Council

March 11, 1996

House Energy and Natural Resources Committee
Testimony on Substitute SB 473

Thank you, Chairman Holmes and members of the committee, for giving me the opportunity to appear before you today in support of Substitute SB 473. My name is Cynthia Abbott, and I am here on behalf of the Kansas Audubon Council.

In the late 1960's and early 1970's, it became apparent to a large number of people in our country that we had lost many species of plants and animals and were in imminent danger of losing many more. At the same time, rapid increases in scientific knowledge showed us that humans were interwoven with all other species on Earth through a complex network of energy exchange and nutrient recycling. On a national level, Congress responded and the Endangered Species Act was created and signed into law by Richard Nixon. On a state level, the Kansas Legislature responded and the Nongame and Endangered Species Conservation Act was enacted.

Despite traditionally low levels of funding, these laws have worked to slow or stop, sometimes even to reverse, species decline. They are continuing to work today. The US Fish and Wildlife Service reports that, out of 909 species nationally listed as threatened or endangered as of 1994, more than 41% are stable or improving. In fact, more than 99% of all our endangered species still exist today, a remarkable fact given that they aren't listed until their condition is critical. The bald eagle, in 1974 down to 791 nesting pairs in the lower 48 states, has increased to over 4,000 nesting pairs including several now in Kansas. The peregrine falcon, once almost extinct, has recovered enough to be seriously considered for delisting - and a pair is now successfully nesting in downtown Topeka.

Despite this record of success, it's been approximately 20 years since these laws and regulations were enacted. However well they've been working, it's certainly reasonable to take a look at them and see if they can be improved. Methods of encouraging voluntary compliance, for example, could be strengthened. Any specific concerns and problems that Kansans have encountered need to be heard, and a strong attempt needs to be made to find solutions to these concerns while still maintaining solid threatened and endangered species protection in our state. After all, with 97% of our state's land in private hands, the fate of our threatened and endangered species lies ultimately with private individuals and landowners.

Most of all, we need to remember that the decline of these species to the point where their very existence is endangered didn't happen overnight. Conversely, halting or reversing these declines won't occur rapidly either. Negative situations always seem to be easier to get into than to get out of. Indeed, it is important to keep in mind that, like maintaining one's personal health and well-being, this ultimately isn't a "problem" to be rapidly "cured", but a "level of health" to be maintained or bettered through concern, monitoring, and continual care.

House ENR
3-11-96
Attachment 1

In summary, the Kansas Audubon Council supports re-examining our state Nongame and Endangered Species Conservation Act and its attendant rules and regulations, looking for ways to increase their effectiveness and level of support. With concerns specifically being voiced by agricultural and development organizations, we feel that it is appropriate to join together in a task force, with these groups and with members of the scientific community, to look for mutually acceptable ways to improve threatened and endangered species protection in Kansas based on the best current scientific knowledge. We feel that improvements are always possible, and we look forward to the opportunity to help craft those improvements through creative problem solving and consensus building.



STATE OF KANSAS
DEPARTMENT OF WILDLIFE & PARKS

Office of the Secretary
900 SW Jackson, Suite 502
Topeka, KS 66612
913/296-2281 FAX 913/296-6953



Substitute for S.B. 473

Testimony Provided To: House Energy & Natural Resources Committee

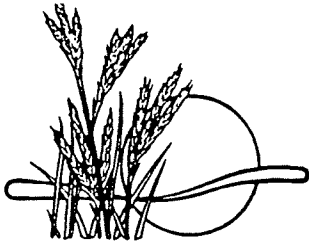
Presented By: Kansas Department of Wildlife & Parks

March 11, 1996

Substitute S.B. 473 creates a 14 member task force to review the Kansas Nongame and Endangered Species Act and to make a report and recommendations concerning the act to the chairperson of both the Senate and House Energy and Natural Resources Committees on or before the start of the 1997 Legislative Session.

The Department supports this bill and encourages the House Energy and Natural Resources Committee to report the bill favorably. The Department will not propose or take action on the listing of any state threatened or endangered species until such time as the task force has completed their charge and the 1997 Legislature has addressed the issue.

House ENR
3-11-96
Attachment 2



Kansas Natural Resource Council

P.O. Box 2635
Topeka, KS 66601-2635

Officers
President
Bill Ward, Lawrence

Vice President
Joan Vibert, Ottawa

Secretary
Ann Fell, Winfield

Treasurer
Art Thompson, Topeka

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Legislative Coordinator
935 S. Kansas Ave.
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Topeka, KS 66612
913-232-1555
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Testimony of Bill Craven
Kansas Sierra Club and
Kansas Natural Resource Council
Sub. for S.B. 473
Endangered Species Act
March 11, 1996

House Energy and Natural Resources Committee

The bad news is that this bill began as an extremely controversial proposal which would have negatively affected the working of the state equivalent of the endangered species act. The good news is that the various groups which are interested in this issue accepted a suggestion made in the Senate committee to appoint a task force to work through these issues. The substitute bill before you accomplishes that goal. The membership of the task force is set forth in the bill and was agreed to at a meeting in my office which was attended by Audubon, Farm Bureau, KLA, and myself. The membership represents a balanced approach with membership and expertise from environmental groups, academic circles, landowner and farming interests. The task force meetings will be open to the public and public comments will be taken.

The task force is charged with the responsibility of recommending suggestions in the law which would make the state act more voluntary and provide more certainty to landowners as to what is and what is not allowed when a species gets listed. These issues have been discussed by several national organizations, and it is my hope that this bill will be approved in order that it can present the 1997 Legislature with some recommendations to consider. I have included brief summaries of possible areas in which recommendations might be made at the end of my testimony.

You should know that the Department has imposed a moratorium on new listings, including the controversial Topeka shiner, until after the work of the task force is completed.

Background on Endangered Species.

This nation's preeminent expert on endangered species, Harvard University biologist E.O. Wilson, estimates that, worldwide, more than 50,000 species die out each year, and that 10 percent of all species now alive will be gone within 25 years. With each extinction, a genetic path billions of years old comes to an abrupt end, and a treasure of genetic information is lost. As Dean Lee explains in his letter, we have learned that ecosystems need the small and the ugly as much as the grand and the beautiful. We have also learned that humans need to learn a little humility to share their land.

Listed species provide a wealth of information for the medical community. The rosy periwinkle, native to Madagascar, which is now extinct except for that which is cultivated, has provided the ingredient which has reduced the mortality rate of childhood leukemia from 95 to less than 10 percent. The Pacific yew tree, which was previously considered a "trash tree" by loggers, now provides taxol, a key ingredient in fighting tumors in breast cancer. Ask a family with a history of childhood leukemia or breast cancer whether there is value in preserving threatened or endangered species. In addition, perhaps half the active ingredients in the current arsenal of modern pharmacy comes from plant and animal ingredients.

Extinction can and does occur naturally, but human activity has significantly increased the background extinction rate, perhaps by orders of magnitude. About 95 percent of the listed threatened species in America are listed due to habitat loss.

The Endangered Species Act at either the state or the federal level represent the first attempts to save the world from ourselves. The acts require agencies to use the best scientific evidence to list all species in danger of extinction as either "threatened" or "endangered" and to develop and carry out plans for their recovery.

House ENR
3-11-96
Attachment 3



Despite the fact that the agency's are backlogged and that the federal and state acts are somewhat clunky, the act is working. At the federal level, of the 962 species listed, 11 have been fully removed from the list. Seven are known to have become extinct and 14 more are feared to be extinct. About 40 percent of the listed species are stable or improving. More than 99 percent of all the listed species continue to exist. That is one of the great successes of the program. The work which awaits us to deal with the species still waiting to be listed should signal an alarm: What are we doing to this planet? Let's work together to make certain that our "reforms" are responsive and are not an over-reaction, much as we would say about a lobotomy proposed as a cure for a headache.

Economic Issues.

There has been considerable overblown rhetoric from the talk shows and the special interest groups about the alleged economic impacts of the endangered species act. The timber industry predicted a loss of several hundred thousand jobs in Oregon because of the listing of the spotted owl. The truth is that the listing cost the industry about 15,000 jobs (many caused by downsizing and the shipping of logs to Japan), but more than 100,000 new jobs were created in other sectors of the state's economy. That kind of tradeoff pales in comparison to the losses of those who work for Kodak, AT&T or IBM.

A 1995 study by MIT compared the economic growth of states to a state's number of endangered species. To the researcher's surprise, he found no correlation, even at the county level. "The evidence is just not there," he wrote, to conclude that the ESA adversely impacts the economy.

At the federal level, approximately 50,000 projects with ESA implications (including private projects that required federal permits), were undertaken between 1976 and 1986. Only 1 percent of those activities were found to have any serious impact on a species, and most of those were allowed to proceed, some with modifications. Since the act was implemented, 118,000 proposed projects were reviewed. Only 33 were blocked.

I testified on the Senate side that I would be pleased to work with anyone in an effort to develop incentives and more flexible programs to administer this act. One can argue that the current law contains too many sticks and not enough carrots. Potential policies which are largely revenue-neutral and which might help defuse some of the opposition to the existing law include:

(1) Voluntary pre-listing conservation agreements. This approach provides more flexibility in land management options, removes an immediate regulatory burden, removes the threat of prosecution for the incidental taking of a listed species, establishes that restoration efforts move from the bottom up, rather from the top down, provides all willing stakeholders are equal partners, promotes participation by the private sector, provides certainty, and makes it possible to address multiple species or issues on a landscape or ecosystem basis.

(2) "Safe Harbor" provisions. Although often exaggerated, we recognize the possibility that the existing law creates a disincentive for landowners to create or maintain habitat favorable to conservation efforts on behalf of listed species. The act, in some cases, would then prohibit the "taking" of a protected species. The federal act has a provision creating a "safe harbor" for landowners who are willing to engage in habitat improvements for endangered species. Landowners who have participated in these plans have been very positive. This arrangement enables landowners to modify habitat for listed species which move into an area, thus allowing landowners to manage land based on their personal objectives. This provision is not appropriate for all species in all locations, but it is an idea which could be the subject of future discussions.

(3) "No Take" provisions. The act should be amended to clearly permit voluntary agreements with the responsible agency for management plans. That way, landowners would have some certainty as to what practices are acceptable on their land.

(4) It is also important to improve communications and guidance from agencies so that affected parties know in advance what is legal and what is not. Technical assistance should be provided especially in response to voluntary requests for information. It is also important to recognize publicly the efforts made by landowners who have improved habitat for listed species.

(5) Property tax credit and income tax deductions. Property taxes are a disincentive to landowners interested in protecting habitat. Even when we are talking about ag land valued under a use value approach, landowners who preserve habitat are treated the same as those who don't.



*A Century of Service
1894-1994*

March 11, 1996

To: House Energy and Natural Resources Committee
Rep. Carl Holmes, Chairman

Re: Substitute for Senate Bill 473

Fr: Mike Beam, Executive Secretary, Cow-Calf/Stocker Division

KLA supported the original SB 473, which proposed a moratorium on listing species as threatened or endangered under the Kansas Nongame and Endangered Species Conservation Act. The bill prohibited the Kansas Department of Wildlife and Parks from listing any species to the state list unless listed first at the federal level. Species are listed currently by rules and regulations and the original SB 473 required more legislative oversight on listings after July 1, 1996.

Our members' concerns with the federal and state endangered species laws are similar to frustrations shared by people in many areas of the country. This frustration is directed primarily towards the interpretation and administration of the act, not necessarily with the objective of conserving plant and animal species. This public outcry has stimulated Congress to place a moratorium on the listing of new endangered species, until the federal act is reauthorized.

Our national affiliate, the National Cattlemen's Beef Association, is a member of the Endangered Species Coordinating Council. This coalition is working with a bipartisan group of legislators to amend the act to balance species conservation with human, economic and social needs and to provide more effective protection of truly endangered species capable of recovery. I'm not confident Congress will take up this issue in the near future. **Perhaps with this substitute bill, Kansans can lead the way in developing a program which conserves animal species and provide incentives for private landowners.**

The Kansas Livestock Association supports this substitute bill and is optimistic this task force can develop improvements to the state endangered species act for the legislature's consideration next year. I'd be happy to respond to any questions or comments. Thank you!

House ENR
3-11-96



MIKE BEAM, Executive Secretary, Cow-Calf/Stocker Division

ESA overhaul underway

State legislation enacting a moratorium on additions to the state's Endangered Species Act (ESA) has initiated a possible reform of laws and regulations protecting threatened species in Kansas. When a legislative committee conducted a hearing on the moratorium proposal, it flushed out the usual interest groups. KLA and other rural landowner types encouraged legislators to pass the legislation. Several landowners representing watershed districts provided impressive and convincing testimony explaining how the state ESA and a small fish called the Topeka Shiner have stifled their soil and water conservation efforts.

Environmental groups, including the Audubon Society and Sierra Club, were adamant in opposing the moratorium. In my opinion, they used the best argument in support of state and federal ESAs. One lobbyist cited how two protected plants on the federal ESA are used now to fight childhood leukemia and breast cancer. And, if we allow plant and animal species to become extinct, what future medical or biological opportunities will be lost?

Perhaps one rancher and KLA member said it best at the hearing. He admitted he did not want to support a moratorium. He understands the purpose of preserving species. The existing law and the way it's enforced, however, left him no choice but to support a moratorium.

Ironically, on the same day of the legislative hearing, the Kansas

Department of Wildlife and Parks (KDWP) Commission was scheduled to vote on a proposal that would designate the Topeka Shiner as a "threatened" species". The commission heard the same arguments as the legislative committee. It surprised many observers when commission members postponed action until April.

In a subsequent meeting before a legislative committee, one prominent Topeka environmental lobbyist offered a proposal to stimulate a complete review of the state ESA. He pledged to meet with groups like KLA to discuss an alternate program designed to preserve species and provide incentives to private landowners. In his words, "The current law does contain too many sticks and not enough carrots."

A KDWP official summed up the issue by saying there seems to be more discontent with the impact of listing a species than with the science used to determine if a species' future is in jeopardy. He also informed the committee his agency would not list additional species to the state list if there was an agreement to study and perhaps overhaul the ESA laws and regulations.

As of late last month, legislative action had not been determined. Will they move forward with a moratorium or ask both sides to report back next year with a proposal to reform our ESA laws and regulations? I am not sure we can afford to pass on this opportunity. At least the pending legislation gives us some leverage for positive changes. ♦



PUBLIC POLICY STATEMENT

HOUSE COMMITTEE ON ENERGY & NATURAL RESOURCES

RE: Sub. SB 473 - Creating the Endangered Species Advisory Task Force

March 11, 1996
Topeka, Kansas

Presented by:
Bill R. Fuller, Associate Director
Public Affairs Division

Chairman Holmes and members of the Committee.

Many farm and ranch members of Farm Bureau in Kansas have expressed concerns about various Threatened and Endangered Species issues over the years.

My name is Bill Fuller. I am the Associate Director of the Public Affairs Division for Kansas Farm Bureau. At the most recent KFB Annual Meeting the 411 voting delegates representing the 105 county Farm Bureaus adopted policy concerning the state listing of endangered species:

- Conduct public hearing
- Expand involvement by agencies with projects that may be impacted
- Prepare economic impact statement
- Review list at least every 5 years

House ENR
3-11-96
Attachment 5

We testified in support of the original SB 473 in the Senate Committee on Energy and Natural Resources. We believe SB 473 would have addressed several of our concerns. However, we enthusiastically support Sub. SB 473 because it establishes a Task Force that includes all interests which has the opportunity to examine the entire endangered species issue and make recommendations to the 1997 Legislature.

A key to our support of Sub. SB 473 was the agreement by the Kansas Department of Wildlife and Parks to place a one-year moratorium on listings until this Task Force meets and develops its recommendations (see attached letter).

Thank You!



STATE OF KANSAS

DEPARTMENT OF WILDLIFE & PARKS

Office of the Secretary
900 SW Jackson, Suite 502
Topeka, KS 66612
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February 22, 1996

Honorable Don Sallee, Chairman
Senate Energy and Natural Resources Committee
Second Floor
State Capitol
Topeka, KS 66612

Dear Senator Sallee:

Recent discussions concerning SB 473, an act amending the Nongame and Endangered Species Conservation Act, have centered on the formation of a task force to review the existing act. As you are aware, the department and other organizations have serious concerns about this bill. However, it is my understanding that the task force review process would be offered as a substitute bill for SB 473. I appreciate the opportunity to provide the following information with respect to the department's position on this review process.

The department believes that a periodic and thorough review of the act constitutes sound public policy. This review would provide a forum for the discussion and resolution of any concerns with the existing act. In addition, the review process and information derived from that process may assist legislators, should they desire to amend the act in the future. It is my understanding that the composition of the task force would include those organizations and individuals described in a letter to you from William J. Craven dated February 15, 1996 (see attached) with the addition of the Kansas Department of Wildlife and Parks and the Kansas Building Industry Association. I would request that one member of the Wildlife and Parks Commission also be appointed to this task force. I believe that the inclusion of the Commission, an advisory and regulatory body appointed by the Governor, is entirely appropriate in order to incorporate task force discussions into their decision-making process on this issue.

In the spirit of cooperation, I would further offer to impose a temporary moratorium on future listings of species until January 31, 1997, giving the task force reasonable time to deliver its recommendations with respect to the act. As we have discussed, the department has no authority with regard to the federal listing process or its ramifications. With regard to the state listing of the Topeka shiner, an action currently before the Wildlife and Parks Commission, I have been informed by the Chairman of the Commission that no action would be taken on this listing until the Commission had an opportunity to review the task force's conclusions. This decision is based on the understanding that the conservation groups represented by the task force participants support this proposal to delay action on the Topeka shiner, and that good faith negotiations between the Department and the affected watershed districts will continue.

I am optimistic that the proposed review process will address public concerns and provide a more widely accepted act that affords protection for those species which are threatened or endangered. If any of the aforementioned conditions are unacceptable to you, please contact me so that we can reconsider this agreement. Please do not hesitate to contact me if you have further questions regarding our position on the proposed task force review process.

Sincerely,



Steve Williams
Secretary

attach.

cc: John Dykes, Chairman, Wildlife and Parks Commission

TESTIMONY REGARDING HOUSE BILL No. 3064

INTRODUCTION

My name is Dale Worley. I have been the administrator for the State Building Energy Conservation Program since February of 1993. I am here to give testimony regarding a proposed amendment to make water conservation a part of our State Building Energy Conservation Program (SBCEP).

THE PROGRAM

Created in 1989, the SBCEP allows state agencies to enter into agreements with the Kansas Development Finance Authority (KDFFA) for the purpose of financing energy conservation improvement projects to state owned buildings VIA the sale of bonds. The total amount of all projects financed may not exceed \$5,000,000 annually.

The agencies financing agreement specifies

- (1) The projected annual energy cost savings for the improvements identified in an engineering analysis of the proposed improvement;
- (2) the estimated cost of the proposed improvement, including planning and financing costs; and
- (3) the estimated time which the savings will commence.

All projects requested for financing are reviewed with the Joint Building Committee on State Building Construction and approved by the director of architectural services. All such financing agreements are subject to the approval of the Secretary of Administration.

There is an account in the state treasury where bond sale proceeds are placed. These funds are transferred to the participating agencies project accounts as project expenditures occur, transferred to the program administration account and to the cost of issuance account

Each year KDFFA certifies to the director of the budget a list of projects financed under the SBCEP along with the amounts identified as energy cost savings in the engineering analysis for each project. The director of the budget deducts appropriate amounts, (not to exceed the amount identified in the engineering analysis), from the budgets of each of the participating agencies to the ECI fund for the purpose of bond repayment.

CASE: EMPORIA STATE UNIVERSITY

Participating in the program since its inception in 1989 ESU has lowered their annual energy intensity from 118 to 101 MBTU/SQFT and their operating cost from \$0.86 to \$0.62 per sq.ft. despite energy cost increases and the addition to their campus of older inefficient total electric buildings. Without sacrificing comfort, (in fact comfort has improved in many areas), the program has allowed ESU to complete CFC phaseout on their campus, to replace aging HVAC equipment, improve lighting levels, and install a campus-wide building automation control and monitoring system.

CASE: WICHITA STATE UNIVERSITY

The program has allowed WSU to replace four chillers ranging in age from 22 to 29 years with new units using environmentally friendly refrigerants. These chillers will effect an annual energy cost savings in excess of \$350,000 and pay for themselves in less than five years and will correct the cooling capacity deficit that the campus has.

CASE: ELDORADO CORRECTIONAL FACILITY

EDCF is currently installing a building automation system which will monitor and control heating and cooling equipment throughout the facility. This will pay for itself in 6 years in energy cost savings. An additional feature is that maintenance staff can troubleshoot equipment problems VIA computer from "outside the fence" saving hundreds of man-hours spent annually processing through the security system.

WATER: AN OVERLOOKED SOURCE OF SAVINGS

Water is becoming an increasingly scarce resource. As the problem worsens the costs will rise. There are other costs associated with water consumption beyond the initial purchase cost. These include the fuel costs for domestic hot water heating systems, chemical treatments for heating and cooling plants, costs associated with improving water quality at laundry facilities and waste water disposal fees. Any technology which can lower consumption and these associated costs should be considered for implementation in our facilities.

There are agencies in the western regions of the state which currently are dealing with a severe water shortage/cost problem. I have had several requests to consider water conservation measures with energy conservation projects funded under the State Building Energy Conservation Program. I have had to deny these requests because the legislation presently does not allow for this utility to be considered. What I seek is a means to fund these efforts through the existing conservation bond program. It should be understood that this revision of the program would allow project funding for existing buildings and their related campus facilities only and would not include any watershed or flood control projects, reservoirs, pipelines, etc....

Most facility managers already apply obvious measures such as low flow shower heads and flow restrictors on faucets. There are other areas where potential savings exist, but at a greater initial cost. Some of these areas are:

LOW FLUSH VOLUME PLUMBING FIXTURES:

Water closet and urinal flushing accounts for between 40 and 70% of a structures water usage. Older toilet fixtures can use from 4 to 9 gallons per flush. There are fixtures available now that use less than 2 gallons per flush.

SELF CLOSING and AUTOMATIC FAUCETS:

These devices eliminate nuisance waste when users fail to turn lavatory faucets off.

NEW TECHNOLOGY WATER TREATMENT SYSTEMS

In cooling towers new technology can reduce water consumption by 40% and improve efficiency by 20% or more. Traditionally tower water has been treated with chemicals to help control biological fouling, scaling and corrosion. Tough new environmental laws have banned some of the more effective chemicals and others are strictly regulated.

Experts indicate that ozone water treatment is 3000 times more effective than chlorine in killing bacteria, inhibits scale and reduces corrosion. This directly results in improved heat transfer efficiency and reduced pumping energy requirements. In commercial laundries ozone can reduce hot water requirements 20-40%, reduce chemical use 35-70%, reduce wash time 25% and reduce rinse water requirements 25%.

Fort Hays State University consumed an annual average of 32,164,000 gallons of water over the past five years at an annual average cost of \$108,000. Add to this the cost of treating boilers and chillers at approximately \$12,000 annually. It is estimated that this could be reduced by 25 to 35% through conservation efforts.

Other agencies of immediate concern include Norton Correctional Facility, Ellsworth Correctional Facility, Hutchinson Correctional Facility, Larned State Hospital and Correctional Facilities and the Kansas Soldiers Home at Dodge City.

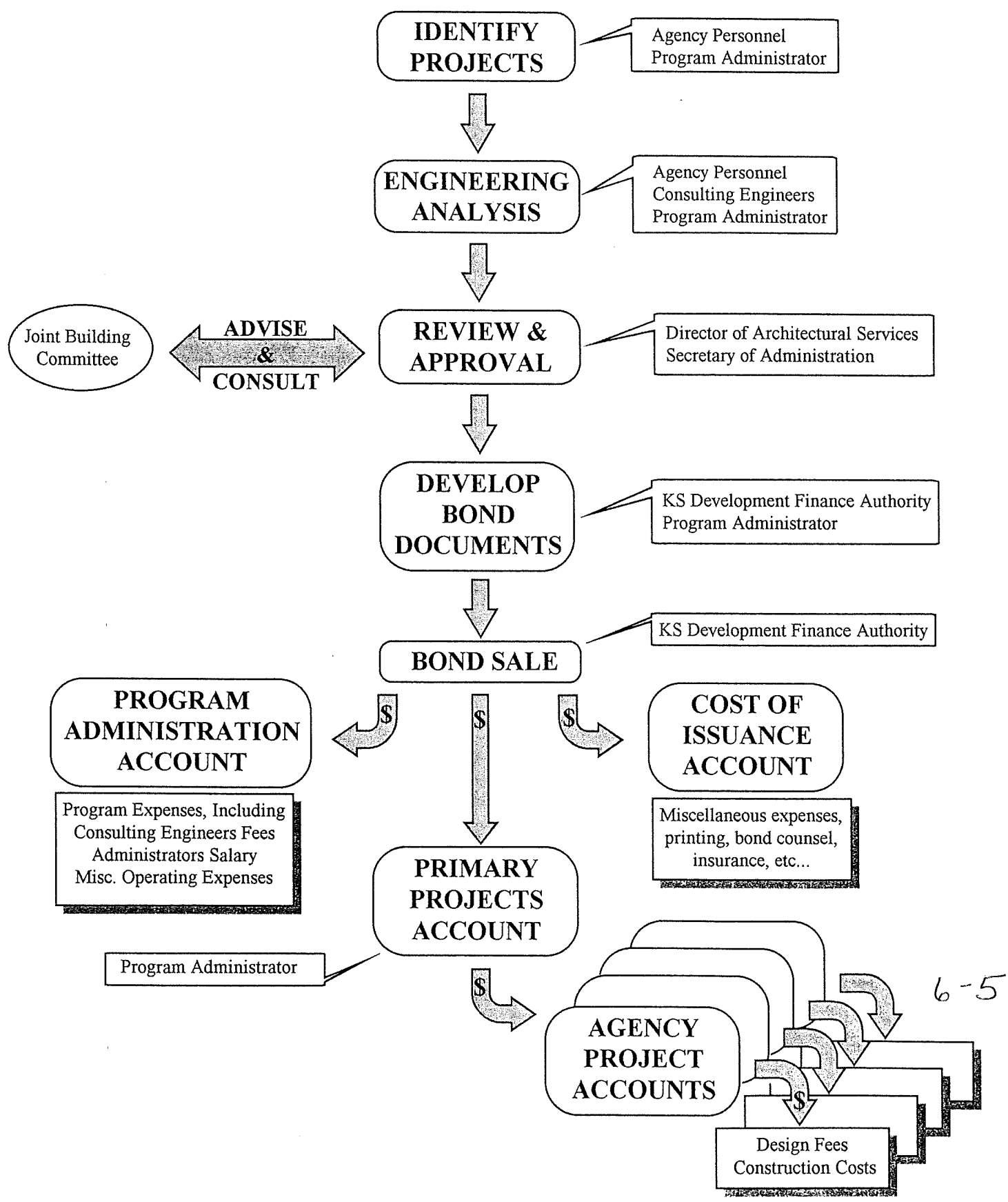
The current statutes limit the total costs of projects (exclusive of finance costs) to \$5,000,000 annually. The last bond issue had a total of \$7,280,000 in project requests. The projects selected for funding are those with the best return on investment. This selection policy will not change. Water conservation projects will have to stand on their own merits and be ranked along with all other projects being considered.

In FY 94 a total of \$2,973,000 was spent by all of the state agencies for water. The majority of this use is in flushing toilets. While this may only represents a small percentage of the total cost of some 48 million dollars spent on utilities in FY94, we can make a difference in this amount.

I believe it is essential that the leaders in state government prescribe a policy of water conservation efforts in state owned buildings, not only would it be wise fiscal management to get ahead of the game before it becomes critical, it would show the citizens of Kansas our concern for the conservation of our natural resources.

6-4

STATE BUILDING ENERGY CONSERVATION PROGRAM PROJECT FUNDING PROCESS



STATE BUILDING ENERGY CONSERVATION PROGRAM BOND PAYMENT PROCESS

