

Approved: 2-12-99
Date

MINUTES OF THE SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES.

The meeting was called to order by Chairperson Senator David Corbin at 8:10 a.m. on February 10, 1999 in Room 254-E of the Capitol.

All members were present.

Committee staff present:

Raney Gilliland, Legislative Research Department
Mary Ann Torrence, Revisor of Statutes Office
Lila McClafin, Committee Secretary

Conferees appearing before the committee:

Senator Don Steffes
Mike Dealy, Manager, Equus Beds Groundwater Management, District #2
M. S. Mitchell, Legislative Chair, Kansas Building Industry Association, Inc.
Charles Benjamin, Kansas Natural Resource Council and Sierra Club-Kansas Chapter
Edward (Woody) Moses, Kansas Aggregate Producers' Association

Others attending:

See attached list.

Chairperson Corbin called for action on the minutes of February 9. With a motion from Senator Pugh and a second from Senator Goodwin the minutes were approved as written.

Fiscal notes on **SB 172** and **SB 176** were distributed, also information from the Department of Wildlife and Parks regarding the deer management population in Kansas (Attachment 1).

The hearing on **SB 176 - Groundwater management districts; relating to certain charges and assessments.**

Senator Steffes said he supported the bill. He said the City of McPherson and southern McPherson County receive water from the Equus beds which are managed by water district #2. This legislation would allow Water District #2 to increase their assessment fees.

Michael Dealy, Manager, Equus Beds Groundwater Management District #2, testified to meet the Equus Beds Groundwater Management District's financial needs for the next millennium, the Board will ask the 1999 legislature to revise the land and water assessment rate limits and create a multi-tier assessment structure (Attachment 2). Mr. Dealy responded to questions.

Sharon Falk, President of Kansas Groundwater Management District Association, her written testimony supporting **SB 176** was distributed (Attachment 3).

M. S. Mitchell, Legislative Chair, Kansas Building Industry Association, Inc. said they opposed this legislation as they believe it will increase building expenses due to the fee charged on sand and gravel. Also it will make it more difficult to expand residential development in the Equus Beds Ground Water Management District, one of the fastest growing areas of the State (Attachment 4). Mr. Mitchell responded to questions. The evaporation issue that was address in HB 2251 in the 1998 session was discussed. Also how the recharging of the Equus beds by skimming the high river flows was discussed.

Woody Moses, Kansas Aggregate Producers' Association, said his association was neutral on the bill.

Charles Benjamin said he supported the legislation as he knew from his years of experience on the Reno County Commission how important the Equus Beds were, and recommended the committee give them any help they could. The hearing on **SB 176** was closed.

The meeting adjourned at 8:08 a.m. The next meeting will be held on February 11, 1999.



STATE OF KANSAS
DEPARTMENT OF WILDLIFE & PARKS

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MEMORANDUM

To: Senate Energy and Natural Resources Committee
House Environment Committee

From: Steve Williams, Secretary

Date: February 2, 1999

Subject: Request for Information - Deer Management

The department recently received a request for additional information regarding estimates of the total deer population living in Kansas. As I described in my briefing and in follow up materials, the department does not rely on total population counts or estimates to manage and control deer numbers in the state. Survey and research costs are prohibitively high to provide a statistically reliable estimate of the deer population. I am not aware of any state that could or does provide a reliable statewide population number.

However, the public and media occasionally requests "some figure" of the number of deer in the state. In order to satisfy that request, we do calculate a rough estimate with no guarantee of its statistical reliability. As I stated, the department relies on "indices" or indicators of population growth, stability, and/or reduction. Currently one of the key indices is the number of deer-vehicle accidents. Even this index is affected by increasing vehicular miles traveled and speed limit increases. For purposes of management, this trend (coupled with harvest data, age structure data, landowner surveys, and damage complaints) clearly indicate a population that is growing and above human tolerance throughout portions of its range.

For purposes of interest only, we would estimate a three year population estimate as follows:

1996	approximately 370,000 deer
1997	approximately 396,000 deer
1998	approximately 424,000 deer

The assumptions are based on a calculated estimate for 1996, a 7% annual rate of increase, and an increased harvest. I hope this provides the information that you requested. Please understand that the difficulty in arriving at these estimates and the actual means used to control deer populations differ. Thank you.

Senate Energy & Natural Resources

Attachment: /

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**Testimony Presented To The
Senate Committee on Energy and
Natural Resources
February 10, 1999
Concerning Senate Bill No. 176**

Prepared by the
Michael T. Dealy, Manager
EQUUS BEDS GROUNDWATER
MANAGEMENT DISTRICT NO. 2

ISSUE - The present land and water assessment rate limits, as set forth in K.S.A. 82a-1030, will not generate sufficient revenue beyond the year 2000 to fund local water protection programs and public services provided by the Equus Beds Groundwater Management District No. 2 (GMD2).

BACKGROUND - Under the authority of the Kansas Groundwater Management District Act, concerned local people founded GMD2 in 1975 to prevent over-development and pollution of the Equus Beds aquifer.

This vital freshwater aquifer underlies an area in portions of Harvey, McPherson, Reno and Sedgwick Counties equivalent to the State of Rhode Island.

The Equus Beds aquifer is the principal source of fresh and usable water in south-central Kansas. Nearly, 500,000 people or 20 percent of the State's population depend on it for their daily needs.

Over 1,600 wells withdraw an average of 51.2 billion gallons from the aquifer annually. Among the three largest users, irrigation is first using 50 percent of the average annual total, municipal use is second with 34 percent and industrial use is 15 percent.

GMD2 is governed by elected officials comprising a nine member Board of

Directors representing municipal, domestic, industrial and agricultural use.

Among its duties and responsibilities, the Board prepares and adopts an annual budget and sets the land and water assessment rates after receiving comments at several public meetings.

The GMD2 does not receive funding from the State general fund.

A special assessment levied on land and groundwater use fund GMD2 water protection programs and services. A limit of 5 cent an acre for land and 60 cents an acre-foot for groundwater was established by statute in 1983.

An assessment payer within the boundaries of a groundwater management district includes any person, municipality and private or public corporation:

- owning a tract of land comprising 40 or more contiguous acres outside the corporate limits of a city, or
- withdrawing or using an amount of one acre-foot or more per year.

After 16 years the present land and groundwater assessment rate limits were reached in the District's 1999 fiscal budget.

However, at the present assessment limits, the larger groundwater management districts can generate up to 10 times the assessment revenues of the smaller districts.

For the 16 year period, the GMD2 budget increased an average of 5.5 percent annually. Sixty percent of the annual increase or 3.4 percent was needed to keep pace with inflation. In terms of dollars, it now takes \$165,000 to equal \$100,000 in 1983.

Adjusting for inflation, the District's actual spending rate was 2.1 percent annually. For the same period, State spending averaged 4.2 percent annually after inflation.

Senate Energy & Natural Resources

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Since 1983, GMD2 customer service has grown by 500 percent; water quality monitoring expanded by 400 percent and data collection grew by 600 percent.

Customer service records show that 20,633 requests for water protection services were processed by GMD2 staff since 1985. Service requests averaged 1,474 requests per year for the period and experienced an annual average growth of 15 percent a year.

To meet the Equus Beds Groundwater Management District's financial needs for the next millennium, the Board will ask the 1999 legislature to revise the land and water assessment rate limits and create a multi-tier assessment structure.

The assessment limits for larger groundwater management districts would stay at current levels. New rate limits for smaller districts would be established at 8 cents an acre for land and 98 cents an acre-foot for water.

The revised rate limits would affect two of the five groundwater management districts having an area smaller than 1.5 million acres and annual groundwater withdrawals of less than 750,000 acre-feet.

The proposed limits would provide sufficient revenue to fund local water protection programs and services into the next decade.

Assuming a 3.5 percent inflation rate and a 1.0 growth in water protection programs and services, it is projected the proposed assessment rate limits would be reached in GMD2 fiscal 2005 budget.

Based on projected land and groundwater assessment bases the proposed limits would generate up to \$325,000 in 2005, an increase of \$85,000 compared to GMD2 fiscal 1999 budget of \$240,000.

The Kansas Groundwater Management Districts Association supports the proposed bill and the

financial relief to the smaller groundwater management districts.

BILL BRIEF - The proposed bill would restructure the present assessment rate limits for assessing groundwater withdrawals and land within the boundaries of a local groundwater management district. Changing the single rate structure to a multi-tier structure based on a groundwater management district's annual groundwater withdrawal and land area.

The bill would allow smaller districts, having an annual groundwater withdrawal equal to or less than 750,000 acre-feet, to levy a water user charge not to exceed 98 cents per acre-foot or 0.30 cent per 1,000 gallons pumped.

The assessment limit of larger district's having an annual withdrawal greater than 750,000 acre-feet would remain at the present limit of 60 cents per acre-foot or 0.18 cent per 1,000 gallons.

The bill would allow the board of a groundwater management district to assess landowners up to eight cents an acre in district's having an area of 1.5 million acres or less. In districts having an area greater than 1.5 million acres the limit would remain at the present rate of five cents an acre.

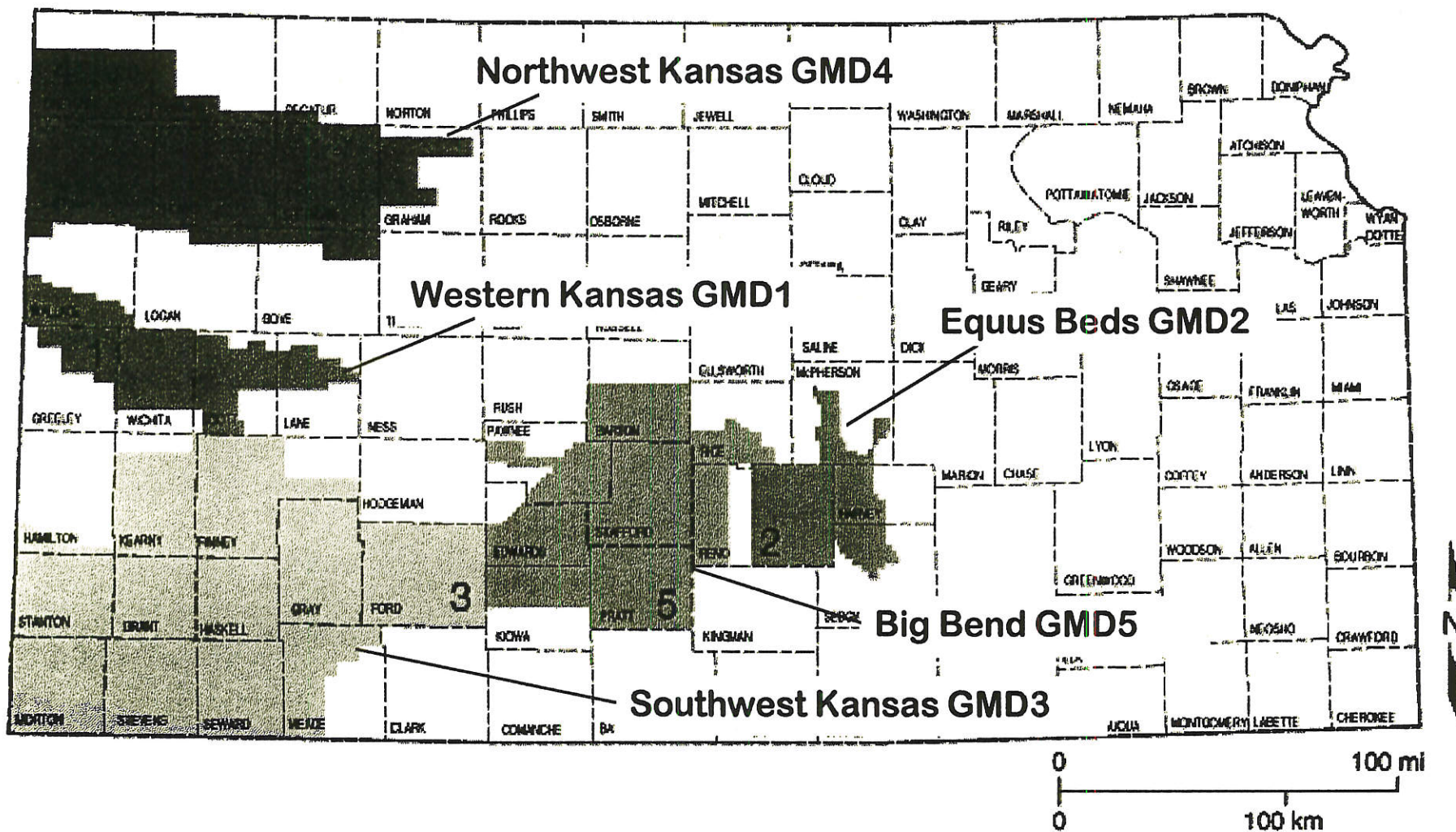
The bill would repeal K.S.A. 82a-1030(a), the section of the current law that provides for a single rate limit for land and groundwater in all five groundwater management districts.

The provisions of the bill would be a part of and supplemental to the Kansas Groundwater Management Districts Act.

The bill would become effective upon publication in the Kansas Register.

Kansas Groundwater Management Districts

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2.

Statement by:
Sharon Falk, President
Kansas Groundwater Management District Association
To The
Senate Committee on Energy and Natural Resources
February 10, 1999
Regarding Senate Bill No. 176

Chairman Corbin and committee members, on behalf of the Kansas Groundwater Management District Association, I thank you for the opportunity to submit the following comments.

The Kansas Groundwater Management District Association supports Senate Bill No. 176. These proposed amendments to the Groundwater Management District Act will create a two tiered assessment structure which is necessary for proper water management in Groundwater Management Districts having a small land and water assessment base.

The Five Kansas Groundwater Management Districts have made great strides in the protection of our State's groundwater resources through the development of locally tailored water management programs. These programs have been instrumental in achieving the objectives set forth in the Groundwater Management District Act. Maintenance of existing water protection programs and the development of future programs will be restricted if the necessary adjustments are not implemented.

It is essential these revisions be made in the assessment rate structure if the Districts are to keep up with inflation and the operational costs associated with the various water protection programs.

Again, as representative for the Kansas Groundwater Management District Association, thank you for the opportunity to submit these comments.

Senate Energy & Natural Resources

Attachment: 3

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SENATE COMMITTEE
ENERGY & NATURAL RESOURCES

SB 176

February 10, 1999

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

My name is M.S. Mitchell, Legislative Chair for the Kansas Building Industry Association, and I appear today in opposition to SB 176 on behalf of the approximately 1400 members of the KBIA.

Our opposition to this piece of special legislation is based on our belief that a 160% increase in fees will raise the cost of construction materials due to the fee charged on sand and gravel operations and the additional tax upon the land which is also paid by the sand and gravel and residential development industry. All in all, it will provide additional funding for what the building industry considers to be overregulation aimed at making it more difficult to expand residential development in the Equus Beds Ground Water Management District, one of the fastest growing areas of the State. It will increase the cost of water to all customers in the Wichita water system.

Thank you for your consideration of our position on this issue.

Senate Energy & Natural Resources

Attachment: 4

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