

MINUTES OF THE SENATE NATURAL RESOURCES COMMITTEE.

The meeting was called to order by Chairman Robert Tyson at 8:08 a.m. on February 15, 2002 in Room 423-S of the Capitol.

All members were present except: Senator David Corbin - excused
Senator Christine Downey - excused
Senator Dwayne Umbarger - excused

Committee staff present: Raney Gilliland, Legislative Research Department
Lisa Montgomery, Office of Revisor of Statutes
Deborah McIntire, Committee Secretary

Conferees appearing before the committee:
Whitney Damron, Kansas Sport Hunting Association and Flint Oak Ranch, LLC
Kenneth L. Corbet, Ravenwood Hunting Preserve and Sporting Clays
Keith W. Houghton, Owner of Ringneck Ranch and President of Kansas Sports Hunting Association
Clint Riley, Department of Wildlife and Parks
Representative Jerry Henry
Senator Ed Pugh
Jeff Weatherly, Environmental Engineer, Atchison Steel Casting and Machining
Bill Bider, Director, Bureau of Waste Management
Steve Miller, Senior Manager, External Affairs, Sunflower Electric
Woody Moses, Managing Director, Kansas Cement Council

Others attending: See attached list

The meeting was called to order by Chairman Robert Tyson. Chairman Tyson opened the hearing on **SB 504**.

Chairman Tyson asked Raney Gilliland (Legislative Research Department) to explain **SB 504** and the effect of striking the language concerning the sunset provision.

The first conferee and proponent was Whitney Damron (Attachment 1). In addition to his written testimony, he provided a booklet titled *Safe Hunter Instruction and Review* (on file in the office of Legislative Research).

The second conferee and proponent was Kenneth L. Corbet (Attachment 2).

The third conferee and proponent was Keith W. Houghton (Attachment 3). Questions and discussion followed.

The fourth conferee was Clint Riley who stated that although KDWP did not oppose the bill, it had reservations about lifting the sunset provision. (Attachment 4). Questions and discussion followed.

Senator Oleen requested that the exemption privilege be extended another 2-3 years, at which time it should be revisited. Chairman Tyson noted Senator Oleen's request.

Chairman Tyson declared the hearing on **SB 504** closed.

Chairman Tyson opened the hearing on **SB 519**. He asked Raney Gilliland to explain the bill.

Raney Gilliland stated that the bill is similar to **HB 2686** presently before the House Environment

CONTINUATION SHEET

MINUTES OF THE SENATE NATURAL RESOURCES COMMITTEE at 8:08 a.m. on February 15, 2002 in Room 423-S of the Capitol.

Committee. The issue being addressed is the amount of fees being paid to KDHE on industrial waste and that there is quite a wide range. He believed that the proponents of **SB 519** would be presenting a proposed substitute based on the proposed substitute to **HB 2686**.

The first conferee and proponent, Representative Jerry Henry stated that the proposed substitute for **HB 2686** is the same proposal being made at this time to **SB 519**.

The second conferee and proponent, Senator Ed Pugh presented additional background information concerning the proposal.

The third conferee and proponent was Jeff Weatherly, (Attachment 5). Questions and discussion followed.

The fourth conferee and proponent was Bill Bider (Attachment 6). Questions and discussion followed.

The fifth conferee and opponent was Steve Miller (Attachment 7).

The sixth conferee and opponent was Woody Moses (Attachment 8). Questions and discussion followed; however, since time had run out, Chairman Tyson continued the hearing on **SB 519** to February 22, 2002.

Written testimony was provided by Joe Dick, Regulatory Specialist for Kansas City, Kansas, Board of Public Utilities (Attachment 9).

Senator Huelskamp moved that the minutes from the February 4, February 5, February 7, and February 8 meetings be approved, seconded by Senator Schmidt. The motion carried.

The meeting adjourned at 9:07 a.m.

The next meeting is scheduled for February 21 at 8:30 a.m.

**SENATE NATURAL RESOURCES COMMITTEE
GUEST LIST**

DATE: February 15, 2002

NAME	REPRESENTING
Doug Smith	Kansas Academy of Physician Assistants
Steve Johnson	Kansas Gas Service
Ken Barone	Hein law firm
Steve	Law's Office
Robin Jannison	K's Sport Hunting Assn.
Debra Hughes	KSMA
WAYNE PENROB	Sunflower Electric
KEITH R LANDIS	CHRISTIAN SCIENCE COMMITTEE ON PUBLICATION FOR KANSAS
Bill Bider	KDHE
Joe Fund	KDHE
Woody Moses	Kansas Comm. Council
Clint Riley	KDWP
Mike Hayden	KDWP
Janey Henry	St. Rep.
JEFF WEATHERLY	ATCHISON STEEL CASTING & MACHINING
Steve Miller	SUNFLOWER Electric Power Corp
Ken Corbet	RAVENWOOD LODGE
Whitney Dameron	Sport Hunting Association
MARK SCHREIBER	Westar Energy
KEITH HOUGHTON	KANSAS SPORTS HUNTING ASS

WHITNEY B. DAMRON, P.A.
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TESTIMONY

**TO: The Honorable Bob Tyson, Chairman
And Members Of The
Senate Committee on Natural Resources**

**FROM: Whitney Damron
One Behalf Of The**

- **Kansas Sport Hunting Association**
- **Flint Oak Ranch, L.L.C.**

**RE: SB 504 An Act Concerning Hunter Education; Controlled
Shooting Areas**

DATE: February 13, 2002

Good Morning Mr. Chairman and Members of the Senate Committee on Natural Resources. I am Whitney Damron and I am pleased to appear before you this morning on behalf of the Kansas Sport Hunting Association (KSHA) and Flint Oak Ranch, L.L.C. With me this morning is the President of the Kansas Sport Hunting Association (KSHA), Mr. Keith Houghton, the owner of the Ringneck Ranch located near Tipton, and the Vice President of the KSHA, Mr. Ken Corbet, the owner of Ravenwood Hunting Preserve and Sporting Clays, located southwest of Topeka. Also here today is Mr. Robin Jennison, who also represents the KSHA.

The KSHA is a not-for-profit association of hunting service providers, including controlled shooting area owner/operators, guides and gamebird producers.

Senate Natural Resources Committee

Date 2-15-02

Attachment # 1

Flint Oak Ranch, L.L.C., is considered to be one of the finest hunting and sporting clays facilities in the United States and is located near Fall River, Kansas. Flint Oak Ranch is also a member of the KSHA.

By way of history, the 2000 Legislature approved legislation authorizing Controlled Shooting Areas (CSA) to allow their clients to participate in hunting activities on their property without having first completed an approved hunter safety course (HB 2762). That change in state law included a sunset provision to allow the Legislature to revisit this issue and review the safety record of CSA's. That authority (sunset provision) is scheduled to expire on June 30, 2002. We believe the sport hunting industry has demonstrated a remarkable record of safety and has responsibly implemented this change in state law, thereby supporting our request to simply eliminate the sunset provision altogether.

Prior to the enactment of HB 2762, under Kansas law, everyone born on or after July 1, 1957 had to have successfully completed a hunter safety course approved by the Kansas Department of Wildlife and Parks prior to hunting in our state (K.S.A. 32-920). This requirement created problems for CSA's that seek to attract clients from both Kansas and beyond, including a frequent clientele from outside the United States. Since all states are different in this regard, oftentimes a CSA operator had to tell a customer they could not hunt in Kansas at their facility, even if they were an experienced hunter and could lawfully hunt in their home state or country. Furthermore, given the minimum hour requirements for an approved hunter safety program, there was no reasonable way for a CSA operator to "qualify" a prospective hunter and provide a hunting experience on the same day even if they could find a willing hunter safety instructor to give a class. (K.S.A. 32-921 requires a hunter safety program to be a minimum of ten hours of training).

For those of you who have a hunter safety card or are familiar with the courses taught in Kansas, you know that most are typically taught over a several day period and cover hunting safety, conservation, archery and other outdoors issues. Actually shooting a gun is not required for passage of these courses.

Prior to the changes made in 2000, CSA operators had suggested an amended hunter safety program that would have allowed the CSA operator to insure the safety of their customers in the field – perhaps a shorter class or allow CSA operators to give classes tailored to hunting experiences at their particular facilities. Rather than change current hunter safety programs, the requirement for hunter safety licensure was removed altogether in 2000 for those desiring to hunt.

These changes made in 2000 do not mean CSA's have provided access for inexperienced hunters to circumvent hunter safety laws. To the contrary, most, if not all have developed their own hunter safety programs to insure safety for participants, employees and, perhaps most importantly for some people, their hunting dogs. The Kansas Sport Hunting Association has been a leader in this regard, providing a recommended training course for CSA customers. I have reproduced a copy of the Safe Hunter Instruction and Review training document for your review and information, which is disseminated by the KSHA and utilized by many of its members.

The term "Controlled Shooting Area" is not an inappropriate description of these establishments. The owners of these properties closely monitor their customers' activities. Traditionally hunters are segregated into small groups, generally with guides who closely monitor the hunt for safety concerns. It is in the best interests of all parties concerned for safe hunters and CSA operators are simply not going to provide services to their customers in an unsafe manner.

In addition to my written testimony, I have also included a copy of a letter we received from Flint Oak Ranch regarding their experience with this statute during the past two years. You will see from their comments they have had tremendous success with their own hunter safety program and take safety very seriously at Flint Oak Ranch.

Finally, several years ago I looked at hunter safety numbers for Kansas. At that time, the most recent numbers available from the Kansas Department of Wildlife and Parks for Kansas were as follows:

2.36 accidents per 100,000 hunting days (1,861,000 hunting days in 1994)

1.47 accidents per 100,000 hunting days (1,432,000 hunting days in 1995)

1.77 accidents per 100,000 hunting days (1,300,000 hunting days in 1996)

Other information I received from the Kansas Department of Wildlife and Parks showed a total of 25 accidents in 1998, which included one fatality.

From graphs available from the Department, there appears to have been 21 accidents in 1999.

In 2000, there were 19 hunting accidents, with no fatalities.

I would also note the information available from the Department does not distinguish between those who were involved in accidents that had taken an approved hunter safety course and those that were involved in such accidents that had not taken an approved course.

Any accidents involving hunting and a firearm are too many. However, the record clearly shows that hunting in Kansas is an extremely safe activity. The Controlled Shooting Areas in Kansas have demonstrated an excellent safety record for their operations. As a result of the experience we have seen during the past two years since the passage of HB 2762, we believe it is appropriate to remove the sunset provision of this statute altogether.

I think Mr. Wayne Doyle, the Kansas Department of Wildlife and Parks Hunter Education Coordinator, said it best in his 1999 Hunting Accident Report to Kansas Hunter Education:

“...Hunting is safe and just keeps getting safer. No matter how you figure the accident rate it is still lower than just about any other form of outdoor recreation...”

On behalf of the Kansas Sport Hunting Association, Flint Oak Ranch and their customers, we ask for your favorable consideration of SB 504.

I would be pleased to stand for questions. Thank you.

Attachments

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Kansas Hunting Accidents Summary

YEAR	ACCIDENTS	FATALITIES	PHEAS/QUAIL HUNTER DAYS	ACCIDENT RATE (accidents /100,000 days)
1962	31	5	968,000	3.20
1963	37	5	946,000	3.91
1964	25	2	1,157,000	2.16
1965	30	5	1,088,000	2.76
1966	37	5	1,537,000	2.41
1967	43	4	1,253,000	3.43
1968	31	7	1,361,000	2.28
1969	50	7	1,511,000	3.31
1970	46	4	1,507,000	3.05
1971	40	3	1,373,000	2.91
1972	46	3	1,598,000	2.88
1973	30	3 $\bar{x} \uparrow = 4.82$	1,556,000	1.93 $\bar{x} \uparrow = 3.11$
1974	30	3 $\bar{x} \downarrow = 1.58$	1,680,000	1.79 $\bar{x} \downarrow = 2.38$
1975	42	3	1,613,000	2.60
1976	50	3	1,570,000	3.18
1977	53	3	1,487,000	3.56
1978	62	1	2,035,000	3.05
1979	34	1	1,655,000	2.05
1980	40	1	1,575,000	2.54
1981	58	3	1,906,000	3.04
1982	36	1	2,220,000	1.62
1983	50	3 $\bar{x} \downarrow = 1.26$	1,873,000	2.67 $\bar{x} \downarrow = 2.40$
1984	32	0	1,168,000	2.74
1985	38	2 $\bar{x} \downarrow = 1.23$	1,234,000	3.08 $\bar{x} \downarrow = 2.35$
1986	31	2	1,651,000	1.88
1987	38	0 $\bar{x} \downarrow = 1.07$	1,608,000	2.36 $\bar{x} \downarrow = 2.32$
1988	51	2	1,661,000	3.07
1989	56	3 $\bar{x} \downarrow = 1.11$	1,498,000	3.74 $\bar{x} \downarrow = 2.73$
1990	41	2	1,658,000	2.47
1991	36	1	1,607,000	2.24
1992	21	0	1,335,000	1.58
1993	35	2	1,613,000	2.17
1994	44	0	1,861,000	2.36
1995	21	1	1,432,000	1.47
1996	23	0	1,300,000	1.77
1997	27	1	(Not available)	(Not available)



· FLINT · OAK ·

RR 1, Box 262 Fall River, KS 67047-9515 (620) 658-4401
Fax (620) 658-4806

February 8, 2002

Mr. Whitney Dameron
1100 Mercantile Bank Tower
800 S.W. Jackson Street
Topeka, KS 66612-2205

Dear Whitney,

During the 2000/2001 hunting season, Flint Oak administered 174 Hunter Safety courses to out of state guests who did not realize the Kansas Hunter Safety requirements (2 of these guests did not pass).

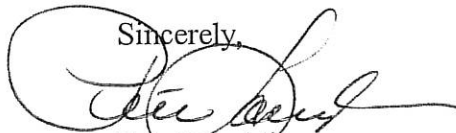
Thus far in the 2001/2002 hunting season, Flint Oak has administered 112 Hunter safety courses to guests.

Some observations:

1. Flint Oak has not had an accident since administering the hunter safety program.
2. Many of our corporate members require all of their guests to take the course regardless if they have taken a course before in their own state.
3. The course is, and is administered, serious enough that some guests realize they are not qualified to hunt safely. So they decide not to hunt.
4. We have not had the extremely disappointed guests (often irate) who come to Kansas and could not hunt.
5. Our insurance underwriters have reviewed this program and were very pleased as they saw it as reducing risk.

I have enclosed a copy of the Hunter Safety manual used by the Kansas Sport Hunting Association. I am sure next season the manual will be reviewed for improvements.

Sincerely,



Pete Laughlin

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TESTIMONY

TO: The Honorable Bob Tyson, Chairman
And Members of The
Senate Committee on Natural Resources

FROM: Kenneth L. Corbet
Owner of The
Ravenwood Lodge
Shawnee County, KS

RE: SB 504 An Act Concerning Hunter Education; Controlled
Shooting Areas

DATE: February 15, 2002

Good Morning, my name is Ken Corbet. I am the owner of Ravenwood Lodge located in Southwest Shawnee County about 20 minutes from Topeka. We are in our seventeenth year of operation. Some of the ground we hunt and farm today has been in our family since the 1860's. I believe that hunting could be to Kansas what Pike's Peak is to Colorado. A travel and tourism study in Georgia stated that a single Bob White Quail was worth \$208 in revenue to industry in the State. Kansas is setting on a goldmine of economic possibilities when it comes to hunting and outdoor recreation.

I am here to testify in support of SB504. This minor change of eliminating the sunset provision will continue to allow out of state hunters and world visitors here on business or recreation to enjoy our states great hospitality and hunting experience.

I hope you agree and would like to see tourism and tax dollars come to Kansas. I urge your support of SB 504.

Sincerely,

Kenneth L. Corbet

Senate Natural Resources Committee
Date 2-15-02

Attachment # 2



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KEITH and DEBRA HOUGHTON
HOUGHTON RANCH

H.C. 61, Box 7
Tipton, Kansas 67485
Telephone (785) 373-4835

February 15, 2002

To: The Senate Committee on Natural Resources

Dear Sir/Madam:

As President of the Kansas Sport Hunting Association representing 150 plus Kansas hunting services and organizations, I would like advise the committee that we support Senate Bill 504, which will continue to allow us to accept international guests that have no practical way to complete traditional hunter safety certification.

We would add that this provision allows guests to only participate within the confines of CSA operations, and we would still like to explore alternative delivery methods of hunter safety training & international reciprocity. As proprietor of Ringneck Ranch, Inc., a licensed Controlled Shooting Areas near Tipton that has completed over 2,000 hunter days each of the last two seasons, I know that this measure will continue to enable international guests who presently have no practical way to obtain hunter safety certification to participate in hunting in Kansas.

The exemption of the last two years has allowed our businesses and member organizations to accept guests that we previously were not permitted to accommodate. This exemption should be continued for its substantial economic benefit to CSA operators and Kansas Tourism.

Thank you for your time and attention to this matter. I am gladly available to answer any questions you may have about the effects of SB 504 upon our industry.

Sincerely yours,

Keith W. Houghton, President
Kansas Sport Hunting Association
Ringneck Ranch, Inc.

KsSB504comm.doc

Senate Natural Resources Committee

Date 2-15-02

Attachment # 3



STATE OF KANSAS
DEPARTMENT OF WILDLIFE & PARKS

Office of the Secretary
900 SW Jackson, Suite 502
Topeka, KS 66612-1233
785/296-2281 FAX 785/296-6953



SENATE BILL NO. 504

**Testimony Provided to
Senate Committee on Natural Resources
February 15, 2002**

Senate Bill No. 504 would remove the sunset from a provision that currently exempts hunters from being required to have a hunter education certificate while hunting using a controlled shooting area (CSA) hunting license, valid only on a CSA. Although the department believes it is important to express certain reservations about this exemption, we recognize that it is current law, and therefore do not oppose this proposal to extend the exemption.

The current hunter education program, which requires that any individual born after July 1, 1957 complete hunter education in order to hunt in Kansas (notwithstanding exemptions such as the one in question), has been credited with a general decrease in hunting accidents since established in 1972. The department certifies approximately 13,000 students each year, largely through the use of certified volunteer instructors. Creating exemptions from the hunter education requirements raises the concern that these positive results could slowly be eroded. This is especially true as more and more hunting occurs on private CSAs, and therefore an increasing proportion of the hunting public may be exempt from the hunter education requirement.

The department recognizes that a CSA has a business interest in ensuring the safety of its customers, and that some CSAs voluntarily conduct a short hunter safety course for all visiting hunters. The one and one-half years since hunters on CSAs became exempt from traditional hunter education is probably too small a sample to determine whether this exemption creates a safety concern. Nonetheless, of the 18 hunting accidents reported in 2001, three occurred on CSAs. One of these three accidents involved a hunter who would have been required to have taken hunter education if he had not been on a CSA. By comparison, a total of five reported hunting accidents occurred on CSAs over the five previous years, and of these, two involved hunters who had not taken hunter education, but who were otherwise exempt based on their age.

Perhaps just as important, current hunter education addresses more than just hunter safety. Hunter education courses also emphasize respect for wildlife and habitat and an understanding of the history and traditions of hunting, as well as issues such as respect for the rights of landowners who provide hunting opportunities. New hunters who hunt only on a CSA and do not take hunter education may not be exposed to these important ideas.

We recognize that these issues are not substantially new or different from those the legislature considered when creating the exemption two years ago. Consequently, while we believe it is appropriate to remind the committee of these potential concerns, the department does not oppose continuing the current policy by removing the sunset provision.

Senate Natural Resources Committee

Date 2-15-02

Attachment # 4



**ATCHISON STEEL
CASTING & MACHINING**

SENATE TESTIMONY
NATURAL RESOURCES COMMITTEE
February 15, 2002
Senate Bill #519

Mr. Chairman and members of the Committee:

Thank you for the opportunity to address the committee in support for the revised language in Senate Bill – 519 (SB-519). I am Jeff Weatherly the environmental engineer for Atchison Steel Casting and Machining (ASCM), located in Atchison, Kansas.

Revisions made to SB-519 greatly improve current requirements for ASCM who owns and operates a solid waste landfill solely for company nonhazardous wastes. The strength of the proposed language comes from a united effort between industry and the Kansas Department of Health and Environment (KDHE).

There are two distinct advantages for those affected by the revised SB-519. First, the current method of KDHE revenue recovery is through fees based on landfilled tonnage. This method of fee recovery is emphatically unfair to ASCM as our annual cost for 2001 was \$25,237 to landfill our own waste at our own landfill. Some companies paid nothing while we paid the lion's share because we could not benefit from the few established exemptions. In addition to tonnage fees, we dutifully paid our annual \$1,000 landfill operating permit fee. Therefore, the net annual impact to ASCM exceeds \$26,000. When compared to other similar situations across Kansas, it would seem that ASCM is unfairly assessed while following the current regulatory language.

Second, simplifying the regulatory language through tonnage fee elimination in favor of an annual progressive-scale permit fee makes better use of time and resources. Under the current language, quarterly reports are required to be submitted to KDHE in order to assess the tonnage fee. This poses additional labor and paperwork on both the part of industry and KDHE. Industry would rather pay a reasonable and known annual permit fee opposed to a fluctuating tonnage fee on a quarterly basis.

Therefore, ASCM hereby testifies in favor of the revised language represented in SB-519.

Support of this bill will ultimately benefit the regulator as well as the regulated. Time and resources will be saved and the KDHE cost recovery assessment will be more fairly distributed in a more simplified manner.

Passage of the revised SB-519 would also demonstrate that seemingly unfair requirements could be appropriately amended through mutual cooperation between industry and KDHE.

Again, I wish to thank you for the opportunity to express our support for the revised language represented in SB-519. I will be happy to answer any questions you or the committee may have.

Senate Natural Resources Committee

Date 2-15-02

Attachment # 5

SENATE TESTIMONY SB-519 (Rev).doc

ATCHISON STEEL CASTING & MACHINING DIVISION
ATCHISON CASTING CORPORATION

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KANSAS
DEPARTMENT OF HEALTH & ENVIRONMENT
BILL GRAVES, GOVERNOR
Clyde D. Graeber, Secretary

Testimony on Senate Bill 519
to
Senate Natural Resources Committee
presented by
Bill Bider, Director, Bureau of Waste Management
Kansas Department of Health and Environment
February 15, 2002

The Kansas Department of Health and Environment appreciates this opportunity to provide testimony in support of the substitute bill developed to replace Senate Bill 519 and HB 2686, an identical bill currently being considered by the House. The department initially worked with Atchison Casting Corporation to develop the original bill which establishes a new solid waste tonnage fee schedule for solid waste disposed of in on-site industrial landfills. The new fee schedule would reduce the \$1.00 per ton fee paid by some businesses and eliminate the tonnage fee exemption in current law for some wastes including cement kiln dust, electric power plant fly ash and bottom ash, and foundry sand. The maximum tonnage fee that any business would pay under the bill, as proposed, would be \$3,000 per year.

In response to industry comments and at the request of Representative Henry who introduced the House version of the bill, KDHE worked with the Office of the Revisor of Statutes to develop a substitute bill which would ensure that every landfill permit holder paid enough fees to cover KDHE's annual costs of regulating the landfill; however, annual permit renewal fees were to be used rather than tonnage fees. Landfill owners already pay \$1,000 per year to renew their permits, but this amount does not fully cover the department's costs for inspections, inspection report preparation, permit modifications, groundwater monitoring oversight, insurance and financial assurance reviews, public notices, and compliance and enforcement activities when necessary. Because no state general funds are used to pay for solid waste program expenses, fees must fully cover all program costs.

When the original bill was drafted, KDHE estimated that the annual cost to oversee a complex facility could be \$3,000 to \$4,000, perhaps even higher for a facility with compliance problems. This led to the establishment of a maximum tonnage fee of \$3,000, which when added to the annual permit renewal fee of \$1,000 would give a maximum annual payment of \$4,000 per year for a landfill owner. The substitute bill eliminates all tonnage fees for disposal in on-site industrial landfills (K.S.A. 65-3415b) but maintains this maximum annual fee amount. The substitute bill revises K.S.A. 65-3407(e) to establish new annual renewal fees ranging from \$1,000 per year for very simple or inactive facilities

which are maintaining their permits for future use, to \$4,000 per year for complex facilities with groundwater monitoring, frequent permit modifications, and complex design features. KDHE would be required to develop a fee schedule in regulations based upon facility characteristics.

The net impact of this bill on revenue to the solid waste management fund should be minor. Overall, it is estimated that about \$5,000 to \$10,000 less will be collected from affected businesses; however, that estimate is based upon several assumptions which are uncertain. About 20 industrial landfill owners that paid tonnage fees in 2000 would no longer be subject to the those fees. These landfill owners paid a total of only \$65,000 in 2000. About 30 facilities will be subject to a higher annual permit renewal fee in the future. If we assume that the average increase will be about \$2,000, they will pay \$60,000 more per year yielding a net reduction in revenue of only \$5,000. If the average increase is only \$1,000, revenue will decrease by \$35,000 per year.

KDHE believes that the substitute bill provides a fair method of fee collection for the facilities which operate on-site industrial landfills. There is another benefit to the substitute bill compared to the original bill. Landfill owners will be able to submit all of their fees as part of the annual permit renewal process which they are already carrying out. They will not need to submit monthly or quarterly reports with tonnage fee payments. Much less paperwork will be required.

I would be happy to answer any questions.

**TESTIMONY SUBMITTED TO THE
SENATE NATURAL RESOURCES COMMITTEE
By
SUNFLOWER ELECTRIC POWER CORPORATION**

February 15, 2002

COMMENTS ON SENATE BILL 519

Thank you, Mr. Chairman and members of the Committee, for providing Sunflower time to share our thoughts with you on this proposed legislation. My name is Steve Miller. I am Sunflower's Senior Manager, External Affairs. Mr. Wayne Penrod, Sunflower's Senior Manager, Environment and Production Planning is with me today to answer any technical questions you might have regarding our landfill operations at our coal-fired power plant near Garden City, Kansas.

We come before you today to testify in opposition to Senate Bill 519.

Kansas utilities annually dispose of nearly one million tons of flyash, scrubber sludge and other combustion waste byproducts associated with the generation of electricity. Sunflower produced nearly 90,000 tons of this material in 2001.

Like other utilities, we employ people with special knowledge and skills, and engage consultants, in the design, planning, and operation of our landfill. We have also created a trust fund that assures the proper maintenance of our site throughout the post-closure process.

The cost to operate the landfill is expensive—very expensive—but Sunflower is committed to operating it according to the established rules and regulations. All of these requirements are imposed by a regulatory structure created by and in accordance with federal, state and local statutes and ordinances.

Senate Natural Resources Committee

Date 2-15-02

Attachment # 7

Currently, we are exempt from the tipping fees that would be created in Senate Bill 519. This bill would remove that exemption in the interest of a more equitable balance of funding for those agency personnel who are necessary to regulate the industrial landfills across the state.

We respectfully request that the committee consider a more direct method of allocating these costs rather than removing the tipping fee exemption. Sunflower realizes that there are costs associated with this regulation and we are more than willing to pay our fair share of that cost.

We annually renew our operating permits with the KDHE. This renewal includes the payment of a \$1,000 fee to defray the costs of administering the permit program and performing the semi-annual inspections by the KDHE personnel. We agree that the cost of both the administrative and field work regularly exceeds the cost we've paid through that renewal fee.

We want to advocate that you modify this bill so that the Department would be granted the authority to revise its current fee schedule to one that more closely matches its cost of regulating each landfill operator. I would add, however, that I hope those fees are not mileage sensitive.

As you no doubt have heard before, those of us from western Kansas have a long way to drive to get to Topeka. While the Jeffery Energy Center trip is probably no more than a 60 mile drive, you're going to need a full tank of gas to get to our site near Holcomb because it is a 754-mile trip from downtown Topeka to Holcomb and back.

Finally, we ask that you please spare us all the unnecessary paperwork and all the time our employees would have to spend to weigh the 3,600 truckloads of material that

Sunflower Electric Power Corporation
Comments on Senate Bill 519
Page 3

contain the remains of our coal after it is burned in our plant and then buried in our landfill.

Thank you Madam Chairman for the time to share our views with the Committee. I would be happy to answer any questions.

BACKGROUND

Sunflower Electric Power Corporation is a generation and transmission utility organized in 1957 by 6 rural electric distribution cooperatives. Headquartered in Hays, Kansas, Sunflower is governed by a Board of Directors that is appointed to represent the interests of its six Member systems.

Sunflower employs 200 people to operate the G&T, and is financed, for the most part, by the Rural Utilities Service (RUS), an agency of the United States Department of Agriculture. It is regulated, not only by the RUS, but by the Kansas Corporation Commission (KCC) as well.

Sunflower owns and operates six power plants, all of which are located in Finney County, near Garden City, Kansas. The largest plant, Holcomb Station is a 360 MW coal-fired unit that was placed in commercial operation in 1983. The other five generating plants are located in Garden City and are all natural gas-fired units. Collectively, these units can produce 235 MW of electricity bringing Sunflower's total generating capacity to 595 MW.

Sunflower also owns, in whole or in partnership with its Members, a high voltage transmission system with nearly 1,200 miles of 345 and 115 kV line. The transmission system is used to interconnect Sunflower with its wholesale customers throughout the region and to the 19,000 miles of distribution lines owned by Sunflower's distribution systems. That system provides electrical service to 50,000 meters serving 120,000 people in the 34 counties of western Kansas.

Those RECs include: Lane-Scott Electric Cooperative in Dighton, Pioneer Electric Cooperative in Ulysses, Prairie Land Electric Cooperative in Norton, Victory Electric Cooperative Association in Dodge City, Western Cooperative Electric Association in WaKeeney and Wheatland Electric Cooperative which is headquartered in Scott City, Kansas.

Kansas Cement Council
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TESTIMONY

Date: February 15, 2002

By: Woody Moses, Managing Director,
Kansas Cement Council

Regarding: Solid Waste Fees, SB 519

Before: The Senate Committee on Natural Resources

Good Morning Chairman and Members of the Committee:

My name is Edward R. (Woody) Moses, representing the Kansas Cement Council. We thank you for the opportunity to provide our comments on Senate Bill No. 519.

The Kansas Cement Council is a coalition comprised of the Ash Grove Cement Co., Heartland Cement Co. and the Lafarge Corporation all of whom operate cement manufacturing plants in Southeast Kansas. At the beginning of the last century, Kansas, blessed with good limestone and abundant natural gas, was a national leader in the production of cement; the basic ingredient used in the manufacture of concrete. At its peak the Kansas cement industry operated seventeen kilns, shipping cement to both coasts. Since that time market forces, more efficient production and lately environmental regulation have conspired to reduce that number to four active plants operating today. In order to compete with more modern and efficient plants in Oklahoma, Missouri and Mexico, all of these facilities have employed an amazing variety of techniques in the area of waste energy recovery. Were it not for the regulatory programs approved by previous legislatures these facilities would not be in operation today.

The intent of previous legislatures to provide sensible regulatory programs is evident in the current provisions of K.S.A. 2001 Supp. 65-3415b, which exempts certain wastes from fees when managed internally by generators. SB 519 as drafted would reverse this policy. Consequently, we oppose SB 519, in its current form, for the following reasons:

1. Adoption of SB 519 would significantly increase operating costs for cement mills.
2. Adoption of SB 519 would significantly alter state policy encouraging the responsible handling of wastes in an environmentally friendly manner.
3. The Kansas cement industry, unlike utilities with a protected rate base, would be unable to pass new costs along as they must compete in the free market against more modern cement mills.
4. Our industry already pays KDHE over \$500,000 per year in fees. Fees which have been raised significantly in the past few years.

The Kansas Cement Council is aware the proposed substitute for SB 519, which would address many of the concerns listed above. We are prepared to provide limited support for this compromise pending the receipt of more detailed information on how the fees in the substitute would be assessed. Specifically, we support language that would cap the fees for Cement Kiln Dust at \$1,000 per anum.

In closing, we simply urge this committee and the legislature to carefully consider the impacts a policy change may have upon this industry, which provides employment to over 400 people, and products that keep construction costs competitive in Kansas communities.

Thank you for the opportunity to provide these comments. I will be happy to respond to any questions you may have at this time.

Senate Natural Resources Committee

Date 2-15-02

Attachment # 8



2-15-02
Senate Natural Resources Committee
SB519

Good Morning!

My name is Joe Dick. I am the Regulatory Specialist from the Board of Public Utilities in Kansas City, Kansas. BPU is a municipally owned utility servicing approximately 65,000 drinking water customers and 55,000 electricity customers in Kansas City, Kansas and Wyandotte County.

Landfill issues are critically important to BPU, as we own and operate three permitted industrial monofills; one accepts wood chips from our tree trimming operations and the other two hold combustion waste by-products resulting from coal fired plant operations.

We believe it is not in the best interest of Kansas or for utilities generating electricity in Kansas to make changes to the regulations contained in K.S.A. 2001 Supp. 65-3415b and 65-3415f. We believe that utilities are already overburdened with a continuing stream of regulation and legislation. Further, considering the current state of flux in the entire electricity industry, it is not a good time to ladle on more expenses and more requirements.

We therefore request a committee action to direct the Kansas Department of Health and Environment – Bureau of Waste Management to allow the existing regulation to stay intact. We also request that there be no added fees of any kind to the operation of industrial landfills.

Senate Natural Resources Committee

Date 2-15-02

Attachment # 9