

MINUTES OF THE HOUSE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Dan Johnson at 3:30 p.m. on January 11, 2006, in Room 313-S of the Capitol.

All members were present.

Committee staff present:

Raney Gilliland, Kansas Legislative Research Department
Gordon Self, Revisor of Statutes Office
Kay Scarlett, Committee Secretary

Conferees appearing before the committee:

Steve Irsik, Chairman, Kansas Water Authority
Tracy Streeter, Director, Kansas Water Office
Mark Rude, Executive Director, Southwest Kansas Groundwater Management District #3
Sharon Falk, Manager, Big Bend Groundwater Management District #5
Harold Klaege, State Conservationist, Natural Resources Conservation Service, USDA
David Pope, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture

Others attending:

See attached list.

Chairman Johnson welcomed everyone to the joint meeting with the House Environment Committee, Senate Agriculture Committee, Senate Natural Resources Committee, and subcommittees of the House Appropriations and Senate Ways and Means Committees dealing with state water issues.

Steve Irsik, Chairman, Kansas Water Authority, provided an overview of the Kansas Water Authority process. Copies of the Kansas Water Authority 2006 Annual Report (Attachment 1) and FY 2007 State Water Plan Fund budget proposal (Attachment 2) were distributed.

Tracy Streeter, Director, Kansas Water Office, reviewed Water Plan Projects Initiative accomplishments, highlighting specific water related projects.

Mark Rude, Executive Director, Southwest Kansas Groundwater Management District #3, discussed the Arkansas River corridor hurt economically by compact violations and explained how the federal government's Conservation Reserve Enhancement Program (CREP) fits into Arkansas River restoration.

Sharon Falk, Manager, Big Bend Groundwater Management District #5, discussed Arkansas River Basin water rights retirement and the need for CREP and other programs in the Middle Arkansas and Rattlesnake Creek Sub-basins.

Harold Klaege, State Conservationist, Natural Resources Conservation Service, USDA, reviewed the federal focus working with state priorities, in particular the Environmental Quality Incentives Program (EQIP) quick response areas as a priority in Ground and Surface Water Conservation. (Attachment 3)

David Pope, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture, explained that the management of water involves the components: education & innovation; incentive-based programs; and monitoring and compliance enforcement. He discussed the Arkansas River Compact with Colorado, an area where monitoring is absolutely necessary, and the Middle Arkansas and Rattlesnake Creek Sub-basins, two areas with voluntary plans and a regulatory component.

A question and answer period followed the presentations.

The meeting adjourned at 5:15 p.m. The next meeting of the House Agriculture Committee is scheduled for January 18, 2006.

HOUSE AGRICULTURE COMMITTEE GUEST LIST

DATE: JANUARY 11, 2006

NAME	REPRESENTING
<i>Don Pappas</i>	<i>KWA</i>
<i>Dennis Schwartz</i>	<i>Ks Water Authority</i>
<i>Jerry Blain</i>	<i>KWA</i>
<i>Lisa French</i>	<i>KWA</i>
<i>JOHN STRICKLER</i>	<i>KNRWA</i>
<i>Sheila Fahn</i>	<i>KNRWA</i>
<i>Adrian Polansky</i>	<i>KDA</i>
<i>Dave Brun</i>	<i>KWA</i>
<i>Mary L. Baker</i>	<i>KWF</i>
<i>Dorothy Schmidt</i>	<i>KWA</i>
<i>Edward Martin</i>	<i>KWA</i>
<i>Walt Hayes</i>	<i>KDWP</i>
<i>Jon Cowby</i>	<i>KWA</i>
<i>Jalae Reiger</i>	<i>Mo River BAC</i>
<i>Betty Criss</i>	<i>El Dorado KWA</i>
<i>Karen Mason</i>	<i>KWA</i>
<i>Bill Harrison</i>	<i>Ks. Geol. Survey</i>
<i>Bill Hargrove</i>	<i>KCARE/KSU</i>
<i>Clark Russo</i>	<i>Upper A/C BAC</i>

HOUSE AGRICULTURE COMMITTEE GUEST LIST

DATE: JANUARY 11, 2006

NAME	REPRESENTING
Ron Hammer Schmidt	KDHE DN. of Environment
Jim Triplett	NBAC
Ronnie Brown	MD BAC - Ks B's & Cons Dist
Anne Marie Worley	Upper Republican Basin Committee Ch
Waris A. McKinnis	Common BAC Chairman
Mark Heim	SCC
Doug Polley	SCC
Van Sloan	KWA
Kedy Sloan	SWKIA
Pat Rehman	GMD #4
Lindsey Douglas	Hein Law Firm
John C. BOTTENBERG	WESTAR ENERGY
Leslie Kaufman	Ks Coop Council
Mary Jane Stankiewicz	KGFA / KARA
Steve Swaffar	KFB
Kent Askren	KFB
Hank Ernst	Ks Writer Office
Jennifer Lyon	Allegar, Smith, & Associates
Amy Billinger	intern

HOUSE AGRICULTURE COMMITTEE GUEST LIST

DATE: JANUARY 11, 2006

NAME	REPRESENTING
Susan Culuffy	KA Cooperation Comm
Mary Anne	Ks FFA Association
Ann Neesh	Ks FFA Association
Joni Reilly	KS FFA Association
Shawn Turner	KS FFA Association - State President
Rebecca Reilly	KS FFA - parent
John Peterson	John Peterson
CV Cotsoradis	KDA
Herb Graves	SA KW
JEFF GROSS	USDA-NRCS, Salina
Mike Beam	Ks. LVSTK. ASSN.
Paul W Best - Sol Bee	Hopie, Ks.
Dan Korber	Kansas, Inc
Elicia Nichols	KS SKILLSUSA
JASON SMARTT	SMARTT GOVT. AFFAIRS
Susan Metzger	Kansas Water Office
WALT AUCOTT	U.S. Geological Survey
DON SMOYEN	KDHE - Bureau of Water
Ernest C. Pogge	_____

<u>Name</u>	<u>Representing</u>
Diane Coe	Kansas Water Office
Scott Coulter	State Caseworker Commission
SEAN MILLER	KS Dairy Assn
Bill Fuller	Kansas Farm Service Agency / USDA
Ken Gutwiel	Kansas Water Office
Paul Johnson	KS Catholic Conference
SID SHRIWSE	PAWNEE WATERSHED
Ron Allen	PAWNEE W/S DISTRICT
Vicki Lyn Hessel	Division of Budget
Twila Drybread	Division of the Budget
Earl Lewis	KWO
Joe Furd	KWO
Virginia S. Beamer	Rep. 118 th House Dist.

Priorities of the Kansas Water Plan

Assuring

WATER

for the future

***2006 Annual Report
Kansas Water Authority***

Approved for release to the Governor and Kansas Legislature / Nov. 18, 2005

House Agriculture Committee
January 11, 2006
Attachment 1

Chair's Perspective

Teamwork advances Kansas' water resources

The state's water resource professionals conceived it based on the priorities of the *State Water Plan*. The Basin Advisory Committees and the Kansas Water Authority nurtured it. Governor Kathleen Sebelius supported it and the 2005 Kansas Legislature funded it.

This is the team that made the Water Plan Projects Initiative happen. The Water Plan Projects Initiative introduced projects that will have long-range benefits for the water resources of Kansas. Four key areas are included. They are the High Plains aquifer, watershed restoration and protection, regional public water supplies, and capital development for resources.

Funding is critical. The Initiative calls for full restoration of the *State Water Plan* fund for water resource projects. That mission was partially accomplished, thanks to the support of the Kansas Legislature. The 2005 Legislature restored the transfer of \$2.3 million to the State Water Plan Fund from the State General Fund and the Economic Development Initiative fund (EDIF).

Several important projects were funded. The 2005 Legislature approved \$800,000 for the Watershed Restoration and Protection Strategies and \$430,000 for regional public water supply planning.

While the Authority did not get everything it championed, that reflects the checks, balances, and politics of democracy.

Given the progress that was made, the Kansas Water Authority identified more projects. Many of them are dedicated to the High Plains aquifer where federal dollars and the damage award from the *Kansas v. Colorado* lawsuit will extend the purchasing power of the State Water Plan Fund.

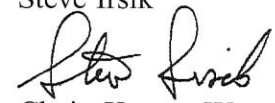


Further State Water Plan Fund restoration for FY2007 is recommended by the Kansas Water Authority. A key component of this phase of the Initiative is the proposed shift in payment of agencies' operational expenses from the State Water Plan Fund to the State General Fund.

The Department of Health and Environment, Kansas Department of Agriculture's Division of Water Resources, State Conservation Commission and Kansas Water Office have requested \$2.2 million in State General Funds to replace State Water Plan funds currently used for operational costs. The change would allow the State Water Plan Fund to be used for projects and programs to address priority water issues in Kansas.

All Kansans stand to benefit from putting in place the projects identified in the second phase of the Water Plan Projects Initiative. When you read more about them on the following pages, I hope you'll be as excited about them as I am.

Steve Irsik


Chair, Kansas Water Authority



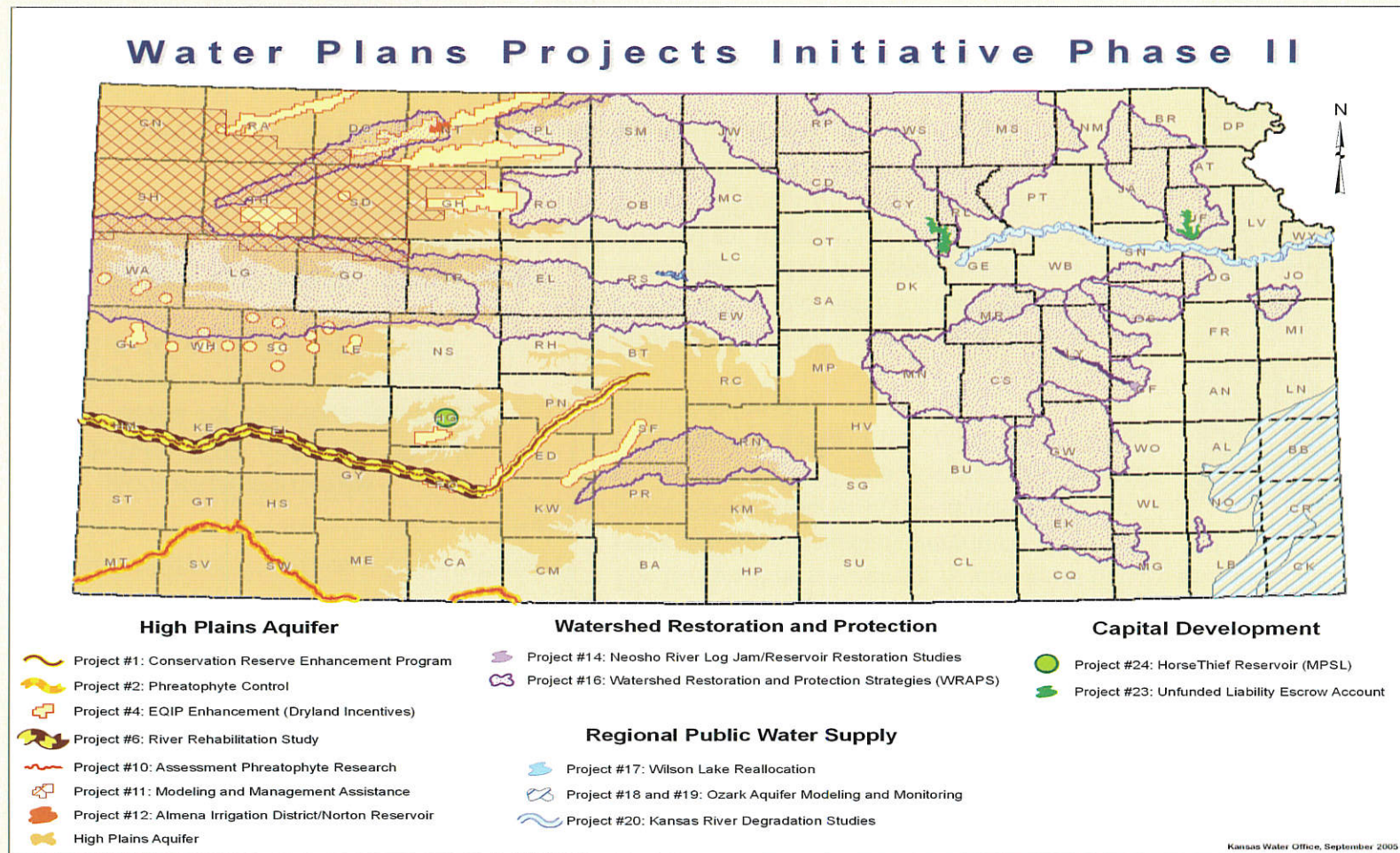
The State's Water Planning Agency
Water-Your Resource for LIFE

Written and Produced by the
Kansas Water Office on behalf of the Kansas Water Authority
in accordance with K.S.A. 74-2622 and K.S.A 82a-951
901 S. Kansas Ave. Topeka, KS 66612 • (785) 296-3185

1-2

Water Plan Projects Initiative

1-3

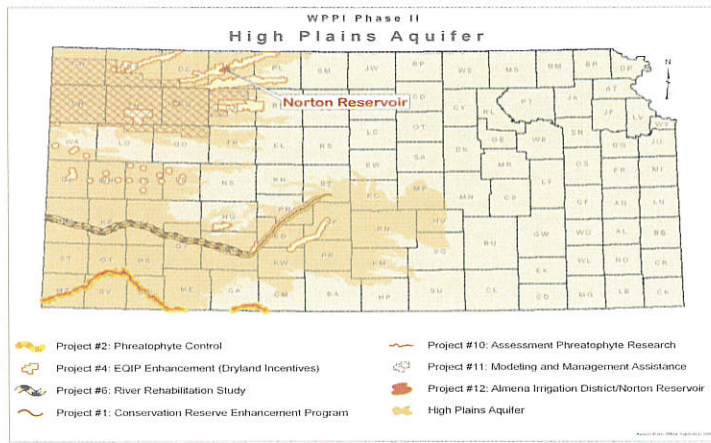


“Completing the projects ... will prevent today’s water challenges from becoming tomorrow’s water crises.” Steve Irsik, Chair

The Water Plan Projects Initiative is a far-reaching set of projects to deal with the unfinished business of protecting and enhancing the water resources of Kansas using the State Water Plan Fund as the financial engine.

High Plains aquifer

Targeted projects and plans to address declines in the water table



Accomplishments

- Targeted federal EQIP dollars to “Quick Response” areas for incentive grants to convert irrigated to dryland production
- Developed a 10-year plan for tamarisk control
- Portion of Kansas v. Colorado damage award directed to water conservation projects

The High Plains aquifer is the focal point of the second phase of the Water Plan Projects Initiative. Thirteen projects have been identified that can be expected to make a difference in the rate of decline of the aquifer. They’ll also help to assure the economic and social stability of Kansans who depend directly on the aquifer’s viability.

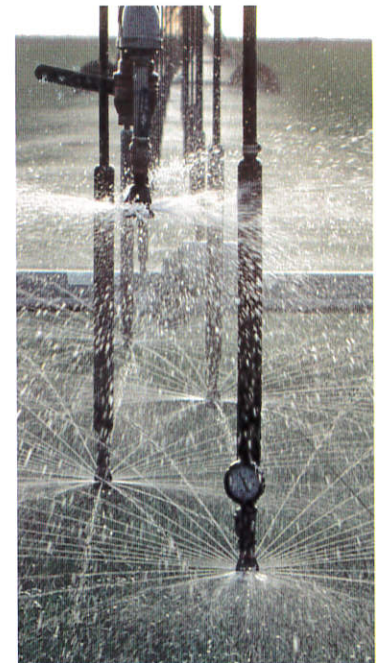
Emphasis on the High Plains aquifer is driven by the recognition that the water resources are limited and by the need to have water available for future generations. Targeted money from the federal Environmental Quality Incentive Program (EQIP) and a portion of the Kansas v. Colorado damage award money will be used in specific problem areas.

The Kansas Water Authority recommends that \$4 million of the damage award serve as a local financial match for a Conservation Reserve Enhancement Program. The proposed CREP would sustain the resources of the upper Arkansas River valley by reducing water withdrawals.

Farmers who enroll acres into CREP will receive 10-15 years of payments for converting irrigated acres to grass. The proposed eligible area for the program are irrigated lands adjacent to, and that have an influence on, the Arkansas River from the state line to the stream gage east of Great

Bend. For more information on the Kansas v. Colorado damage award, see page 4.

Targeted “Quick Response” areas for federal EQIP dryland incentives grants have been identified by the Groundwater Management Districts and the Kansas Department of Agriculture’s Division of Water Resources for the High Plains aquifer outside of the GMDs.



4-1

5-1

Farmers can now apply to the Natural Resources Conservation Service (NRCS) to voluntarily convert irrigated land to dryland for four years and receive annual payments over three years. The program (Environmental Quality Incentive Program-Quick Response Area) is intended to promote dryland agriculture and increase the viability of the aquifer for other existing uses, such as public water supply. State funding for a multi-year “set aside” of irrigated farming is recommended. This could expand enrollment or extend the contract period for this type of program. Funding a state program for voluntary permanent irrigation water right retirement also is recommended.

Work continues on defining Ogallala aquifer subunits, prioritizing, and developing subunit specific water use management plans. The plans recognize that a “one-size fits all” solution is impractical. The Groundwater Management Districts Nos. 1, 3 and 4 are refining the plans within their boundaries and the Kansas Department of Agriculture’s Division of Water Resources is doing likewise elsewhere in the region.

Control methods target water thirsty trees. A 10-year program to control non-native salt cedar and russian olives that have invaded the High Plains streambeds and riparian areas is underway. The trees are highly competitive and sap water before it can recharge the aquifer. Proven mechanical, chemical and biological control methods have been identified and demonstrated in a 2005 Cimarron River project led by the Kansas Alliance for Wetlands and Streams (KAWS). The methods will be used by farmers in demonstration projects along the Upper Arkansas and Cimarron rivers through a state program in FY2007 administered by the State Conservation Commission. Monitoring of the water savings also is planned.



Irrigation and recreation balance needs. For two years, the State of Kansas has leased water rights from the Almena Irrigation District to maintain a minimum lake level in Norton Reservoir. A similar arrangement is sought this year. The higher water level assures the lake’s recreational value and the lease payment offsets the irrigation district’s operating and maintenance costs. Opportunities for a long-term or permanent arrangement continue to be explored.

Division of Water Resources resource and water rights protection. Declining water tables have prompted senior water right holders to exercise their right to contest junior water right holders’ access to water. The Kansas Department of Agriculture’s Division of Water Resources is conducting field investigation, water monitoring and stream-aquifer studies to support impairment complaints and to assure that water right holders are not using more water than they’re allotted per their water right.



Kansas v. Colorado damage award

Kansas v. Colorado damage award

The electronic transfer of \$34,615,146 for damages in the Kansas v. Colorado litigation over the Arkansas River Compact is in Kansas' bank account. The money was received April 29, 2005. The compact, negotiated in 1948, equitably apportions the waters of the Arkansas River between Kansas and Colorado.

Kansas' lawsuit generally claimed that Colorado was taking more water than it was entitled to under the Compact. If Compact disputes can not be resolved by the parties to the agreement, the only place the dispute may be litigated is the U.S. Supreme Court.

Legislation passed in 1996 specified the distribution of the damage award. About \$20.1 million was credited to the interstate water litigation fund. Money from the fund can be used to reimburse those who contributed to the court cost fund, to pay for the expenses of current or future interstate water litigation, and to monitor or enforce compliance with an interstate water compact agreement, decree, or litigation with an Indian nation.

Of the balance, two-thirds (about \$9.7 million) has been credited to the Water Conservation Projects Fund, administered by the Kansas Water Office. The money will be used in the area of southwestern Kansas affected by the Arkansas River Compact violations.

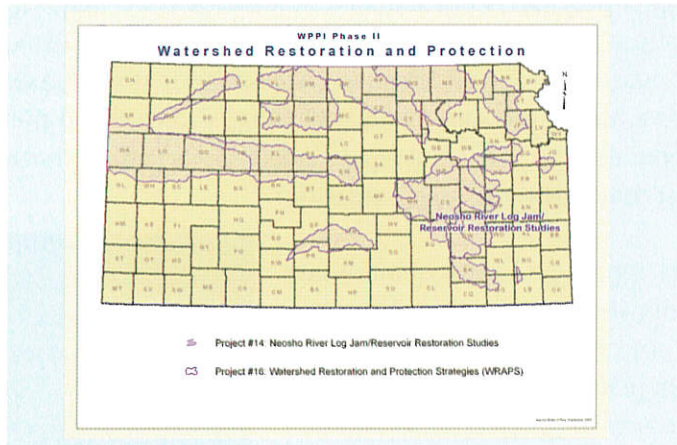
Moneys credited to the Water Conservation Projects Fund may be expended only for the purpose of paying all or a portion of the costs of specific water management, conservation, administrative and delivery projects as described in K.S.A. 82a-1803 (c). The affected area extends from the Kansas/Colorado border to Garden City. Administrative procedures and projects are being developed.

The remainder of about \$4.8 million has been credited to the Water Conservation Projects Reserve Account of the State Water Plan Fund for water conservation projects. Of the \$4.8 million, the Kansas Water Authority recommends \$4 million be used to match federal money in the federal government's Conservation Reserve Enhancement Program. Money would be used to retire water use for 10-15 years or permanently.

Kansas v. Colorado Damage Award	
Litigation Fund	\$20,088,509
Water Conservation Projects Fund	9,684,425
SWPF Water Conservation Projects Reserve Account	4,842,212
Damage Award Total	\$34,615,146
Distribution of Damage Awards ⁽¹⁾	
Litigation Fund	\$20,088,509
Water Conservation Projects Fund	9,684,425
SWPF Water Conservation Projects Reserve Account	4,842,212
Riparian and Wetland Program (\$65,000)	
Permanent Irrigation Water Use Reduction (\$777,212)	
Conservation Reserve Enhancement Program (\$4 m)	
Total Damage Award	\$34,615,146
Legislation passed in 1996 specified the distribution of the damage award. The three funds set up were Interstate Litigation Fund, Water Conservation Projects Fund and the State Water Plan Fund (SWPF) Water Conservation Projects Reserve Fund. No expenditures can be made from the two conservation accounts until the Kansas Legislature authorizes the projects for funding. The Water Conservation Projects Fund is administered by the Kansas Water Office; the State Water Plan Conservation Reserve Fund, Conservation Commission.	

Watershed Restoration and Protection

Protecting our watersheds offers multiple benefits



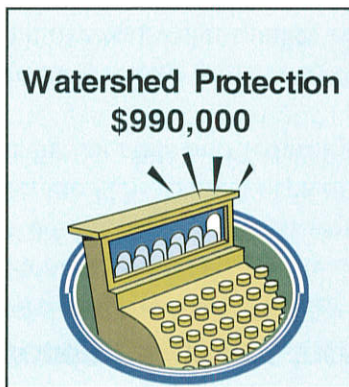
Actions taken by rural and urban dwellers alike in the watershed above a public water supply reservoir impact the reservoir's value for recreation, flood control, aquatic habitat, and water quality. Those actions also affect the environmental health of the watershed.

The \$800,000 sought and received for the Water Plan Projects Initiative in FY2006 will help local watershed stakeholders identify watershed needs, set goals, develop cost effective strategies, and take action. To continue the restoration and protection work, \$800,000 is requested for FY2007. These funds will be used to leverage other local and federal funding sources for the development and implementation of watershed plans.

Accomplishments

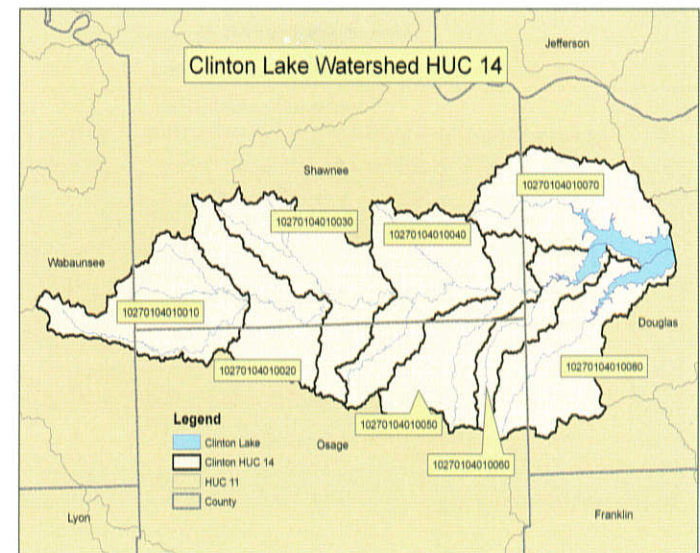
- Local plans in place or under development to protect water resources
- WRAPS projects underway or being initiated in 18 of the 20 priority reservoir watersheds

Watershed groups above public water supply reservoirs and other watersheds may apply for and receive watershed restoration and protection grants. The 20 watersheds above federal reservoirs are priority state resources. The program is administered by the Watershed Management Section of the Kansas Department of Health and Environment and an interagency work group.



Neosho River Log Jam: A byproduct of sedimentation

Sedimentation in the Neosho River channel and the upper reaches of John Redmond Reservoir has served to trap logs at the river's inlet to the lake. The log jam, accumulating for several years, has impeded access to the river above the reservoir. State and federal funding is sought to assess sedimentation and other reservoir management issues.

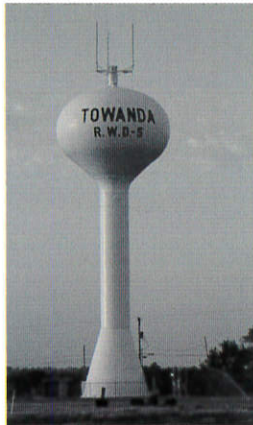


Regional Public Water Supply Strategies

Working together to solve common problems

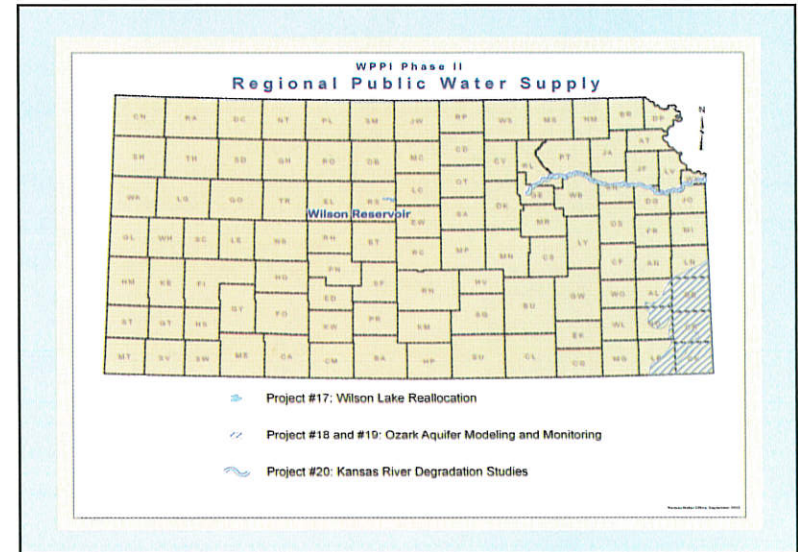
Wilson Reservoir, built for flood control and recreation, has been identified as a potential water supply source for Hays, Russell and the surrounding area. To determine how much water would be available for municipal and industrial use, the U.S. Army Corps of Engineers is conducting a reallocation study paid for by the state and federal government.

Ozark Plateau aquifer and Spring River. In southeastern Kansas, water quantity and water quality concerns have arisen for Kansas communities that depend on water from the Ozark Plateau aquifer system and the Spring River. In part, concerns have been fueled by significant urban growth in areas of southwest Missouri that depend on the same aquifer system. Oklahoma communities also use the system.



Restrictions have been adopted in Kansas to limit new appropriations of ground water in the region to term permits, domestic use and temporary permits and permits for five acre feet or less. These restrictions will be in place pending the completion of a study to determine safe yield, or balance between withdrawal and recharge. The state's FY2007 investment for Ozark aquifer modeling (U.S. Geological Survey), \$169,000 and Ozark aquifer monitoring (Kansas Geological Survey), \$1,200. Federal funding is being sought for this project.

Kansas River degradation. River bed degradation, a natural occurrence that has been intensified because of the activities of man, takes its toll on communities' water supply infrastructure and bridge piers. Weirs that pond water to assure a reliable water pool can be damaged and the lowered river level makes it necessary for water utilities to extend their intake pipes to reach water. The priority area is between Topeka and Lawrence. Cross sections of the stream at 4.5 mile intervals will be used to establish a baseline for determining whether the stream bed is degrading, aggrading, or shifting laterally. The information also will be used to determine possible causes of stream bed changes and the effects on the river bed of practices such as installing riparian buffers.

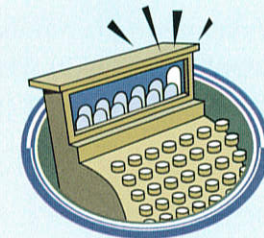


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Accomplishments

- USGS initiated long-term study to model water availability in the Ozark Plateau aquifer as one consideration in issuing water rights
- KGS developed monitoring network

Regional Public Water Supply Strategies
\$805,200



Capital Development Plans

Long-term water infrastructure takes investment today

HorseThief Reservoir. The Pawnee Watershed District has launched a project to build the HorseThief Reservoir in Hodgeman County. Funds for the project are being raised through private donations, local benefit district taxation, and cost-share money through the state's multipurpose small lake program administered by the State Conservation Commission. The state has a four-year commitment to the project. For Fiscal Year 2006, the commitment is just over \$1 million, leaving a balance due of \$3.4 million.

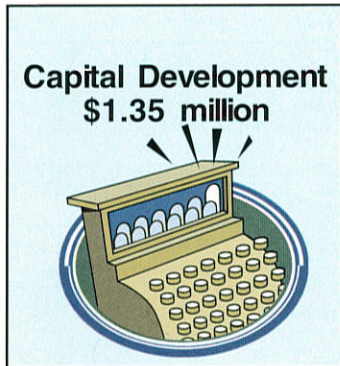
Accomplishments

- Local/state partnership on HorseThief Reservoir for recreation and flood control
- 2005 Kansas Legislature appropriated \$750,000 to address dams with structural problems or that now are in a more stringent dam safety classification due to downstream development

Watershed Dam

Rehabilitation. Development below watershed dams has resulted in a higher level of hazard classification for some dams in Kansas. If a higher classification is required, upgrades to the dam structures

are required and a more frequent inspection schedule is dictated. Cost share money is available for dam rehabilitation, but not routine operation and maintenance. Watershed districts, other dam owners and local government may tap the fund to map the breach inundation zones of dams. The information will be used to educate landowners and officials on the potential hazards and, ideally, lead to local restrictions on development.



HorseThief Reservoir in Hodgeman County will dam the waters of Buckner Creek. It's a state-local project.

6-1

Restoration of State Water Plan Fund

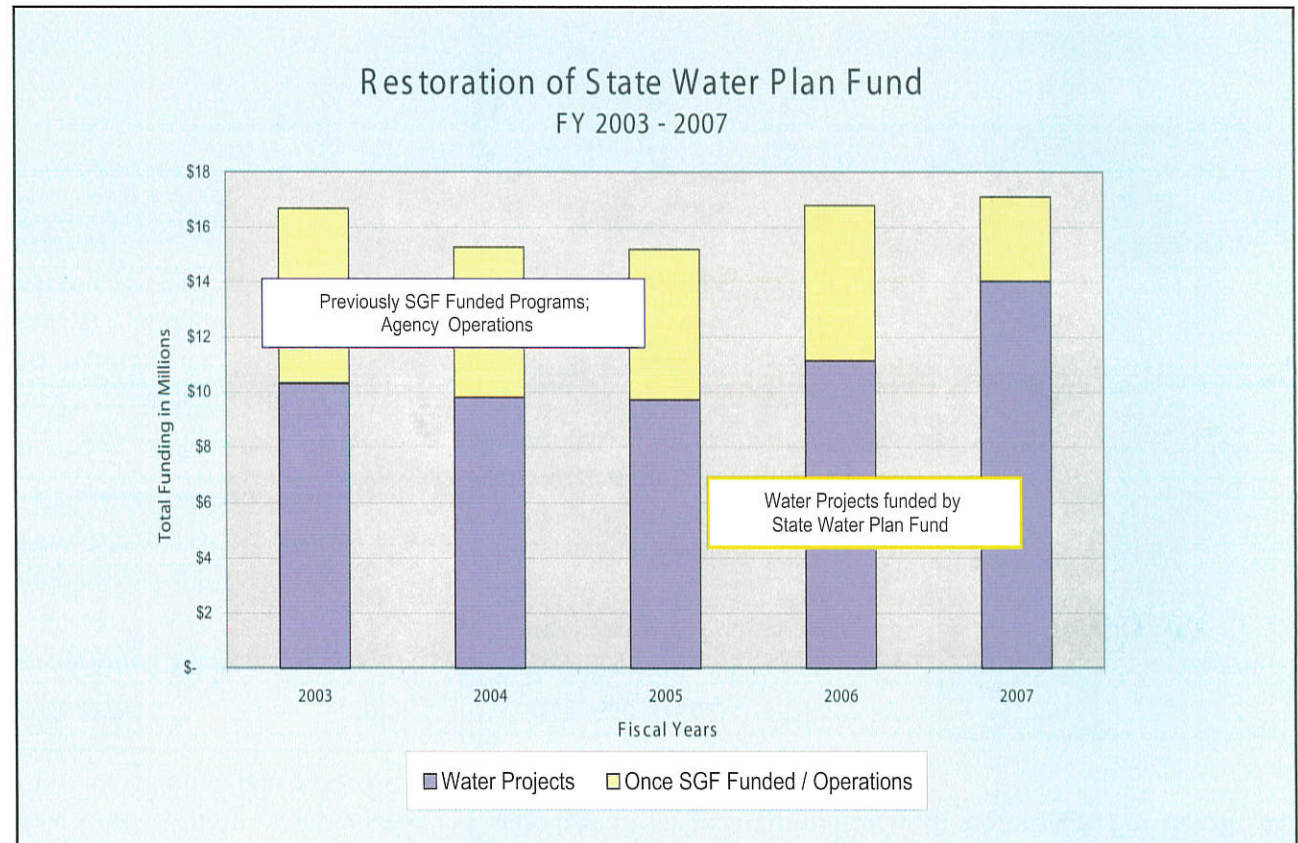
Water projects, not programs or operating expenses, should be funded from the State Water Plan Fund

Tight state fiscal conditions the past several years forced the Legislature to reduce natural resource agencies' funding from the State General Fund. The Legislature, recognizing that the agencies were faced with dropping on-going programs or tapping the State Water Plan Fund to pay for them, allowed expenditures from the State Water Plan Fund.

A key component of Phase II of the Water Plan Projects Initiative is the shift in payment of operational expenses from the State Water Plan Fund to the State General Fund.

The Department of Health and Environment, Department of Agriculture's Division of Water Resources, State Conservation Commission and Kansas Water Office have requested additional State General funds totaling \$2.2 million to replace State Water Plan Fund dollars used for agencies' operational costs. The money will be used for Initiative projects.

Restoration figures for FY 2007, highlighted on page 10, reflect the recommendations of the Kansas Water Authority.



1-10

State Water Plan projects benefit all Kansans

Water Plan Projects Initiative State Water Plan Funding

High Plains Aquifer	FY 07 SWPF
Kansas v. Colorado Damage Award to State Water Plan Fund (SWPF) Water Conservation Projects Reserve Account:	
Conservation Reserve Enhancement Program (CREP)	\$4,000,000
Phreatophyte Control Demonstration	65,000
Permanent Irrigation Water Use Reduction (KS v. CO damage award)	777,212
Water Resources Set Aside Cost Share (Quick Response Areas)	450,000
Permanent Irrigation Water Use Reduction (SWPF)	398,120
Upper Arkansas River Rehabilitation Study	100,000
Enhanced Management, Subbasin Program	311,469
Aquifer Characteristics Technical Support	86,500
Weather Stations	60,000
Mobile Irrigation Lab Enhancement	20,000
Assess Demonstration Water Savings	40,000
Modeling and Management Assistance	50,000
Almena/Keith Sebelius Lease for Minimum Pool	120,000
High Plains Aquifer website	24,000
High Plains Grand Total	\$6,502,301

Watershed Restoration and Protection Strategies (WRAPS)	FY 07 State Water Plan (Water Plan Projects Initiative)
Neosho River Log Jam	\$150,000
Stream (Biological) Monitoring	40,000
Watershed Restoration and Protection Strategies	800,000
WRAPS Total	\$990,000
Regional Public Water Supplies	
Wilson Lake Reallocation	\$ 25,000
Ozark Aquifer Model	169,000
Ozark Aquifer Monitoring	1,200
Kansas River Degradation Studies	170,000
Lake Restoration/Management	400,000
Alternative Dispute Resolution	40,000
Regional Public Water Supplies Total	\$805,200
Capital Development	
Horse Thief Reservoir	\$1,100,000
Watershed Dam Rehabilitation	250,000
Capital Development Total	\$1,350,000

Water Plan Fund Recommendations for 2007

1-12

Agency/Program	Appropriated FY 2006	FY 2007 SGF Enhancement Shift	FY2007 SWPF Proposed	FY 2007 Proposed SWP KS v. CO Damage Award
Department of Health and Environment				
Contamination Remediation	1,183,867	30,844	953,023	
TMDL Initiatives	323,338	24,597	298,741	
Local Environmental Protection Program	1,502,737	0	1,502,737	
Nonpoint Source Program	385,975	101,321	284,654	
WRAPs	800,000	0	800,000	
Use Attainability Analysis	300,000	369,931	0	
Total--Department of Health and Environment	4,495,917	526,693	3,839,155	
University of Kansas--Geological Survey	40,000	0	\$0a	
Department of Agriculture				
Floodplain Management	68,773	72,767	0	
Interstate Water Issues	254,986	267,621	0	
Subbasin Water Resources Management	554,369	187,261	678,577	
Water Appropriations Subprogram	187,925	187,925	0	
Water Use	60,018	0	60,018	
Total--Department of Agriculture	1,126,071	715,574	738,595	
State Conservation Commission				
Water Resources Cost Share	3,495,218	83,000	3,412,218	
Quick Response Supplemental		0	450,000	
Nonpoint Source Pollution Asst.	2,799,520	42,000	2,757,520	
Aid to Conservation Districts	1,044,000	0	1,044,000	
Watershed Dam Construction	1,102,499	1,000	601,499	
Water Quality Buffer Initiative	307,157	0	307,157	
Riparian and Wetland Program	249,782	63,000	186,782	65,000
Multipurpose Small Lakes	236,333a	0	1,100,000	
Lake Restoration/Management		0	400,000	
Permanent Irrigation Water Use Reductions	0	0	398,120	
Ark River Conservation Reserve Enhancement Program (CREP)	0	0	0	4,000,000
Total--Conservation Commission	9,234,509	189,000	10,657,296	4,842,212
Kansas Water Office				
Assessment and Evaluation	650,602	0	884,011b	
Federal Cost-Share Programs	0	0	0	
GIS Data Base Development	247,405	0	247,405	
MOU - Storage Operations and Maintenance	409,132	0	409,132	
Ogallala Aquifer Institute	0	0	0	
PMIB Loan Payment for Storage	237,945	0	237,945	
Public Information	0	0	0	
Stream Gauging Program	392,296	429,175	0	
Technical Assistance to Water Users	246,150	0	266,150	
Weather Stations	0	0	60,000	
Water Planning Process	313,205	313,205	0	
Water Resource Education	60,000	0	84,000	
Weather Modification	120,000	0	120,000	
Kansas Water Authority	37,384	37,384	0	
Water Marketing Unfunded Liability	0	0	0	
Total--Kansas Water Office	2,714,119	779,764	2,308,643	
Department of Wildlife and Parks				
Circle K Ranch Debt Service	0	\$0a	\$0a	
State Park No. 24	0	0	0	
Almena Irrigation District	0	0	120,000	
Stream (Biological) Monitoring	40,000	0	40,000	
Total--Department of Wildlife and Parks	40,000	0	160,000	
Total Water Plan Expenditures	17,650,616	2,211,031	17,703,689	4,842,212
a - KGS funding shifted to KWO				
b - KWO to contract \$40,000 with KGS				

Revenue and Expenditure Summaries

1-13

State Water Plan Fund Receipts

SWPF Revenue/Receipts Projections	FY2005 Leg. Appvd.	FY2006 Est.	FY2007 Est.
Municipal Water Use Fee (KSA 82a-954)	\$3,500,000	\$3,334,000	\$3,520,000
Industrial Water Use Fee (KSA 82a-954)	1,200,000	\$1,100,000	\$1,051,000
Stockwater Use Fee (KSA 82a-954)	\$315,000	\$357,000	\$399,000
Pesticide Fee (KSA 2-2204)	\$890,000	\$901,000	\$950,000
Fertilizer Fee (KSA 2-1205)	\$2,940,000	\$2,856,000	\$2,917,600
Pollution Fines and Penalty Receipts (KSA 82a-952)	\$30,000	\$45,000	\$70,000
Sand Royalty Fund (KSA 70a-105)	\$240,000	\$211,000	\$199,000
Subtotal Fees/Fines and Penalties	\$9,115,000	\$8,804,000	\$9,106,600
EDIF Demand Transfer (KSA 79-4804)	\$2,000,000	\$2,000,000	\$2,000,000
SGF Demand Transfer (KSA 82a-953)	\$3,748,839	\$6,000,000	\$6,000,000
KS v. CO Damage Award (1/3 per 82a-1801 §(a)(2)) Clean Drinking Water Fee Fund			\$4,842,212
SWPF Total Receipts	\$14,863,839	\$16,804,000	\$21,948,812
KS v. CO Damage Award (KSA 82a-1801 et seq.)		Per S. sub HB2482	
Litigation Fund		\$20,173,363	
Water Conservation Projects Fund		\$9,684,425	
SWPF Water Conservation Projects Reserve Account		\$4,842,212	
Damage Award Total		\$34,700,000	

Water Plan Projects Initiative

FY 2007 Total Base (FY06 Approved) SWPF Allocations	\$12,898,400
Kansas Corporation Commission: \$400,000 revenue transfer for well plugging program.	
Initiative Allocations	
High Plains aquifer (Includes KS v. CO damage award)	\$1,660,089
KS v CO damage award	4,842,212
Watershed Restoration and Protection	990,000
Regional Public Water Supplies	805,200
Capital Development Projects	1,350,000
Total Initiatives	9,647,501
Total Expenditures (\$17,703,689 plus \$4,842,212 / KS v. CO)	\$22,545,901

Capital Development Plan (2007 through 2011)

Capital Development Plan	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Kansas Water Office						
Unfunded Liability	\$ -	\$ -	\$ 1,442,585	\$ 1,442,585	\$ 1,442,585	\$ 1,442,585
Marketing & Assurance Capital Costs	\$ 1,738,564	\$ 1,738,564	\$ 1,738,564	\$ 1,738,564	\$ 2,411,078	\$ 2,411,078
On-going Public Water Supply Obligations						
Cedar Bluff Reservoir O&M*	\$ 82,490	\$ 85,789	\$ 89,221	\$ 92,790	\$ 96,501	\$ 100,361
Reservoir Purchase (PMIB Loan Payment)						
Melvorn, Council Grove, John Redmond, Tuttle Creek, Marion, Elk City	\$ 237,945	\$ 260,000	\$ -	\$ -	\$ -	\$ -
MOU Storage O&M*	\$ 329,815	\$ 368,202	\$ 384,403	\$ 401,317	\$ 418,975	\$ 437,410
State Conservation Commission						
Irrigation Transition Program						
Water Right Retirement		\$ 1,175,332	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Capital Development Programs						
Water Resources Cost-Share (w/ Tech Asst.)	\$ 3,495,218	\$ 3,862,218	\$ 4,000,000	\$ 4,100,000	\$ 4,200,000	\$ 4,400,000
Nonpoint Source Pollution Asst. (w/ Tech Asst.)	\$ 2,799,520	\$ 2,757,520	\$ 3,400,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
Buffer Initiatives	\$ 307,157	\$ 307,157	\$ 607,000	\$ 707,000	\$ 707,000	\$ 707,000
Watershed Dam Construction	\$ 352,499	\$ 352,499	\$ 805,000	\$ 805,000	\$ 805,000	\$ 805,000
Watershed Dam Rehabilitation	\$ 750,000	\$ 250,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Multipurpose Small Lakes	\$ -	\$ 363,867	\$ 363,051	\$ 366,348	\$ 366,348	\$ 366,348
Horsethief Reservoir		\$ 1,100,000	\$ 1,200,000	\$ 1,173,176		
Reservoir Protection and Maintenance						
Watershed BMP's for Dredging Projects	\$ -	\$ -	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000
Dredging	\$ -	\$ 400,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
Bio-Detention Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Potential Capital Projects						
Circle K Ranch (Edwards County)**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Keith Sebelius Reservoir Storage**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wilson Reservoir Storage**	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Annual Cost	\$ 10,093,207	\$ 14,463,733	\$ 18,079,823	\$ 18,376,779	\$ 17,997,487	\$ 18,219,782

* Operation and Maintenance are on-going costs.

**The total cost for this project, whether determined through negotiation or appraisal, will exceed \$1 million.

1-14

Legislative Issues

Dam safety linked to smart development

Nearly 6,000 small dams in Kansas are regulated by the state. Most were built for flood protection or to provide public water supply. As they age, some dams need structural rehabilitation. Others have been placed in a higher hazard class due to development downstream, and need enhancements like wider spillways and more freeboard to meet the design requirements of the new classification.

In November 2005 the Kansas Water Authority approved the Small Dam Safety and Rehabilitation policy section of the Kansas Water Plan. Policy recommendations are aimed at improving the ability of local and state officials to respond to increasing needs for small dam rehabilitation and the implications of downstream development. These recommendations also provide guidance to the State Conservation Commission for expenditure of a \$750,000 appropriation for dam improvements and also address these issues:

- Controlling dam hazard class changes due to development;
- Limiting dam owner liability for damages due to dam failure; and
- Financial assistance for small dam rehabilitation and upgrades.

Recommendations include required dam breach inundation area maps for new dams; requiring appropriate local development control measures as a condition for state dam construction assistance; limiting dam owner liability for damages to real property developed after appropriate notice is provided; and creation of a cost-share program for small dam rehabilitation and upgrades. Proposed legislation will be submitted to the 2006 Legislature.

The Small Dam Safety and Rehabilitation Policy Section may be found on the Kansas Water Office web site, www.kwo.org.

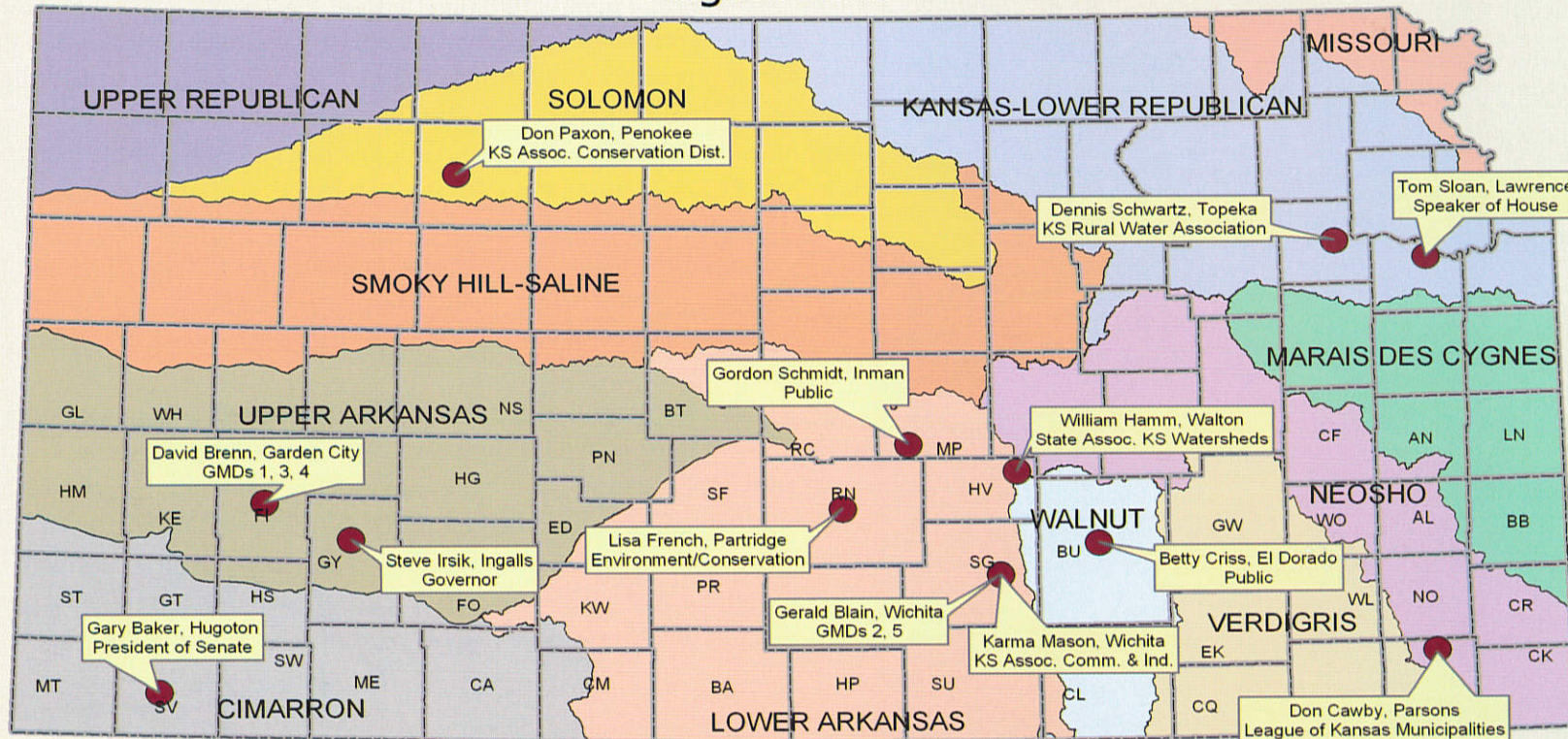


1-15

Kansas Water Authority Members

1-16

Kansas Water Authority Members (Appointed) August 2005



Kansas Water Authority Ex Officio Members

Fred Cholick
Agricultural Experiment Station
Kansas State University

Ron Hammerschmidt
Kansas Dept. of Health & Environment

Mike Hayden
Kansas Dept. of Wildlife & Parks

Brian Moline
Kansas Corporation Commission

David Pope
Division of Water Resources
Kansas Dept. of Agriculture

Greg Foley
State Conservation Commission

William Harrison
Kansas Geological Survey

Edward Martinko
Kansas Biological Survey

Adrian Polansky
Kansas Dept. of Agriculture

Tracy Streeter
Kansas Water Office

Howard Fricke
Kansas Dept. of Commerce

FY2007 State Water Plan Fund

Agency/Program	Appropriated FY2006	FY2007 KWA SWPF Rec.	FY2007 SWPF Governor's Budget Rec.	FY2007 Proposed SWP KS v. CO Damage Awd
KCC--Well Plugging	Rev. Transfer	Rev. Transfer	Rev. Transfer	
Department of Health and Environment				
Contamination Remediation	1,183,867	953,023	955,567	
TMDL Initiatives	323,338	298,741	299,269	
Local Environmental Protection Program	1,502,737	1,502,737	1,502,737	
Nonpoint Source Program	385,975	284,654	291,257	
WRAPs	800,000	800,000	800,000	
Use Attainability Analysis	300,000	0	0	
Total--Department of Health and Environment	4,495,917	3,839,155	3,848,830	0
University of Kansas--Geological Survey	40,000	0a	40,000	
Department of Agriculture				
Floodplain Management	68,773	0	0	
Interstate Water Issues	254,986	0	0	
<i>Kansas v. Colorado</i> Compact Compliance			1,027,764	
Subbasin Water Resources Management	554,369	678,577	674,552	
Water Appropriations Subprogram	187,925	0	0	
Water Use Study	60,018	60,018	71,121	
Total--Department of Agriculture	1,126,071	738,595	1,773,437	0
State Conservation Commission				
Water Resources Cost Share	3,495,218	3,412,218	3,415,778	
Quick Response Incentive Grants		450,000	450,000	
Nonpoint Source Pollution Asst.	2,799,520	2,757,520	2,757,520	
Aid to Conservation Districts	1,044,000	1,044,000	1,048,000	
Watershed Dam Construction	1,102,499	601,499	601,499	
Water Quality Buffer Initiative	307,157	307,157	307,157	
Riparian and Wetland Program	249,782	186,782	186,782	65,000
Water Rights Purchase	0	0	398,120	
Multipurpose Small Lakes	236,333	1,100,000	1,100,000	
Lake Restoration/Management		400,000	400,000	
Irrigation Water Use Reductions (<i>Kansas v. Colorado</i>)	0	398,120	786,268	777,212
Ark River Conservation Reserve Enhancement Program (CREP)	0	0	4,000,000	4,000,000
Total--Conservation Commission	9,234,509	10,657,296	15,451,124	4,842,212
Kansas Water Office				
Assessment and Evaluation	650,602	884,011b	884,011	
Federal Cost-Share Programs	0	0	0	
GIS Data Base Development	247,405	247,405	247,405	
MOU - Storage Operations and Maintenance	409,132	409,132	409,132	
PMIB Loan Payment for Storage	237,945	237,945	237,945	
Stream Gauging Program	392,296	0	0	
Technical Assistance to Water Users	246,150	266,150	266,150	
Weather Stations	0	60,000	60,000	
Water Planning Process	313,205	0	0	
Water Resource Education	60,000	84,000	84,000	
Weather Modification	120,000	120,000	120,000	
Kansas Water Authority	37,384	0	0	
Water Marketing Unfunded Liability	0	0	0	
Total--Kansas Water Office	2,714,119	2,308,643	2,308,643	0
Department of Wildlife and Parks				
Circle K Ranch Debt Service	0	0	0	
State Park No. 24	0	0	0	
Almena Irrigation District	0	120,000	120,000	
Stream (Biological) Monitoring	40,000	40,000	40,000	
Keith Sebelius Lake Purchase		0	0	
Total--Department of Wildlife and Parks	40,000	160,000	160,000	0
Total Water Plan Expenditures	17,650,616	17,703,689	23,582,034	4,842,212

a - KGS funding shifted to KWO

b - KWO to contract \$40,000 with KGS

Environmental Quality Incentives Program (EQIP) Ground and Surface Water Conservation (GSWC) Quick Response Areas

OVERVIEW
Salina, Kansas
October 2005

Background:

To improve the effectiveness of the EQIP GSWC concern, four western Groundwater Management Districts (GMD) and the Kansas Division of Water Resources (DWR) identified areas of the High Plains Aquifer and hydraulically interconnected alluvial and surface waters. These are called "Quick-Response Areas." (see map.)

Quick Response Areas (QRAs) were identified and approved by the Chief Engineer, DWR, and the Director, Kansas Water Office (KWO), as important for reducing consumptive water use. Each GMD and DWR defined QRA is based on various conditions in that district including aquifer conditions, withdrawal patterns, and socio-economic considerations.

The Kansas Technical Committee received the QRA proposals and recommended that the Natural Resources Conservation Service (NRCS) target EQIP funds to the QRA.

NRCS Decisions for Fiscal Year (FY) 2006 EQIP – QRAs:

NRCS will provide EQIP financial assistance for applications received that are located within QRAs that convert irrigated land to non-irrigated land.

Allocation of funds will be apportioned equally to each QRA identified.

To be eligible, participants must have irrigated the land two out of the last five years. At least 50 percent of the land offered in an application must lie within the identified QRA.

Applications received from a particular QRA will be ranked only with other applications from that QRA using the following sorting criteria:

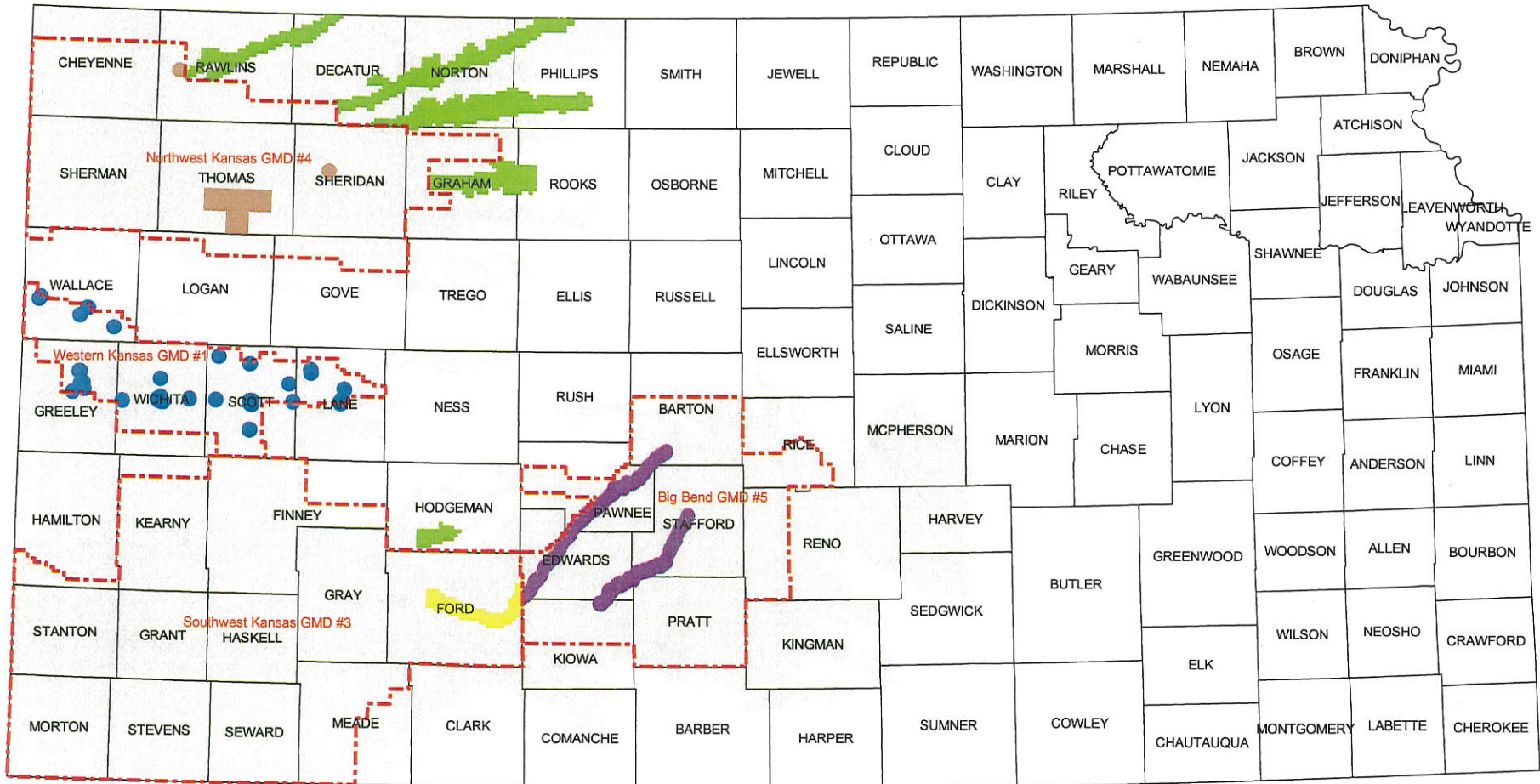
1. Applicant agreement to enroll application acreage into a Water Rights Conservation Program (WRCP) with the State of Kansas for a period of 10 or more years.
2. Applicant secures funding for portions of the project from other contributors, which may include, but is not limited to State of Kansas and GMD.

3. Application meets or exceeds the minimum use guideline of 66 percent. **Higher use improves ranking. Minimum use is defined as average acres irrigated divided by water right authorized acreage.**
4. Arkansas River shiner habitat area
5. Percent of prairie chicken habitat area
6. Percent acres located in Kansas Water Plan Groundwater Decline Area
7. Percent located in Total Maximum Daily Load (TMDL) and/or Sensitive Groundwater Area and/or Source Water Assessment Area
8. Cost-effectiveness - \$/acre (using total project cost)

Eligible practice lists and cost lists for FY 2006 are currently in "draft" form and have not been released. Draft practice lists provide incentive practice to convert irrigated land to non-irrigated (\$100/acre). Land can continue to be farmed or planted to permanent vegetation. Cost share for planting permanent vegetation will be allowed.

Kansas Fiscal Year 2006 Environmental Quality Incentives Program (EQIP) Ground and Surface Water Conservation High Plains Aquifer Quick Response Areas

3-3



Quick Response Areas

- Division of Water Resources
- Western Kansas GMD #1
- Southwest Kansas GMD #3
- Northwest Kansas GMD #4
- Big Bend GMD #5

- - - Ground Water Management District (GMD) Boundaries
- High Plains Aquifer

Environmental Quality Incentives Program (EQIP) Ground and Surface Water Conservation

Overview
Salina, Kansas
October 2005

Overview

The Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill) authorizes the Ground and Surface Water Conservation (GSWC) provision of the EQIP.

Assistance within this provision will facilitate a conservation measure that results in a net savings in ground or surface water resources in the agricultural operation of the producer.

Net water savings can occur by:

- Converting to a less water intensive cropping system or nonirrigated land use.
- Improving irrigation systems.
- Enhancing irrigation efficiencies.
- Improving water storage through water banking and groundwater recharge.
- Including other practices that improve groundwater or surface water conservation, as deemed by the U.S. Department of Agriculture Secretary.

Authorized funding:

- Improving water storage through water banking and groundwater recharge.
- \$25 million for Fiscal Year (FY) 2002;
- \$45 million for FY 2003; and
- \$60 million for each FY 2004-2007.

Information for Kansas

- Cost-share and incentive payments are only eligible on land that has been irrigated at least two of the past five years.
- All irrigated land that receives cost-share or incentive payments is required

to apply irrigation water management and water measuring devices.

- Producers must stay within the certified rate and amount of existing water right.

Application Evaluation Criteria:

High Category - Priority #1

- Conversion to non-irrigated
- Water Rights Conservation Program* (WRCP) enrollment (10-year length)

Medium Category - Priority #1

- Crop rotation reducing use $\geq 50\%$

Low Category - Priority #1

- Irrigation system conversion improving irrigation efficiency $\geq 20\%$

2005 Incentives for Conversion to Non-Irrigated:

- Permanent Vegetation
--\$63/acre/3 years for prescribed grazing
--50 percent cost share for grass seed and planting
- Permanent Introduced Vegetation
--\$53/acres/3 years for forage harvest management
--50 percent cost share for grass seed and planting
- Dryland Crop
--\$38/acre/3 years for crop rotation and residue management

FY 2005 Progress:

Kansas received \$3.8 million in GSWC funds for FY 2005. As of September 30, 2005:

190 contracts / 30,332 acres / \$3.8 million

- 257 applications / \$5.3 million
- 128 high category applications / \$2.6 million

- 1,188 acres to permanent vegetation
- 18,388 acres to non-irrigated
- 19 WRCP contracts / 3,609 acres
- 6 applications will decommission water wells
- 4 subsurface drip irrigation system conversions / 416 acres
- 69 center pivot system conversions / 6,977 acres

FY 2002 – 2005 GSWC Cumulative Accomplishments:

As of September 30, 2005:

- 1,961 applications / \$58.7 million
- 565 contracts / \$14 million
- 55,258 acres to non-irrigated
- 4,898 acres to permanent vegetation
- 84 WRCP contracts / 17,110 acres
- 66 subsurface drip irrigation system conversions / 4,276 acres
- 204 center-pivot system conversions / 21,077 acres

More information needed about EQIP?

Information can be found at www.ks.nrcs.usda.gov, click on Programs and scroll down to the Environmental Quality Incentives Program.

*WRCP, a program of the State of Kansas. Applicant must sign a WRCP contract prior to receiving any EQIP payment and provide a copy of the approved WRCP contract to NRCS.