

MINUTES OF THE HOUSE AGRICULTURE AND NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman John Faber at 3:30 P.M. on January 23, 2008, in Room 783 of the DSOB.

All members were present.

Committee staff present:

Raney Gilliland, Kansas Legislative Research Department
Hank Avila, Kansas Legislative Research Department
Gordon Self, Revisor of Statutes
Kristen Kellems, Revisor of Statutes
Florence Deeter, Committee Assistant

Conferees appearing before the committee:

Raney Gilliland, Kansas Legislative Research Department
Kerry Wedel, Kansas Water Office

Others attending:

See attached list.

Vice Chairman, Knox called the meeting to order and recognized Representative Grange, who introduced his intern, John Witt, from Kansas State University.

Staff Raney Gilliland, Kansas Legislative Research Department, briefed the committee on the historical background of **SB 89 - Republican River; disposition of litigation moneys**. He said that Legislative action in 1996 outlined how the money from any settlement with Colorado regarding the Arkansas River would be distributed. Mr. Gilliland indicated that long before the settlement occurred, the Legislature determined by statute that moneys would not become part of the State General Fund, but would be designated to rehabilitation of property impacted by the breaking of the Compact.

Mr. Gilliland further explained that the original Compact also spoke to the issue of the Republican River Compact, an agreement Kansas has with three other states. At issue is the manner in which water resources are to be allocated; Kansas is both an upstream and downstream state determined by the way the Republican River flows in the Northwest corner of the state. It is a major source of water flowing eventually to the Kansas River near Junction City.

Mr. Gilliland explained that any funds received from a settlement with Nebraska in terms of litigation on the Republican River would be credited to the Interstate Water Litigation Fund. This fund was created by legislation in 1996 to provide moneys for litigation on the Arkansas River with Colorado. Following this dispersion, the next five percent of remaining funds is allocated to the Republican River Compact Compliance and Enforcement Fund, which is used to ensure Nebraska remains in compliance with the provisions of the Compact.

Mr. Gilliland distributed information concerning the issue of allocations different from the process used involving Colorado (Attachment 1). The explanation contains data regarding the disposition of money recovered by Kansas from Colorado as the result of water litigation.

Clarifying his answers, Mr. Gilliland stated that money received from Colorado is allocated as one-third to the State Water Plan Fund for water conservation projects, and two-thirds distributed to the Water Conservation Projects Fund for projects in the Upper Arkansas River Basin.

Kerry Wedel, Kansas Water Office, gave a briefing regarding the Kansas Watershed Restoration and Protection Strategy (KS-WRAPS), outlining the vision of the organization (Attachment 2). KS-WRAPS is an outreach program involving citizens and stakeholders collaborating together to identify watershed restoration and protection needs. Various agencies in Kansas as well as Federal agencies share in this vision. Mr. Wedel explained the structure of KS-WRAPS and commented on the priorities of the organization. He said that twenty of the twenty-four reservoirs in Kansas are used for public water supply. Mr. Wedel commented on a map showing the status of the WRAPS projects, saying that over fifty percent of state

CONTINUATION SHEET

MINUTES OF THE House Agriculture and Natural Resources Committee at 3:30 P.M. on January 23, 2008, in Room 783 of the DSOB.

reservoirs are involved in the program. He said that nineteen of the twenty Federal watersheds have active WRAPS projects in place. He commented further that Kansas is engaged with Oklahoma and other states in the restoration and protection of watersheds in Kansas.

Mr. Wedel said the Kansas Department of Health and Environment and the State Conservation Commission are both involved in administering the funds allocated to the WRAPS project. He said the implementation phase of WRAPS relies on utilizing existing state and federal resources. He said supplemental funds are available to fill in when needed. Funds requested by the Kansas Water Authority for 2009, and not included in the Governor's budget have yet to be acquired.

Representative Palmer requested a bill be introduced to further extend the sales tax exemption included in **HB 2540** and passed during *Sine Die* of the 2006 Legislature to repair flood damage in Southeast Kansas. There being no objection, the bill will be introduced.

At at constituent's request, Representative Palmer proposed a bill be introduced to provide sales tax exemption for the Resource Conservation and Development Projects, a 501(c)3 non-profit charitable organization located in eleven counties in Southeast Kansas. The organization specializes in natural resources, conservation projects, and community development. There being no objection, the bill will be introduced.

The meeting was adjourned at 4:10 p.m. The next meeting will be held on January 24, 2008 at 3:30 p.m.

**DISPOSITION OF MONEY RECOVERED BY KANSAS
FROM COLORADO AS THE RESULT OF WATER LITIGATION**

KSA 82a-1801, enacted in 1996, designates three funds into which any money Kansas receives as the result of water litigation against Colorado will be credited and prescribes how the money will be spent.

**Money from Colorado Equal to Money Spent
for Colorado Water Litigation (\$18.7 million)***



Interstate Water Litigation Fund
Under Jurisdiction of Attorney General
(Interest on Fund Credited to State General Fund)

Expenditures from Fund:

- \$112,500 to pay back ditch companies (associations of farmers) and individuals who funded early litigation;
- Balance to pay for:
 - water litigation or preparation for future water litigation with another state, the federal government, or an Indian nation;
 - monitoring or enforcing compliance with interstate water compact or settlement relating to water; and
 - ongoing expenses connected with Colorado litigation and expenses of Kansas agencies to monitor and enforce any settlement or order of the U.S. Supreme Court in the case. (The latter is a provision in 2003 SB6.)

All Money Received from Colorado in Excess of \$18.7 Million*



One-Third	Two-Thirds
State Water Plan Fund for Water Conservation Projects	Water Conservation Projects Fund for Projects in Upper Arkansas River Basin Affected by Arkansas River Compact

* The amount of money appropriated from the State General Fund for Colorado water litigation for fiscal years 1984 through 2004 is \$18,553,087. In addition, \$112,500 has been contributed by ditch companies and individuals. The amount will increase as future appropriations are made.

Note: The 1996 Legislature created the Interstate Water Litigation Fund for five years and provided that it would be abolished July 1, 2001, unless the Attorney General certified that Kansas was engaged in on-going water litigation or in preparation for litigation. If no litigation existed or was pending on July 1, 2001, balances in the Fund would have been credited to the State General Fund. Because Kansas was involved in water litigation on that date, as certified by the Attorney General, the Fund is ongoing. Money in the Fund can only be used for statutory purposes of the Fund subject to appropriation, and any balances will remain in the Fund. Interest on money in the Fund will be credited to the State General Fund.

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Kansas Watershed Restoration and Protection Strategy (KS-WRAPS)

Briefing to the House Agriculture & Natural Resources Committee

January 23, 2008

Kerry Wedel
Kansas Water Office
kwedel@kwo.state.ks.us
785-296-0862

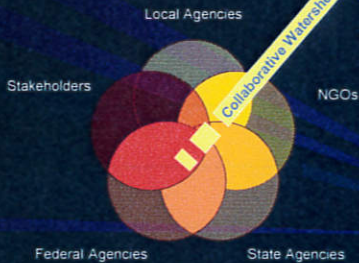
What is KS-WRAPS?

- The KS-WRAPS program offers a framework to engage citizens and other stakeholders in a collaborative environment for protecting and restoring Kansas watersheds. This consists of:
 - Identifying watershed restoration & protection needs
 - Establishing watershed goals
 - Creating plans to achieve goals
 - Implementing plans



www.kswraps.org

WRAPS Vision



KS-WRAPS History

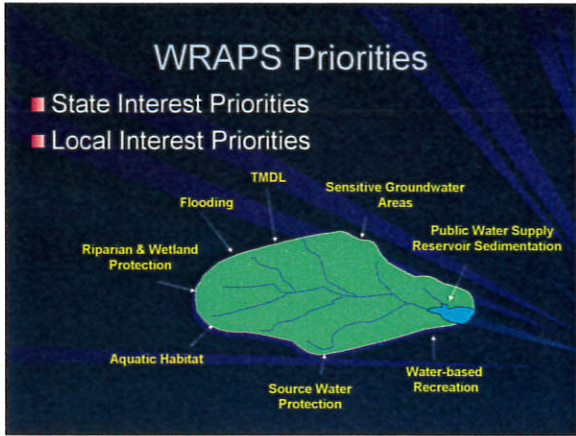
- Early 1990's: Watershed protection projects funded by KDHE with EPA Clean Water Act Section 319 funding (e.g. Hillsdale & Cheney Lake Projects)
- Late 1990's: Term "WRAPS" coined by KDHE following federal Clean Water Action Plan initiative
- 2004: KS-WRAPS evolved through Kansas Water Planning process as a vehicle to address priority Water Plan issues; Process endorsed by the Natural Resources Sub-Cabinet and Kansas Water Authority
- FY 2006: State Water Plan Funds first appropriated for WRAPS

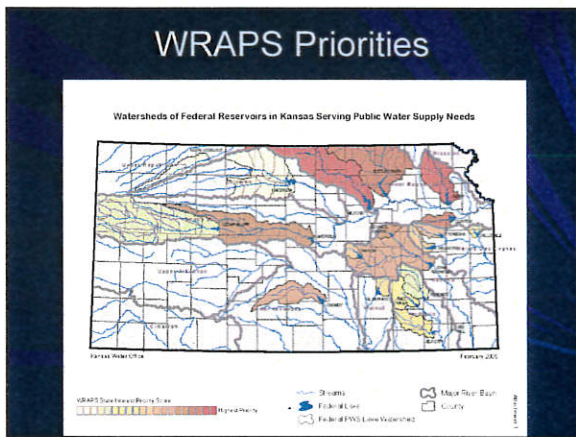
KS-WRAPS Structure

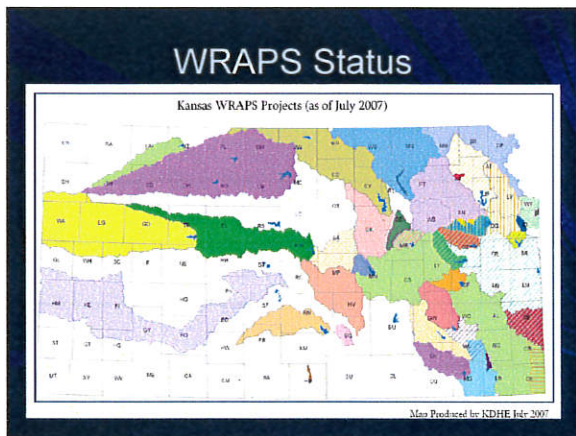
- KS Natural Resources Sub-Cabinet
- KS-WRAPS Work Group & Watershed Partners
- Watershed Stakeholder Leadership Teams
- Service Providers

WRAPS Process

Development		Evaluation	Stakeholder community building
Assessment			Watershed conditions & behavior
Planning			Watershed goals & plan selection
Implementation			Carry out actions & achieve plan goals







KS-WRAPS Funding

- FY 2008 Funding
 - KDHE
 - \$800,000 State Water Plan Funds
 - \$1.2m EPA CWA Section 319 Funds
 - Focus on WRAPS Development, Assessment & Planning Phases
 - State Conservation Commission
 - \$821,489 State Water Plan Funds
 - Focus on WRAPS Implementation Phase
 - Supplements existing state & federal assistance programs
 - FY 2008 WRAPS Funding Requests:
 - 40 individual watershed projects
 - Over \$12 million in requests
 - 70 service providers

KS-WRAPS Funding

- FY 2009 Funding
 - KDHE
 - \$800,000 State Water Plan Funds (requested by the Kansas Water Authority; included in Governor's budget)
 - \$1.2m EPA CWA Section 319 Funds anticipated
 - State Conservation Commission
 - \$821,489 State Water Plan Funds (requested by Kansas Water Authority; not included in Governor's budget)

Additional Information

- KS Dept of Health & Environment WRAPS Funding:
 - Don Snethen
 - KDHE Watershed Management Section
 - dsnethen@kdhe.state.ks.us
 - 785-296-5567
- State Conservation Commission WRAPS Implementation Funding:
 - Don Jones
 - SCC Nonpoint Source Pollution Control Program
 - djones@scc.state.ks.us
 - 785-296-1883
