

Approved: 03/29/12
Date

MINUTES OF THE SENATE AGRICULTURE COMMITTEE

The meeting was called to order by Chairman Mark Taddiken at 8:30 a.m. on March 6, 2012, in Room 159-S of the Capitol.

All members were present except:

Senator Abrams – excused

Senator King – excused

Senator Love – excused

Committee staff present:

David Wiese, Office of the Revisor of Statutes

Jason Thompson, Office of the Revisor of Statutes

Heather O'Hara, Kansas Legislative Research Department

Abigail Boudewyns, Kansas Legislative Research Department

Judy Seitz, Committee Assistant

Conferees appearing before the Committee:

Doug Mays, on behalf of the Kansas Rural Water Association (KRWA)

Tracy Streeter, Secretary, Kansas Water Authority and Director, Kansas Water Office (KWO)

David Barfield, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture (KDA)

Wes Essmiller, Manager, GMD #5

Kent Askren, Assistant Director of Natural Resources, Kansas Farm Bureau (KFB)

Steve Frost, Water Conservation Programs Manager, Division of conservation, Kansas Department of Agriculture (KDA)

Sean Miller, GMD #3

Steve Swaffar, Director of Natural Resources, Kansas Farm Bureau (KFB)

Leslie Kaufman, on behalf of the Kansas Cooperative Council, Kansas Grain & Feed Association, Kansas Agribusiness Retailers Association

Others attending:

See attached list.

Chairman Taddiken noted the Committee had copies of minutes for January 31, February 1, 7 and 8 and will be acted on later.

Chairman Taddiken opened the hearing on **HB 2588 – Water districts and the issuance of revenue bonds.**

David Wiese, Office of the Revisor of Statutes, reviewed **HB 2588.**

Doug Mays appeared as a proponent on behalf of the Kansas Rural Water Association (KRWA) on **HB 2588.** (Attachment 1) He said it is common for public wholesale water supply districts (PWWSD's) and rural water districts (RWD's) to borrow money in the form of loans from the United States Department of Agriculture (USDA). With long term interest rates at historic lows, now is an opportune time for some

MINUTES OF THE Senate Agriculture Committee at 8:30 a.m. on March 6, 2012 in Room 159-S. of the Capitol.

PWSD's and RWD's to issue revenue bonds to refund certain outstanding loans. This bill would affect the changes necessary to make it clear that such refinancing is authorized under state law. Mr. Mays took questions from the Committee.

There were no opponents. The hearing on **HB 2588** was closed.

*Senator Teichman made a motion to move **HB 2588** out favorably and place on the Consent Calendar; seconded by Senator Bruce. Motion carried.*

Chairman Taddiken opened the hearing on **HB 2516 – Allowing a water bank charter to become permanent.**

Mr. Wiese gave an overview of **HB 2516**.

Tracy Streeter, Secretary, Kansas Water Authority (KWA) and Director, Kansas Water Office (KWO) testified in support of **HB 2516**. (Attachment 2) He said the first change clarifies the authorizing legislation on the bank's permanency. Mr. Streeter said the second statutory change would allow more than one groundwater bank.

David Barfield, Chief Engineer, Division of Water Resources, Kansas Department of Agriculture (KDA), appeared as a proponent of **HB 2516**. (Attachment 3) He said the bill has two principal effects: 1) to remove the current limitation on the number of banks that can be created and 2) to allow banks to become fully "chartered" after completion of their initial trial period while providing for on-going and periodic review of the banks.

Wes Essmiller, Manager, GMD #5, offered testimony in support of **HB 2516**. (Attachment 4) He said that one of the benefits of this bill is that it would allow the water bank, after its initiation seven year period and successful review, to be extended into perpetuity with follow-up reviews being required every five years and it allows for the addition of other banks throughout the state. Mr. Essmiller said that another benefit to the extension of the bank's life would be to allow water users to utilize the Safe Deposit program more efficiently.

Kent Askren, Assistant Director of Natural Resources, Kansas Farm Bureau (KFB), gave testimony as a proponent of **HB 2516**. (Attachment 5) He said that as Kansas water law further matures and our water resources advance towards full development, it will take forward thinking concepts like water banking to maximize production without further jeopardizing our water resources.

Mike Beam, Kansas Livestock Association (KLA), provided written testimony in support of **HB 2516**. (Attachment 6)

There were no opponents appearing on **HB 2516**.

Mr. Streeter, Mr. Barfield and Mr. Essmiller took questions from the Committee.

Chairman Taddiken closed the hearing on **HB 2516**.

MINUTES OF THE Senate Agriculture Committee at 8:30 a.m. on March 6, 2012 in Room 159-S. of the Capitol.

Chairman Taddiken opened the hearing on **HB 2517 – Making the water right transition assistance program permanent.**

Mr. Wiese, Office of the Revisor of Statutes, gave an overview of **HB 2517.**

Tracy Streeter, Secretary, KWA, and Director, KWO appeared in support of **HB 2517.** (Attachment 7) He said the KWA has endorsed this program and included funding recommendations in their budget including the Water Right Transition Assistance Program (WTAP). Mr. Streeter said the most important piece of this legislation is making this program permanent.

Steve Frost, Water Conservation Programs Manager, Division of Conservation, KDA, testified in support of **HB 2517.** (Attachment 8) He said WTAP is now nearing the end of its five-year “pilot” phase status, which expires on June 30, 2012. The results of the program to date have demonstrated that landowners can be reasonably incentivized to voluntarily dismiss water rights in critical areas which are in need of water conservation and water use reductions.

Sean Miller, on behalf of all five Groundwater Management Districts, presented testimony as a proponent of **HB 2517.** (Attachment 9) The WTAP options to entertain partial water right buy down or to leverage WTAP resources with other conservation initiatives and programs provides a strong, practical program that offers the most utility as an important part of the groundwater management tools for Kansas.

Steve Swaffar, Director of Natural Resources, Kansas Farm Bureau (KFB) spoke in support of **HB 2517.** (Attachment 10) He said that targeted water rights purchases in the highest priority areas where aquifer declines are most severe or interstate water compact compliance is critical. Mr. Swaffar also noted that improvements in the WTAP has come through streamlining the sign-up process, enhancing payments and by expanding the target areas.

Leslie Kaufman appeared on behalf of the Kansas Cooperative Council, Kansas Agribusiness Retailers Association and the Kansas Grain and Feed Association, as a proponent of **HB 2517.** (Attachment 11) She said her organizations appreciate the ability to retire a partial water right under the program will be subject to oversight via local groundwater district metering and monitoring.

Written testimony in support of HB 2517:

Mike Beam, Kansas Livestock Association (KLA) (Attachment 12)

David Brenn, President, Kansas Water Congress (Attachment 13)

The Committee had questions for the conferees.

Chairman Taddiken closed the hearing on **HB 2517.**

Chairman Taddiken opened the hearing on **SB 412 – Water permit for sand and gravel pit projects.**

Mr. Weise briefed the Committee on the bill.

Woody Moses, Managing Director, Kansas Aggregate Producers’ Association (KAPA) testified in support
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MINUTES OF THE Senate Agriculture Committee at 8:30 a.m. on March 6, 2012 in Room 159-S. of the Capitol.

of **SB 412**. (Attachment 14) He said that under the provisions of this bill the evaporation of groundwater will be regulated by a single permit authorizing the use of water for that purpose. Mr. Moses said the permit will cover all uses of water associated with a sand and gravel operation including the dredge, wash water wells, and net evaporation. He distributed a proposed amendment to **SB 412**. (Attachment 15)

Tim Boese, Manager, Equus Beds GMD #2 on behalf of all five Kansas GMD's offered testimony in opposition to **SB 412**. (Attachment 16) He believes this bill creates a new class of water users with general project permits that can hoard undetermined amounts of Kansas water for undeterminable amounts of time under proposed conditions that are outside the established doctrines of the Kansas Water Appropriations Act (KWAA) and the public interest expressed in the Groundwater Management District Act and the public interest expressed in the Groundwater Management District Act and local groundwater management programs.

David Barfield, Chief Engineer, Division of Water Resources, KDA, presented neutral testimony on **SB 412**. (Attachment 17) He said some concerns are the exemption from safe-yield and other KWAA requirements, permitting of the wash water well and on-going authorization of pit evaporation once dredging is complete. Mr. Barfield also said that the "expeditiously approve" language is ambiguous and could potentially conflict with other statutory requirements on the processing of applications.

The hearing was closed on **SB 412**.

Discussion was begun on **HB 2502 – Amending the procedure for a county to grant permission to establish swine production facilities.**

Senator Bruce distributed a proposed amendment to **HB 2502** which adopts the recommendations from the Kansas Association of Counties which would simplify the ballot question. (Attachment 18) *Senator Bruce made a motion to adopt the proposed amendment to **HB 2502**. The motion was seconded by Senator Francisco. Motion passed.*

Senator Teichman made a motion to strike 5% and insert 10% of the electors of the county on page 1, line 31; seconded by Senator Ostmeyer. There was discussion on the motion. *Senator Teichman withdrew her motion.*

*Senator Ostmeyer made a motion to pass **HB 2502** as amended; seconded by Senator Teichman. Motion passed.* Senator Francisco voted no.

The next meeting is scheduled for March 7, 2012. The meeting was adjourned at 9:30 a.m.