



Southwest Kansas
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Proponent Testimony on House Bill 2049

to

The Senate Committee on Agriculture

By

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Southwest Kansas Groundwater Management District No. 3

March 19, 2013

Chairman Love and members of the committee, my name is Mark Rude. I am executive director of the Southwest Kansas Groundwater Management District No.3 (GMD3). We are writing in support of sustained funding for the water appropriations program provided in HB 2049.

GMD 3 was established, and exists, so that local water users have a say in good water policy and management of Kansas water. That job is, among other things, to advocate for water conservation, and to underwrite the success and opportunities for Kansas Agriculture.

On this Day that has been dedicated as Kansas Agriculture Day, we recognize the role of Agriculture as a mainstay of commercial activity and economic growth in Kansas. The development and expanded water conservation innovation in irrigation projects has intensified and diversified the entire agribusiness complex for Kansas. Within the larger economy, the irrigated agriculture industry predominantly consists of three major sectors: agriculture production, agriculture services, and the food processing sectors.

According to information put out recently by the Family Farm Alliance, a national advocacy organization for Western US Irrigation, as national and world demand increases for irrigated agriculture products, we can expect more emphasis on reviewing the net direct water value for irrigated agriculture projects, and assessing the economic trade-offs, or "opportunity costs" affecting the stability of the irrigated agriculture industry. They estimate the range for direct net water market value at \$1,500 to 2,500/acre-ft. for irrigation water. That is comparable to direct payments now occurring in GMD3 by water suppliers for horizontal wells at \$1,550/acre-ft.

The State of Kansas water policy dedicates all water in the state to the use of the people of the state, subject to the control and regulation of the state according to state water laws. Groundwater Management by local water users representing all local uses is in place to provide maximum return for the longest possible period of time from the water resources of the state.

The local-state partnership work requires reasonable funding for the Kansas Department of Agriculture. We believe HB 2049, as written, is a reasonable approach to continue providing the good and necessary work of the agency for Kansas.

A concern was raised in our earlier presentation to this committee on a conceptual Kansas Aqueduct and Energy Corridor project regarding how a large filing fee (\$400,000 to \$600,000) may be made with an application to appropriate Kansas water from the Missouri River for priority to initiate stakeholder interest and evaluate feasibility. The concern is that submitting a lump sum fee to fund agency review may be simply swept the next budget cycle and leaving the applicant funds misapplied and the agency without the resources needed to complete the review. We ask the committee to consider adding an additional alternative for a filing fee that provides some up-front fee with a pay as we go approach for the agency to assure an appropriate preservation of the funds for the agency and the applicant.

Thank you for this opportunity to provide these comments. I will stand for questions at the appropriate time.