



To: House Committee on Vision 2020
Rep. Tom Sloan, Chair

From: Aaron M. Popelka, V.P. of Legal & Governmental Affairs, Kansas Livestock Association

Re: **State Water Plan Fund.**

Date: February 16, 2014

The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing over 5,000 members on legislative and regulatory issues. KLA members are involved in many aspects of the livestock industry, including seed stock, cow-calf and stocker production, cattle feeding, dairy production, grazing land management and diversified farming operations.

Thank you, Chairman Sloan and members of the Committee, my name is Aaron Popelka and I am with the Kansas Livestock Association (KLA). KLA appreciates the opportunity to update you on our current policy and views related to the State Water Plan Fund.

As the Committee is aware, Governor Sam Brownback recently completed the second draft of the 50-Year Vision for Water in the State of Kansas. Developing this long-range planning document was a year-long process, encompassing significant stakeholder input. On page 11, under the heading "Immediate Priority Action Items," the Vision document states: "2. Establish a Blue Ribbon Task Force to develop a balanced, affordable and sustainable method to provide financing for water resource management and protection, including alternatives that utilize public and private partnerships." Given this statement, and that the Kansas Department of Agriculture (KDA) and Kansas Water Office (KWO), have stated that this taskforce is set to convene later this year, KLA believes it would be premature for the legislature to modify how it funds the State Water Plan Fund during this legislative session.

It should be noted, however, that while most agriculture producers do not have fees directly assessed under the State Water Plan Fund, stockwater right holders are currently assessed a fee at the rate of three cents per 1,000 gallons used in the preceding calendar year. A stockwater appropriation is necessary for livestock operations that water greater than 1,000 head of cattle or use greater than fifteen acre feet of water annually. The latest draft of the Water Plan states: "As of October 2012, 111,046 acre feet of water is authorized to be diverted for stock water use." In addition, KLA is aware of at least one feedyard that supplements its stockwater appropriations with water purchased from a municipal water system. Municipal water is assessed a State Water Plan Fund fee of three cents per 1,000 gallons delivered.

Compared to other sectors of production agriculture, the livestock sector has a direct stake in the Water Plan. If one assumes the full authorized quantity of stock water is used, livestock producers are currently paying nearly \$1.1 million in fees. KLA would note that in recent years,

State General Fund (SGF) appropriations have been cut to zero and many of the other fee funds swept, diminishing the amount of money available for Water Plan activities. At this time, KLA would be hesitant to support a fee increase in either the stockwater or municipal water fees if the fees continue to be swept to balance the SGF. Furthermore, KLA members would be hesitant to support a fee increase if the increase were to support activities unrelated to issues that affect stockwater rights. For instance, 99 percent of all stockwater rights are groundwater rights. Thus, stockwater fees should be used on groundwater-related projects.

Before any future funding changes are proposed, the state should develop a better idea of what activities need to be funded and which funding source is most appropriate to accomplish that goal. KLA would ask that the legislature delay any action on changing the makeup of the State Water Plan Fund, until the 50-Year Vision taskforce has a chance to meet and develop potential strategies. During this process KLA would ask KDA and KWO to utilize local and regional outreach mechanisms to form any legislative proposals. KLA has few policies that directly reference the Water Plan, but the one policy that does reference the Water Plan states: "[T]he Kansas Livestock Association supports a continuation of the 12 River Basin Advisory Committees and their participation in the examination of all proposals for change in the State Water Plan."

Thank you for the opportunity to submit testimony. KLA appreciates the committee's foresight in examining this issue, but believes that at the current time, modifications to the State Water Plan Fund is premature. The legislature should first allow the taskforce, developed under the 50-Year Vision for Water, to develop proposals through local and regional outreach.