Approved:	March 21, 2011

MINUTES OF THE HOUSE AGRICULTURE & NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Larry Powell at 9:00 a.m. on March 9, 2011, in Room 783 in the Docking State Office Building.

All members were present except:

Representative Rocky Fund - Excused Representative Michael Peterson - Excused

Committee staff present:

Sean Ostrow, Office of the Revisor of Statutes Raney Gilliland, Kansas Legislative Research Department Michael Wales, Kansas Legislative Research Department Kay Scarlett, Committee Assistant

Conferees appearing before the Committee:

Earl Lewis, Assistant Director, Kansas Water Office Brad Shogren, President, Lower Smoky Valley Irrigators Association Kent Askren, Water Resources Specialist, Kansas Farm Bureau John Donley, Assistant Counsel, Kansas Livestock Association City of Salina (written only)

Others attending:

See attached list.

The Kansas Department of Wildlife and Parks provided a KDWP cabin inventory by location and type as of January 1, 2011, as requested at the hearing on **SB 123** on March 8. The average annual operating and maintenance costs are less than \$2,000 per cabin. This includes utilities, cleaning, and maintenance/repair supplies. (Attachment 1)

Hearing on SB 124 – Concerning the Kansas Water Office; relating to water supply storage access and creating the Lower smoky hill water supply access program.

Chairman Powell opened the hearing on <u>SB 124</u>. Sean Ostrow, Office of the Revisor of Statutes, explained that this bill would establish the Lower Smoky Hill Water Supply Access Program as part of the Kansas Water Office; would create the Lower Smoky Hill Water Supply Access Fund; would authorize the Lower Smoky Hill Water Supply Access District; and create the Lower Smoky Hill River Special Irrigation District. The Chief Engineer of the Kansas Department of Agriculture would have the responsibility of protecting releases from Kanopolis Reservoir, and would collaborate with the Access District, the Kansas Water Office, and the U.S. Corps of Engineers to develop an operations agreement and to update the operations agreement every five years. The Kansas Water Office shall adopt rules and regulations to implement the Lower Smoky Hill Water Supply Access Program.

Earl Lewis, Assistant Director, Kansas Water Office, testified in support of <u>SB 124</u> that would create a new entity, an "Access District," to allow the Kansas Water Office to provide access to water storage owned by the state in Kanopolis Reservoir to downstream users. Membership in the Access District is voluntary and may include municipal, industrial, recreation, and irrigation users. He explained that the legislation also creates a special irrigation district in the area for purposes of membership in the Access District. Creation of the Access District allows the state and the stakeholders to better manage the resources of the reservoir and the river below the reservoir.

As background, he explained that Kanopolis Reservoir is one of 13 reservoirs in Kansas developed by the U.S. Army Corps of Engineers in which the state owns water supply storage. Access to water from water supply storage is currently obtained through Water Marketing Program contracts or storage ownership through the Water Assurance Program and is limited to municipal and industrial uses only. Discussions that led to the introduction of this legislation began with the drought conditions in 2006. This was the first time since the state had purchased storage in 2002 that the importance of that stored water to downstream users became so evident. Unfortunately, existing state law limits the options available to reservoir storage to existing downstream users. The Kansas Water Office believes this cooperative effort and passage of <u>SB</u> <u>124</u> will lead to improved management of the water resources in the Kanopolis region. (<u>Attachment 2</u>)

CONTINUATION SHEET

The minutes of the House Agriculture & Natural Resources Committee at 9:00 a.m. on March 9, 2011, in Room 783 of the Docking State Office Building.

Brad Shogren, President, Lower Smoky Valley Irrigators Association, appeared in support of <u>SB 124</u> the culmination of many years of serious study of the Smoky Hill River system below Kanopolis Reservoir. Present state law only allows for industrial and municipal water users to participate in long-term state stored water programs. This legislation proposes to create a Smoky Hill River Special Irrigation District within a Lower Smoky Valley Water Supply Access Program allowing agriculture access to stored water from Kanopolis Reservoir. The Association supports this legislation and view it as a piece of a larger process which they hope will preserve the present water demands and create a system to address future needs. (<u>Attachment 3</u>)

Kent Askren, Water Resources Specialist, Kansas Farm Bureau, testified in support of <u>SB 124</u>. He related that in early 2007, following an extended dry period, the Kansas Water Office considered more aggressive management of Kanopolis Reservoir including a proposal to alter the longstanding standard water release schedule followed by the U.S. Army Corps of Engineers. Recognizing that changing the standard release schedule has potentially negative impacts on agriculture, public water supplies, and other beneficial uses of water, efforts by stakeholders, farm organizations, public water suppliers and agency staff have been ongoing to explore the potential to access water stored in Kanopolis Reservoir to help offset the impacts of more aggressive water management. The Kansas Water Authority has approved moving forward with this legislation proposing to grant access to stored water by creating the Lower Smoky Hill Water Supply Access Program and granting agriculture access to storage through the creation of the Smoky Hill River Special Irrigation District. Without such a program, he said the potential for catastrophic crop failure and subsequent economic loss to individual, local, and regional economies would be devastating. (Attachment 4)

John Donley, Assistant Counsel, Kansas Livestock Association, appeared in support of <u>SB 124</u> stating that KLA has actively participated in the discussions that have led to the creation of this legislation. Essentially, the bill will allow all water users below Kanopolis Reservoir to have the opportunity to purchase a portion of the storage capacity of the water that is owned by the state in Kanopolis Reservoir. This bill sets up the statutory framework for such a purchase to occur. This legislation is modeled after the Water Assurance Program, but is different in that irrigation districts are included. (<u>Attachment 5</u>)

The City of Salina submitted written testimony in support of <u>SB 124</u> stating that the proposed legislation is the culmination of many years of cooperation between the Kansas Water Office and the stakeholders in the Lower Smoky Hill River Basin. The stakeholders include the cities of Salina and Lindsborg, Post Rock Water District, and the irrigators. This legislation is an important component in improving the management of the Lower Smoky Hill River system, which will aid the City of Salina in meeting water demands during drought conditions in years to come. (<u>Attachment 6</u>)

There being no other conferees, the Chairman closed the hearing on SB 124.

The meeting adjourned at 10:25 a.m. The next meeting of the House Agriculture & Natural Resources Committee is scheduled for March 10, 2011.