Approved: March 1, 2012
Date

### MINUTES OF THE HOUSE AGRICULTURE & NATURAL RESOURCES COMMITTEE

The meeting was called to order by Chairman Larry Powell at 9:00 a.m. on February 8, 2012, in Room 783 in the Docking State Office Building.

All members were present except:

Representative Michael Peterson (Unexcused)

### **Committee Staff Present:**

Randy Gilliland, Kansas Legislative Research Department Sean Ostrow, Office of the Revisor of Statutes Chris Sevedge, Kansas Legislative Research Department Linda Reed, Committee Assistant

## Conferees appearing before the committee:

Curtis Tobias, Kansas Water Authority (Proponent)
David Barfield, Chief Engineer, Dept. of Agriculture (Proponent)
Sean Miller, Kansas Groundwater Management Districts (Proponent)
Kent Askren, Kansas Farm Bureau (Proponent)
Mike Beam, Kansas Livestock Association (Proponent)

# Others attending:

Chairman Powell welcomed the committee and announced the first order of business is to take up SB272 water rights; multi-year flex accounts; application for division of water right; fee.

Sean Ostrow of the Revisor of Statutes Office provided an explanation and overview of water rights. **SB272** is the bill that deals with water rights; multi-year flex accounts, which would allow for water right holders to spread out the water use. Instead of having annual maximum gives them about a five-year cap that increases their flexibility to manage crop water over a five-year period.

Curtis Tobias presented testimony on behalf of the Kansas Water Authority in support of <u>SB272</u>. Mr. Tobias testified that the proposed changes will allow this to be an important tool for aquifer conservation efforts. Once conservation measures are adopted, increased crop water

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management options will help farmers achieve the goals and maximize their profits. (Attachment 1)

David Barfield, Chief Engineer, Division of Water Resources of the Kansas Department of Agriculture, testified in support of **SB272**.

The Division of Water Resources experience in processing the drought emergency term permits makes it clear that landowners need a clearly defined and concise water right for their flex account permit. Because water right owners may not want to place all of a water right into a flex account permit, the Division expects that the advantages of these accounts will produce more requests to divide water rights. Section 1 of the bill provided for that division. The section would make the current practice of dividing water rights explicit in statute, and provides a fee of \$300 for the division, no matter how many wells are involved.

With respect to the fiscal impacts of the bill, it is expected that a significant number of conversions from drought term permits to multi-year flex accounts this spring and summer. As with the drought permits, the addition of flex accounts represents a substantial work load to the division, both in Topeka and in the field offices. The new work also affects both the short-term effort to assist water right holders and process permits and will impact operations over the five-year life of the permits as the Division continues to assist water users and monitor compliance. The additional work load occurs at a time when the Division is facing continued declines in staff and the ability is needed to manage fees over multiple years as these are multi-year programs. (Attachment 2)

Sean Miller presented testimony on behalf of Groundwater Management Districts in support of <u>SB272</u>. All five groundwater management districts support the concept of providing Kansas water right owners with multi-year flexibility in their water usage. <u>SB272</u> will provide significant assistance to GMD members. The bill provides water users a viable option for projects that borrowed heavily from 2012 allocations to finish the 2011 crop and who need to assure crop insurance providers that a normal water supply will be available to irrigated fields this year.

<u>SB272</u>, as amended, provides the positive alternative for water users the option of flexibility while also providing a mechanism to reduce less effective winter irrigation. The GMD also believes the Senate committee amendments have helped clarify the priority and impairment

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considerations of a water right enrolled in a multi-year flex account and corrected an oversight in the five-year calculation allowable under the net irrigation requirement option. (Attachment 3)

Kent Askren presented testimony on behalf of the Kansas Farm Bureau in support of <u>SB272</u>. Better water management tools are needed to help maximize the economic gain derived from using Kansas water. The two-year drought emergency term permit initiated by the chief engineer was a good stopgap effort, but it was just that. A more long-term, carefully planned management strategy is needed for future water management decisions and maximum economic benefit.

As amended, <u>SB272</u> would allow a volume of water to be resourcefully applied over several years, increasing its economic potential while at the same time protecting the natural resource and respecting existing water rights. (<u>Attachment 4</u>)

Mike Beam presented testimony on behalf of the Kansas Livestock Association in support of **SB272**. The Kansas Livestock Association applauds the Division of Water Resources, the Kansas Department of Agriculture, the Kansas Water Authority and the Kansas Water Office's collaborative effort to explore changes to the law that should attract more participation by water users. Due to extreme heat and drought conditions during the 2011 growing season, making these changes during the 2012 session will be timely and welcomed by many water right owners in the state.

The Kansas Livestock Association respectfully urges the House Committee on Agriculture and Natural Resources to pass <u>SB272</u> to the full House. (<u>Attachment 5</u>)

## Written testimony:

Ronald Seeber, Sr. Vice President of Governmental Affairs, Kansas Grain and Feed Association (Proponent) (Attachment 6)

Sue Schulte, Kansas Corn Growers Association (Proponent) (Attachment 7)

Ken Penner, Kansas Farm Bureau (Proponent) (Attachment 8)

Derek Sawyer, Kansas Farm Bureau (Proponent) (Attachment 9)

There being no further testimony on **SB272**, Chairman Powell closed the hearings.

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Chairman Powell opened the floor for hearings on <u>HB2551 increasing the maximum allowable</u> vessel registration fee charged by the Department of Wildlife, Parks and Tourism.

Chris Tymeson, Chief Legal Counsel, Department of Wildlife and Parks testified on behalf of the agency in support of <u>HB2551</u>. <u>HB2551</u> seeks to raise the cap on vessel registration fees. There are currently 100,000 mechanically-propelled and sailing vessels registered with the Kansas Department of Wildlife, Parks and Tourism for use on public waters. The current registration fee is \$30 for a three-year period, which is the cap of the registration fee allowed by statute.

The Department appreciates the support of the Committee in the favorable recommendation of the bill. (<u>Attachment 10</u>)

There being no further testimony on **HB 2551**, Chairman Powell closed the hearings.

Chairman Powell announced the Committee would work **SB272** tomorrow, February 9, 2012.

Representative Kerschen introduced his special guests from the Winfield school district, Winfield, Kansas, Mallory Meyer of the gifted program and her teacher Willogene Frazee to the Committee hearing and welcomed them from Winfield, Kansas and thanked them for coming today.

Meeting adjourned at 10:15 a.m.