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To: House Committee on Water

From: Randy Stookey, Senior Vice President of Government Affairs, KARA

Re: Neutral Testimony with Concerns on House Bill 2279, requiring groundwater management districts to submit annual written reports to the legislature and to provide water conservation

and stabilization action plans to the chief engineer.

Chairman Minnix and members of the committee, thank you for the opportunity to provide testimony on House Bill 2279. This testimony is submitted on behalf of Kansas Agribusiness Retailers Association (KARA). KARA is an agribusiness industry trade association whose membership includes over 700 companies across Kansas.

Located across our state, our member agribusiness facilities work with Kansas farmers by providing agricultural inputs and services that assist with the growing of agricultural commodities. Our industry contributes to the Kansas economy and provides gainful employment for thousands of Kansans.

KARA understands that water is vital to all Kansans, particularly those engaged in the production of food, fuel, and fiber. Sound water policy, and its implementation, is necessary for the stability of agriculture now and in the future. KARA recognizes that water is a finite resource and supports the efficient management of groundwater.

KARA's water policy supports groundwater management districts (GMDs) providing limited annual reporting to the legislature or chief engineer. Section one of House Bill 2279 would require each GMD to submit an annual report to the legislature on the district's previous year finances and activities, including a detailed financial statement and a description of the board's activities.

The bill would require the financial statement to be prepared according to generally accepted accounting principles. This requirement seems overly costly and unnecessary, as this is not an accounting standard to which most boards or local units of government are required to be audited.

Current Kansas groundwater management policy is set forth in KSA 82a-1020:

It is hereby recognized that a need exists for the creation of special districts for the proper management of the groundwater resources of the state; for the conservation of groundwater resources; for the prevention of economic deterioration; for associated endeavors within the state of Kansas through the stabilization of agriculture; and to secure for Kansas the benefit of its fertile soils and favorable location with respect to national and world markets. It is the policy of this act to preserve basic water use doctrine and to establish the right of local water users to determine their destiny with respect to the use of the groundwater insofar as it does not conflict with the basic laws and policies of the state of Kansas. It is, therefore, declared that in the public interest it is necessary and advisable to permit the establishment of groundwater management districts.

Section 2(a) of the bill seems to alter this policy by failing to reference language concerning the preservation of basic water use doctrine and the right of local water users to determine the use of groundwater.

"It is the intent of the legislature that the groundwater resources of the state be conserved and extended by local water users for the prevention of economic deterioration and stabilization of agriculture pursuant to K.S.A. 82a-1020, and amendments thereto. The legislature has provided tools for districts and local water users to achieve such goals with intensive groundwater use control areas designated pursuant to K.S.A. 82a-1036, and amendments thereto, and local enhanced management areas established pursuant to K.S.A. 82a-1041, and amendments thereto."

This new language appears to significantly shift Kansas groundwater policy, which we think merits additional contemplation.

Section 2(b) would establish a mandatory, multi-step framework requiring groundwater management districts to identify "areas of concern" within the district, draft conservation action plans for those areas, and annually report back to the legislature on water conservation progress made using those plans.

KARA water policy supports implementing groundwater management mechanisms that are narrowly tailored to specific regions of Kansas, as those regions can vary greatly on the amount of groundwater present, precipitation received, amount of consumptive use, and rate of aquifer recharge. Additionally,

KARA supports local control of groundwater consumption through GMDs within the currently existing structure. We are uncertain that the proposed mandatory framework is either necessary, or practical, for the GMDs. The bill's factors for determining and defining areas of concern are overly broad and could potentially pull in most of the district. Another interpretation of the determining factors, however, could lead to a fracturing of the district into a dozen or more separate areas of concern, requiring the GMD to develop multiple conservation action plans to administer. This seems unwieldy, and impractical, especially under the current budget realities of the districts.

Additionally, the requirement for a public education and outreach component could be problematic. An effective public education and outreach campaign requires an effective staff person to administer, which would be cost-prohibitive for the GMDs.

While we appreciate, and agree with, the goal of the bill to address water conservation for the long-term benefit of the aquifer, the mandatory nature of protocols set forth in Section 2 of the bill are arguably cost-prohibitive and seem inconsistent with the state's policy of local control of groundwater consumption through GMDs.

Thank you for allowing us the opportunity to testify on House Bill 2279 to share some of our concerns with the committee. If the committee decides to take action on the bill, we would request that the committee consider amending the bill to address these concerns.