

February 1st, 2011

To: Members of the Kansas House Ag & Natural Resources Committee

Fr: Wes Essmiller, Manager GMD #5

Re: Central Kansas Water Bank (CKWB) - review & renewal process

- The CKWB is a product of the Rattlesnake Creek Basin Partnership.
- The bank was intended to be another voluntary method to save water.
- The local water users involved in the formation of the bank envisioned it would:
 1. Establish a value of water in the basin;
 2. Allow movement water away from the stream corridor and decline areas;
 3. Be sensitive and responsive to water use issues;
 4. Utilize a business model for water utilization to save water.
- The legislation which enabled banking is somewhat restrictive.
- Rules and regulations adopted by Division of Water Resources are more restrictive.
- The "currency" of the CKWB is water.
- Water is deposited in the bank.
- Water is leased out by the bank.
- The "profit" of the CKWB is water saved through the conservation component.
- More water banked and loaned out results in greater "profit" or water savings.
- Required water savings during the first seven years resulted in limited transactions.
- Limited transactions resulted in little "profit" or water savings.
- The CKWB review committee was quick to recognize the issues restricting the bank.
- The CKWB review committee has thoughtfully offered ideas to improve "profits".
- The CKWB review committee has been a ray of hope to a struggling venture.
- Implementation of the committee's suggestions should improve "profits".
- The CKWB model is counter to the "use it or lose it" nature of Kansas water law.
- The CKWB is an opportunity to save water at nominal cost.
- Please support continuation of the Central Kansas Water Bank

House Ag & Natural Resources
February 4, 2011
Attachment 4